

OUTLOOK

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100
BEST-
LOVED
BRANDS

Africa must vie for larger share of its own consumer base, writes Thebe Ikalafeng

AFRICA has made tremendous political progress between the first independence on March 6 1957 of Ghana and the fall of apartheid South Africa on May 27 1994. But the continent remains economically dependent, with the lion's share of an estimated \$134 billion global aid.

While China has muscled its way into Africa ahead of rival Western superpowers with China-Africa trade estimated at \$365bn, according to Standard Chartered, the US remains the biggest global donor in Africa. It is also the leading nation with the greatest number of brands in Africa.

Yesterday, Brand Africa launched the 4th Annual Brand Africa 100: Africa's Best Brands, a pan-African brand ranking developed by Brand Leadership Group based on a survey among African consumers.

Across 22 countries encompassing all the leading economies in Africa, the US leads the country of origin with 21 percent of the brands Made in America, but with a 50 percent (\$453 837m) share of the value of the Top 100 Most Valuable Brands (\$921 933m). In this year's Brand Finance Global 500, the US accounts for about the same share of value (54 percent or \$1 305 938m) but for more than double the number of brands (46 compared to 21 in Africa), underlining the dominance and penetration of Made in America brands in Africa.

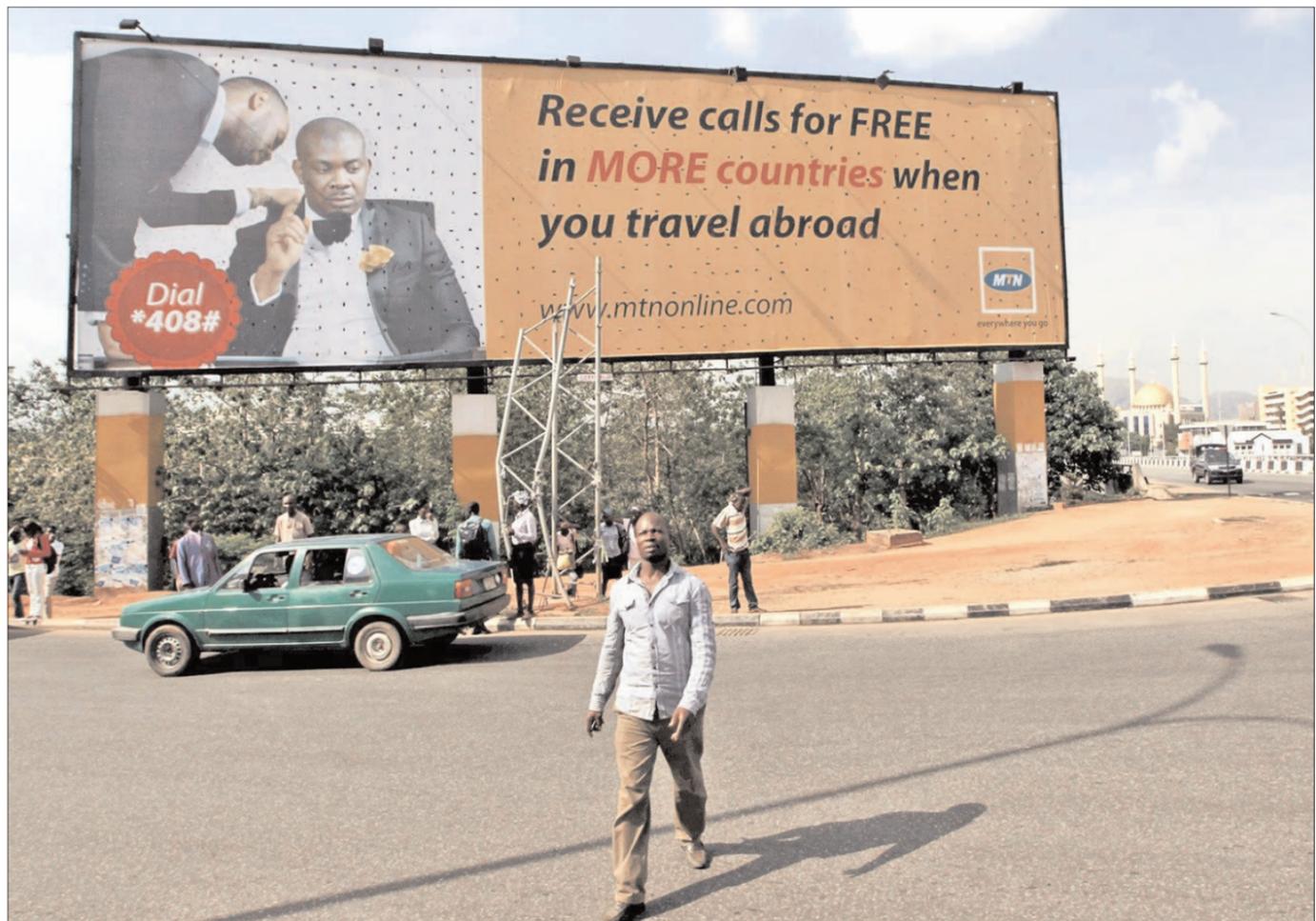
While the number of the most admired African brands in the Brand Africa 100 list has remained stable, the number of non-African brands' countries of origin has diversified from 17 in 2013 to 19 last year and 21 this year. Similarly, African brands have maintained their negligible value of 1 percent share among the Brand Africa 100 Most Valuable Brands. More concerning is African brands account for 1 percent of the value of the Top 100 brands in Africa.

Overall, the leading non-African and African brands have held their grounds over the past three years – with 48 brands consistent in the tables between 2013 and this year, and growing to 66 between last year and now – among the Brand Africa 100 Most Admired Brands.

Compounding its economic challenge, the World Bank forecasts that sub-Saharan African growth is likely to slow down to 4.2 percent this year compared to a growth of 4.6 percent last year because of the slowdown in China, slumping commodity prices and electricity challenges in countries such as South Africa, Nigeria and Zambia.

Africa's demographic dividend – 70 percent of the population under the age of 30, and a comparatively high economic growth – is plagued by high unemployment, poverty and the highest inequality ratio. While Africa has endless discussions about industrialisation, the West and East are deepening and consolidating their hold on Africa.

Out of the Top 10 brands in the Brand Africa 100, Mercedes-Benz made the biggest leap, jumping from 17 last year to 10 this year. In the Top 50, Google moved from 94 last year to 30 as most admired brand. The Netherlands' Visco dominates the textiles category with the most premium fabrics that are the canvas of almost all leading



STALWART: African brand MTN is the most pan-African brand among the Top 100 Most Admired Brands in Africa and among the Top 10 admired in seven African countries. PICTURE: REUTERS

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African traditional fashion brands and a symbol of African identity.

In telecommunications and mobile, MTN leads the African challenge as the Most Admired Brand in Africa, the Most Admired African Brand and the Most Valuable African Brand.

Twelve brands – mostly non-African – are admired across almost all the 22 nations in the survey: Samsung, Coca-Cola, LG and Nokia, Apple, Toyota and Nike, Sony and Adidas and Mercedes-Benz and Puma. MTN is the most pan-African brand among the Top 100 Most Admired Brands in Africa and among the Top 10 admired in seven African countries.

There is no doubt that industrialisation and

entrepreneurship, and the resultant brands are key to Africa's renaissance. When Africans build African brands or non-African brands are built in Africa, the businesses behind these brands contribute towards making Africa economically independent and address the key socio-economic challenges such as creating jobs, creating a tax pool to fund public goods and shapes perception of Africa as a competitive continent.

Many of the non-African brands that are thriving in Africa, such as Coca-Cola, Toyota, Samsung, Adidas and Nokia, are the de-facto staple African brands. Their products and campaigns are not merely adapted to but are shaped by the African reality.

Samsung's Built for Africa programme and its range of solar-powered products are shaped by the attitude that Africa power challenges are not an obstacle but an opportunity to leverage its glorious sunshine and solar energy.

Africa's yearning for brands is not merely for staples. The Deloitte "Global Powers of Luxury Goods" reports that the emerging markets of Asia Pacific, Latin America, the Middle East and Africa accounted for a combined 19 percent of the global luxury goods market in 2013.

Luxury brands Dolce & Gabbana (21) and Gucci (22) feature among the Brand Africa 100 Most Admired Brands in Africa, and L'Oreal features as the only cosmetics brand among the rankings due no doubt to

its aggressive growth strategy.

The biggest shift in the rankings is Nigeria overtaking South Africa as the leading African branding nation. There are only four South African brands in the Top 100 Most Valuable Brands – MTN (40), Dstv (66), Sasko (80) and Tiger Brands (82) with a combined BV of \$5.7bn compared to Nigeria's 11. According to the World Bank's Doing Business Survey 2015, Nigeria has moved up five positions for "Doing Business", nine positions for "Starting a Business" and 73 positions for "Getting Credit".

While the Brand Africa 100: Africa's Best Brands continue to be dominated by non-African brands, the Top 10 Most Admired African brands routinely feature stalwart African brands – MTN, Glo, Dangote, Tusker and Zenith.

Africa accounts for four of the 10 fastest growing economies in the world according to the 2014 World Bank data. It's important for Africa's ultimate economic independence that it adequately and fairly serves and competes for a larger share of its own consumer base.

Equally, the licence for non-African brands to thrive in Africa will be determined by how they adapt to the evolving and increasingly assertive African consumer who demands brands that reflect their needs and ambitions.

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