

# African businesses perform dismally in brands survey

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Samsung leads pack of most admired of Africa's Best 100 Brands



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By Ada Anioji

Non-African brands have emerged as the Top 3 brands in all markets, except in Nigeria (with Glo at #3), Kenya (with Safaricom/Mpesa #2 and Tusker #3) and Tanzania (with Azam #2).

African brands' share among most admired brands drops from 23% to 16%.

On a regional tally, Europe leads the table with 42 of the Top 100 most admired brands. USA leads all countries with 25/100. South Africa leads Africa with 6/100.

Lacoste (+52) made the most gains. Levi's (-68) lost the most ground.

In the area of value, Google, valued at \$109bn, is #1 Most Valuable Brand in Africa 100. MTN valued at \$2,975m is the Most Valuable African brand.

African brands represent 0.75% share of the value of the Top 100.

All of these came to the fore when Brand Africa released the annual Brand Africa 100: Africa's Best Brands – an annual survey and valuation of the Top 100 brands in Africa. GeoPoll used their sophisticated mobile SMS technology to identify the most admired brands in Africa among a representative sample of African consumers in 19 African countries. These countries collectively represent an estimated 74% of Africa's population.

Despite its recent crisis with its Galaxy Note 7 model, which notably was never launched in Africa, Samsung takes the #1 spot as the Most Admired Brand in Africa, displacing perennial leader MTN. However, MTN has retained its ranking as the Most Admired African Brand despite challenges particularly in Nigeria, which have knocked some shine off Africa's leading brand.

As recently reported in the annual Brand Finance 500, Google, which is valued at \$109bn globally, has displaced Apple as the Most Valuable Brand in Africa. MTN, valued at \$2,975m, retains its position as the Most Valuable African Brand, with a 13% rise y/y following a 36% decline in the 2014/5 rankings.

Non-African brands have entrenched their positions in Africa, growing their share of the Top 100 Admired brands from 77% in 2014/5 to 84% in 2016/7. In a country by country review, non-African brands rank the Top 3 brands in every market, except for Nigeria (with Glo at #3), Kenya (with Safaricom/Mpesa #2 and Tusker #3) and Tanzania (with Azam #2). Samsung is the #1 brand in 8 countries, Nike in 4 countries, Coke in 3 countries, Adidas in 3 countries and Airtel in one country. Non-African brands represent 99.25% share of the value of the Top 100 Valuable brands in Africa.

Among the Top 100 Most Admired Brands in Africa, Europe leads all regions with 42/100, followed by North America (25/100), Asia (17/100) and Africa (16/100). The United States leads the top countries of origin with 25/100, followed by the UK (8/100), Japan (6/100), Germany (6/100), South Africa (6/100), France (5/100) and China (5/100), Italy (4/100), Nigeria (3/100), Ireland (3/100), Netherlands (3/100) and Spain (3/100).

The Top 100 Admired brands are distributed among 11 categories across apparel (19%), consumers (13%), electronics (13%), telecommunications (12%), auto manufacturers (11%), alcoholic beverages (10%), food (6%), non-alcoholic beverages (5%), media (4%), sports & fitness (4%), retail (2%) and cosmetics (1%).

Between the 2014/5 and 2016/7 survey periods, a majority of the leading brands have retained their presence in the Top 100, with 31 new brands, notably South Africa's Shoprite and Pick n Pay, Morocco's Marwa, Ethiopia's Anbessa Shoes and Nigeria's Lady Care, entering the Top 100 in 2016/7 compared to 34 between 2014/5. A resurgent Lacoste (+52) made the most gains on the table and Levi's (-68) lost the most ground.

Because of the categories transformational impact in Africa, Brand Africa also conducted a separate parallel survey to determine the Most Admired Brands in Media and the Most Admired Brands in Financial Services. In the financial services category, Nigeria's GTB Bank leads the overall rankings in Africa and Barclays retains its position as the number 1 non-African financial services brand. In the media category, BBC and DSTV retain their positions as the top non-African and African media brands respectively.

"These rankings are an important metric of the progress Africa is making in creating competitive world-class brands that respond to African conditions, needs and ambitions," says Thebe Ikalafeng, Founder and Chairman of Brand Africa and Chairman of Brand Finance Africa. "It is a great concern that the share of African brands is so low and even declining. African entrepreneurs ought to know their consumers better than anyone. It is a wake-up call for African governments to create enabling environments to support these entrepreneurs to build Made in Africa brands which in turn will enable the governments to fund and drive their own development agenda."

Brand Africa 100 was developed by pan-African branding and reputation advisory firm, Brand Leadership Group supported by Kantar TNS the globally respected consumer knowledge and information company, GeoPoll, the leading mobile survey platform with a database of over 300m users in emerging markets and Brand Finance, the world's leading independent valuation consultancy.

Brand Africa 100 is a two-phase process that starts with a comprehensive consumer research across 19 countries in Africa to establish a consumer generated list of admired brands. These 100 most admired brands are then valued and re-ranked according to value by Brand Finance.

GeoPoll used their sophisticated mobile SMS technology to identify the most admired brands in Africa among a representative sample of African consumers in 19 African countries. These countries collectively represent an estimated 74% of Africa's population.

“Because of its high penetration across Africa, the mobile phone is a valuable tool in its ability to collect data from diverse geographical areas. GeoPoll’s method of collecting data through mobile surveys demonstrates the power and reach of mobile technology in its delivery of real-time, actionable data” says Steve Gutterman, CEO – GeoPoll.

Kantar TNS then collated this vast dataset and analysed the data to create a weighted consumer admiration score that reduced over 11,000 brand mentions to the Top 100 Most Admired Brands in Africa. With such diverse populations between countries and regions, the weighted index ensured the results are representative of the population within each country and Africa overall to reflect a unique ranking of the Top 100 Most Admired Brands in Africa.

“Success for brands is about establishing an emotional connection, creating intimacy and being more present in consumers everyday lives. This survey is a timely assessment of the various brands that play a vital role in Africa,” says Karin Du Chenne Kantar TNS Chief Client Officer Africa Middle East

In conclusion Brand Finance used the royalty relief methodology which is compliant with International Valuation Standards Authority as a basis for determining the fair market value of brands to establish the Top 100 Most Valuable Brands.

“African brands have an important role in helping to build the African continent,” concluded Oliver Schmitz, Managing Director – Brand Finance Africa. “As Africa builds competitive and valuable brands it helps to tell a positive story of the continent.”

Brand Africa is a non-profit intergenerational movement to inspire a great Africa through creating a positive image of Africa, celebrating its diversity and driving its competitiveness.

Brand Africa mobilises African and diaspora decision makers, thought leaders, influencers and future leaders to engage with, shape and drive an African agenda catalytic for creating an enabling environment for driving Africa’s growth, reputation, competitiveness and unity.

AU Chair, Moussa Faki Mahamat