



McCANN
WORLDGROUP

APPROACH TO AFRICA

NORTH AFRICA

Reporting into
McCann Middle East

SUB-SAHARAN AFRICA

Reporting into
McCann Worldgroup Johannesburg



APPROACH TO AFRICA

HUB AND SPOKE APPROACH

Given the complexity of Africa and the different operating Regions of our key Global Clients, we have identified and grouped six key hubs that are built around common language and geography that best serve our diverse Client base.

- Angola - Lusophone Hub
- Côte d'Ivoire - Francophone Hub
- Kenya - Anglo East Hub
- Nigeria - Anglo West Hub
- Mauritius - Indian Ocean Islands Hub
- South Africa - Southern Africa & Regional Management Hub



MARKET CAPABILITY

37 markets serviced

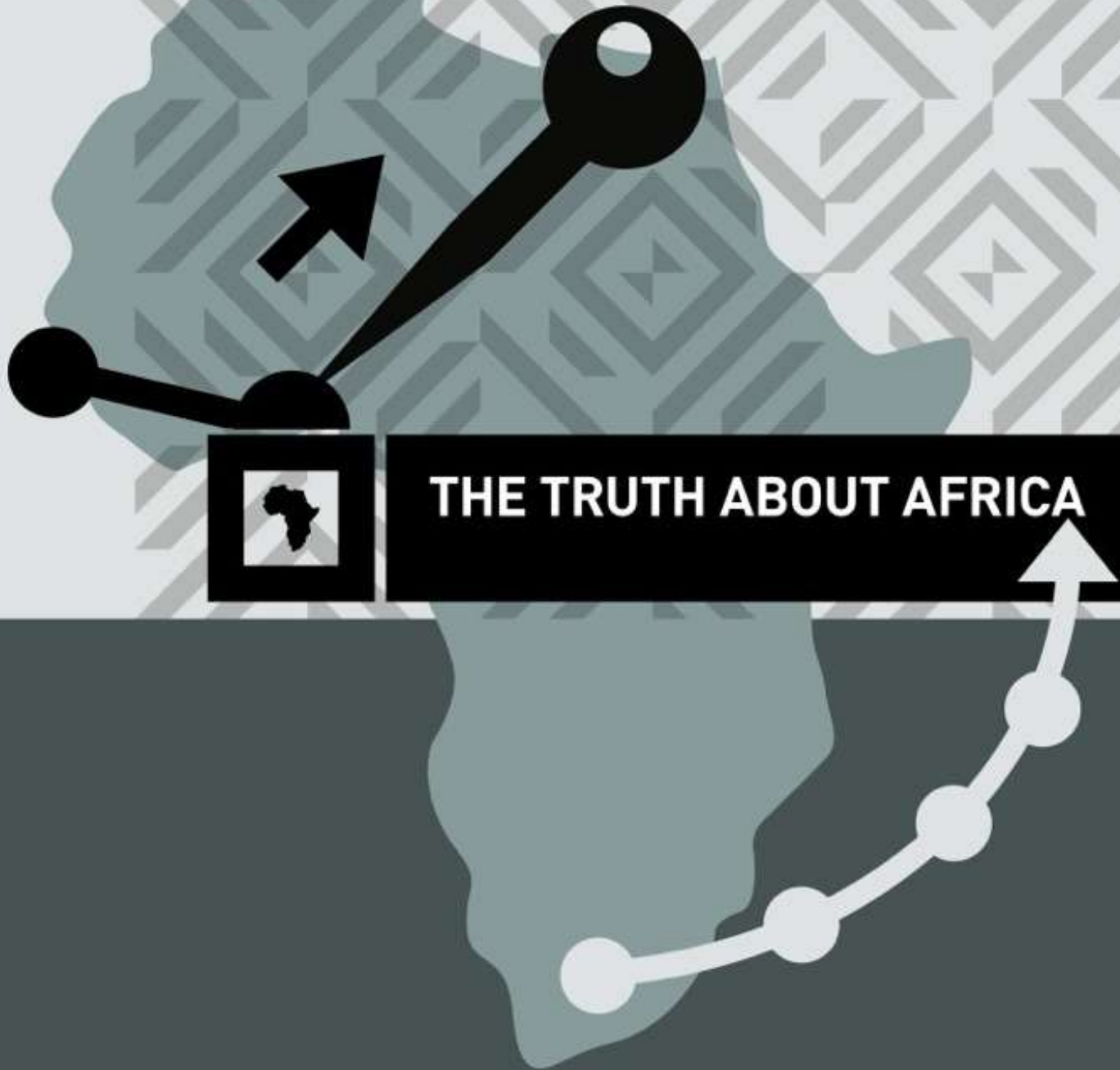
Angola
Benin
Botswana
Burkina Faso
Burundi
Cameroon
Chad
Comoros
Congo
Côte d'Ivoire
Democratic Republic of Congo
Ethiopia
Gabon
Gambia
Ghana
Guinea
Guinea Bissau
Kenya
Madagascar
Malawi

Mali
Mauritania
Mauritius
Mozambique
Niger
Nigeria
Reunion
Rwanda
Senegal
Seychelles
Sierra Leone
South Africa
Tanzania
Togo
Uganda
Zambia
Zimbabwe



SOURCES OF INSPIRATION





THE TRUTH ABOUT AFRICA





Methodology

FACTS AND STATS

The continent visualised in figures
Making sense of its enormity and diversity

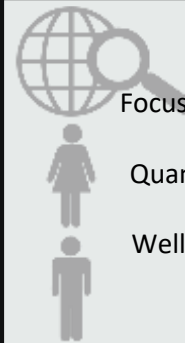
- Demographics (projected)
- Global Competitiveness
- Connectivity
- Important market segments



LIFESTYLES & ENVIRONMENTS

Consumer snapshot of 6 key markets

- Consumer segments
- Lifestyles
- Shopping
- Top brands
- Access to healthcare



THE TRUTH ABOUT...

Focus on Nigeria, Kenya, Ghana, Angola, South Africa & Cote d'Ivoire

Quantitative studies uncovering a variety of important topics

Wellness, privacy, middle class, youth, connected you, social media codes, advertising, global brands



MEDIA

Snapshot of 6 key markets

- Traditional
- Social media



Zimbabwe - Harare



Uganda - Kampala



Cameroon - Douala



Mauritius - Curepipe



Ghana - Accra



South Africa - JHB



Zambia - Lusaka



Nigeria - Lagos



Cote d'Ivoire - Abidjan



Kenya - Nairobi

**TRUTH
ABOUT
STREET**

4

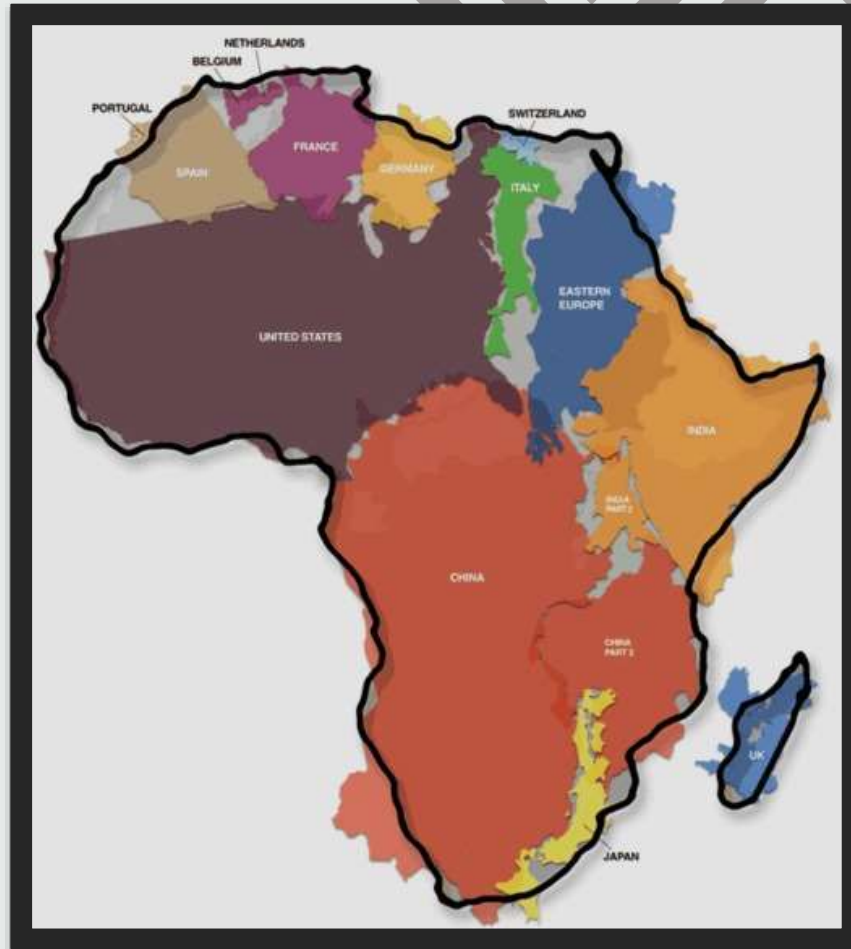


4 big myths

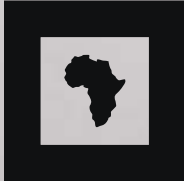
1



Myth 1: Africa is one country



2nd Biggest continent



It is actually 54 countries



Most diverse continent in the world



Close to 1000 languages spoken

2



Myth 2: Africa is a charity case

WE'VE ALL SEEN THESE IMAGES IN THE MEDIA...



IT IS NOT JUST A STORY OF POVERTY: THERE IS ALSO TREMENDOUS WEALTH

Rate these countries by the size of their economies

- Nigeria
- Poland
- Norway
- Belgium
- Egypt
- Finland
- UAE
- Israel
- Singapore
- Denmark
- South Africa
- Austria

AFRICA HAS SOME OF THE BIGGEST GLOBAL ECONOMIES

- Poland (21)
- Belgium (23)
- **Nigeria (30)**
- Norway (28)
- Austria (26)
- UAE (29)
- **South Africa (33)**
- Denmark (36)
- Singapore (34)
- Israel (32)
- **Egypt (43)**
- Finland (42)

AFRICA HAS SOME OF THE BIGGEST GLOBAL ECONOMIES

- Poland (21)
- Belgium (23)
- **Nigeria (30)**
- Norway (28)
- Austria (26)
- UAE (29)
- **South Africa (33)**
- Denmark (36)
- Singapore (34)
- Israel (32)
- **Egypt (43)**
- Finland (42)

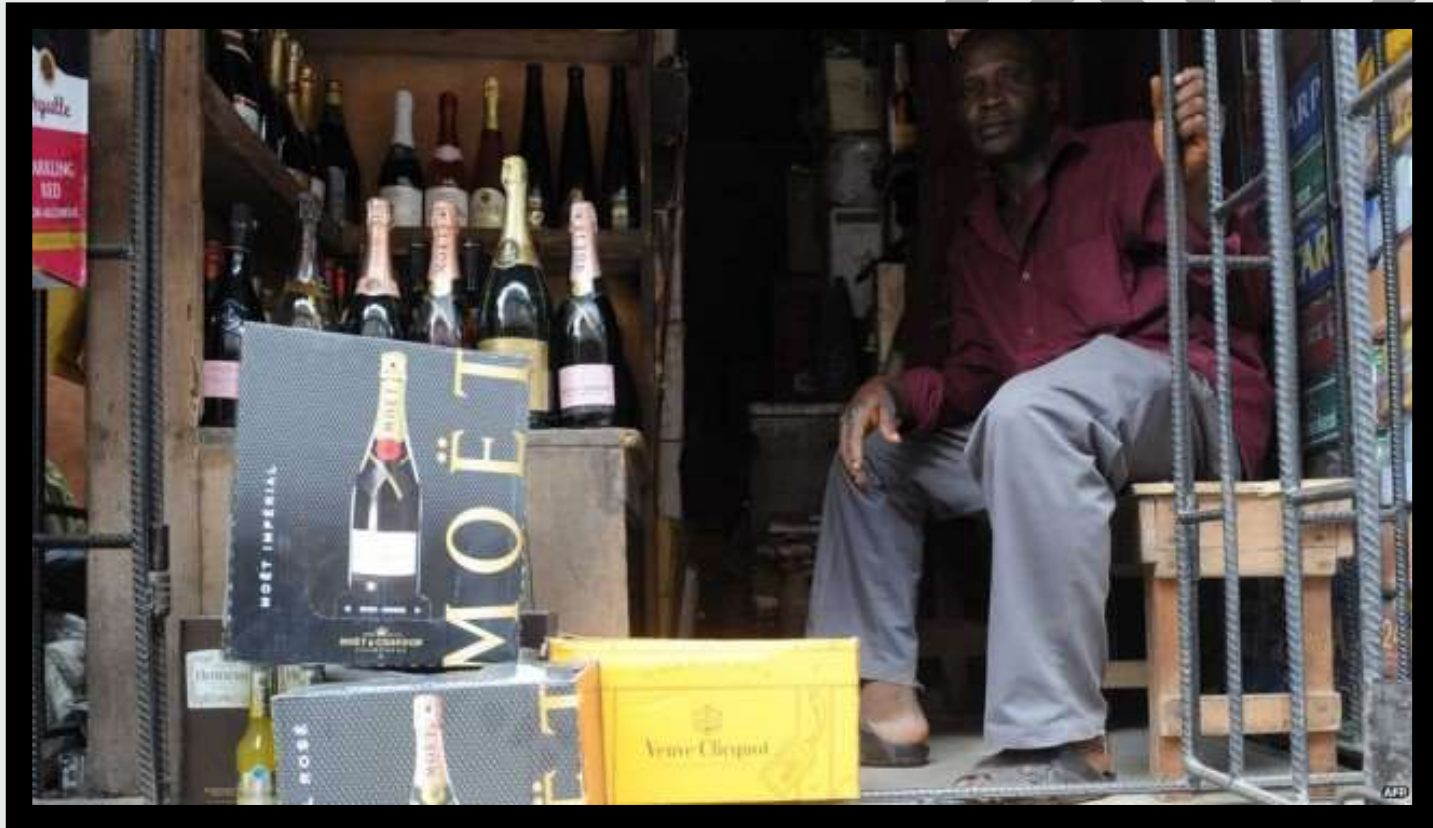
But this does not include the informal economies in Africa.
Over 50% of the economy is informal and not properly recorded



23 US\$ Billionaires



With an appetite for the good life



Nigeria is the biggest Moët market in Africa.
Hennessey experiencing double digit growth in African markets, and views Kenya as a key growth market.

3



Myth 3: Africa is Safari



How many countries out of 54 are actually known for Wildlife?





Only 14 of 54:

- BOTSWANA
- CONGO
- KENYA
- MADAGASCAR
- MALAWI
- MOZAMBIQUE
- NAMIBIA
- RWANDA
- SEYSELLES
- SOUTH AFRICA
- TANZANIA
- UGANDA
- ZAMBIA
- ZIMBABWE

It is not all rolling savannahs



4



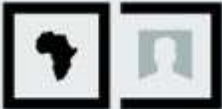
Myth 4: Africa is tomorrow's opportunity

Africa has rich natural resources

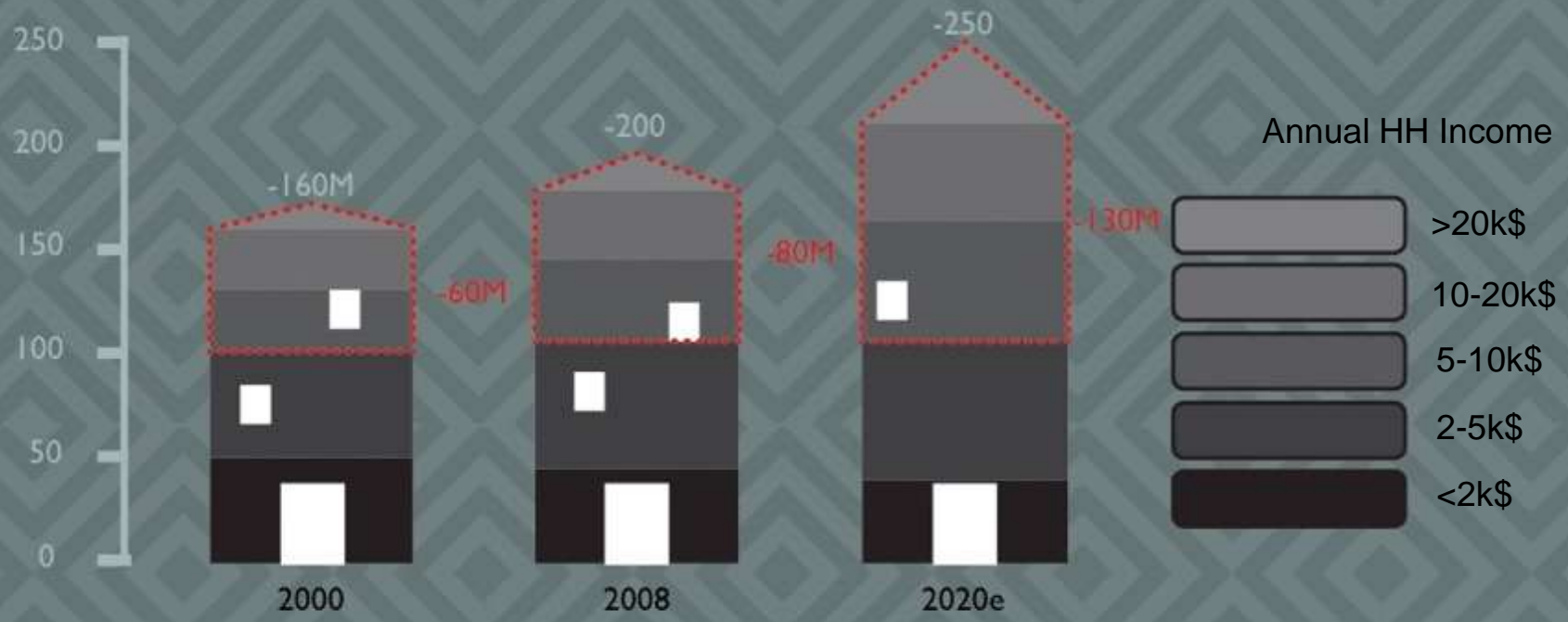


600
MILLION
HECTARES

Africa has around 600 million hectares of uncultivated arable land, roughly 60 percent of the global total.



But its biggest resource is its people



More than 50 million new middle and upper class households are expected to emerge on the continent in the next 10 years

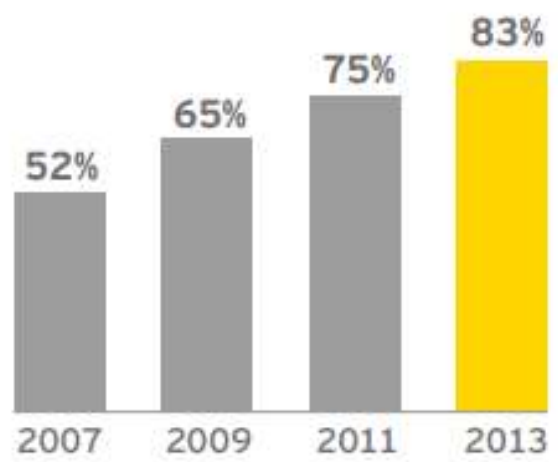
Young, vibrant and entrepreneurial



THE AVERAGE AGE
BY 2020 WILL
BE...20 YEARS

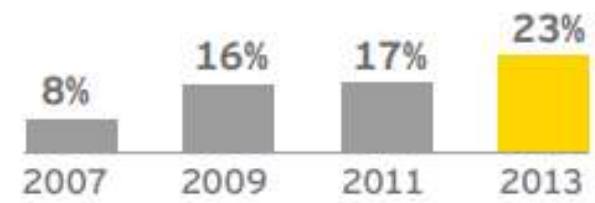
Who are spurring the economy forward to new heights

1 SSA share of FDI rises



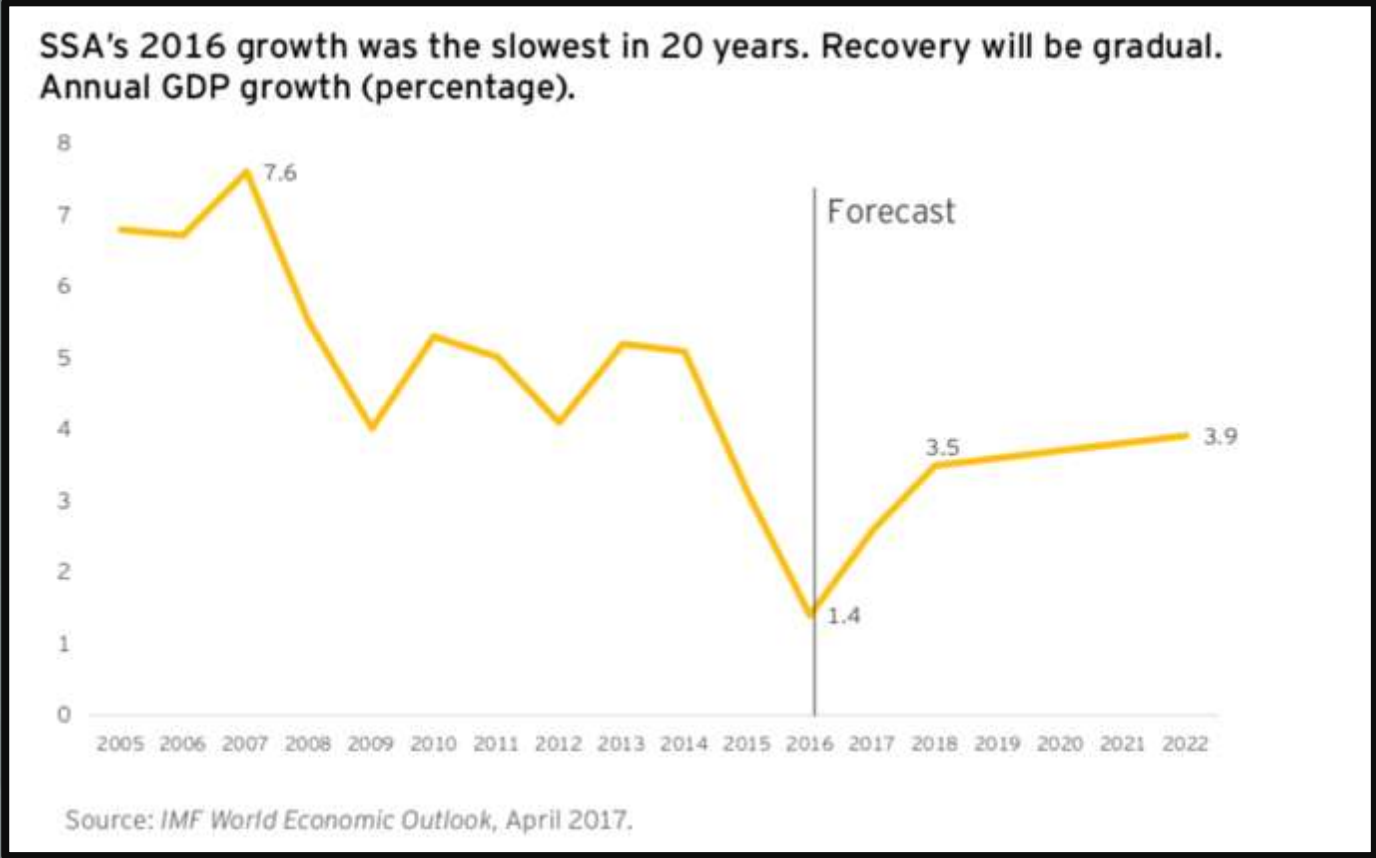
Share of SSA in FDI projects in Africa reached an all-time high in 2013.

2 Intra-African investment momentum builds




Share of intra-African projects in the continent reached an all-time high in 2013.

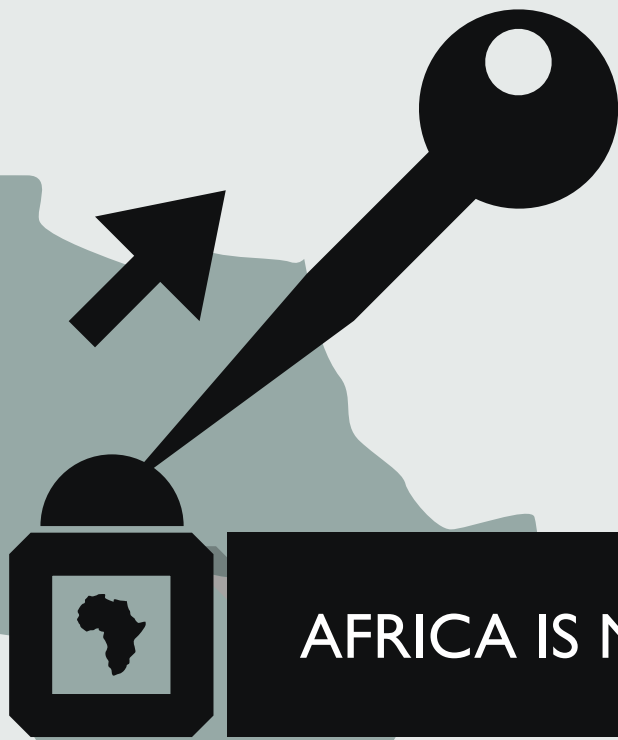
Who are spurring the economy forward to new heights



Who are spurring the economy forward to new heights

Source country	FDI projects			FDI investment (US\$b)		Jobs created from FDI	
	2016	2015	Percentage change	2016	Percentage share	2016	Percentage share
 US	91	96	-5.2	3.6	3.9	11,430	8.9
 France	81	58	39.7	2.1	2.2	8,087	6.3
 China	66	32	106.3	36.1	38.4	38,417	29.7
 UK	41	77	-46.8	2.4	2.5	2,383	1.8
 UAE	35	50	-30.0	11.0	11.7	8,109	6.3
 South Africa	29	33	-12.1	1.6	1.7	2,925	2.3
 Japan	27	12	125.0	3.1	3.3	6,630	5.1
 Switzerland	27	18	50.0	0.5	0.6	1,557	1.2
 Spain	23	16	43.8	0.8	0.8	2,049	1.6
 Italy	20	16	25.0	4.0	4.3	2,137	1.7
 Germany	19	38	-50.0	0.4	0.4	2,389	1.8
 India	18	45	-60.0	1.2	1.2	1,924	1.5
 Morocco	17	14	21.4	4.8	5.1	3,957	3.1
 Kenya	14	36	-61.1	0.1	0.1	462	0.4
 Nigeria	11	14	-21.4	0.4	0.4	732	0.6

Source: [EY Africa Attractiveness Survey](#)



AFRICA IS NOW

Now is the time

To find new customers

To establish new infrastructure

To hire new talent

To be part of the growth story



However, businesses seeking to do business in Africa must be prepared to think differently



4 key themes for brands in Africa:

The African Way:

Understanding ways of doing business

Swag vs. Ubuntu:

Understanding the African People



Africa for Africa:

Understanding the emerging pride

Silicon Savannah:

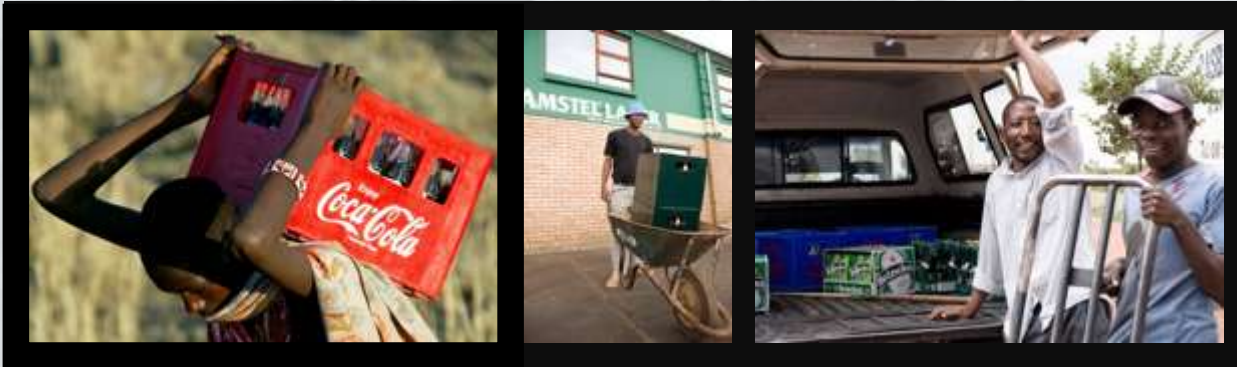
Understanding agents for change



THE AFRICAN WAY:
Understanding ways of doing business

ON THE ONE HAND, THE AFRICAN WAY OF DOING BUSINESS IS UNIQUELY CHALLENGING

Poor logistical infrastructure



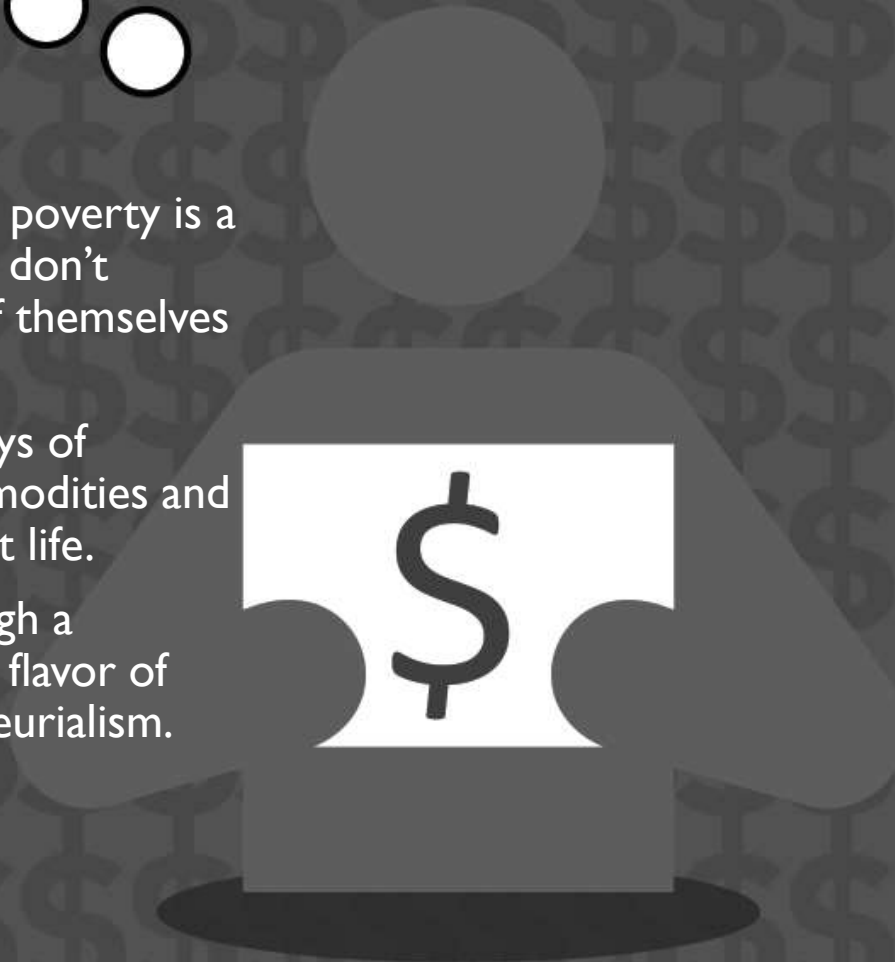
Unorganised retail environments





ON THE OTHER HAND, THESE HARDSHIPS GIVE RISE TO UNIQUE PROBLEM SOLVING CAPABILITIES

- For African people, poverty is a state of mind. They don't necessarily think of themselves as poor.
- They find novel ways of accessing the commodities and trappings of affluent life.
- They do this through a particularly African flavor of creative entrepreneurialism.





THE SPIRIT OF KANJU IS AT THE HEART
OF CREATIVE PROBLEM SOLVING

“Kanju” – *n.* Yoruba word
meaning a spirit of hustling,
striving and rule-breaking.

Kanju: 'PlayStation Centers' give even the rural poor a taste of middle-class recreation.



Taxi companies make the long hours that people spend commuting more productive by offering wi-fi.



These are just a few examples of the many fields in which Kanju has unlocked innovation.



Dolos



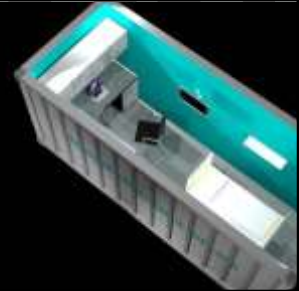
iShack



Pratley



Charging shoes



Hospital in a box



University



Pool cleaners



Mobile money transfer



Solar oven



Digital laser

These are just a few examples of the many fields in which Kanju has unlocked innovation.



Electronic walking stick developed in Kenya.



BRAND IMPLICATION: Businesses need to reframe their thought processes and expectations to adapt to the African Way



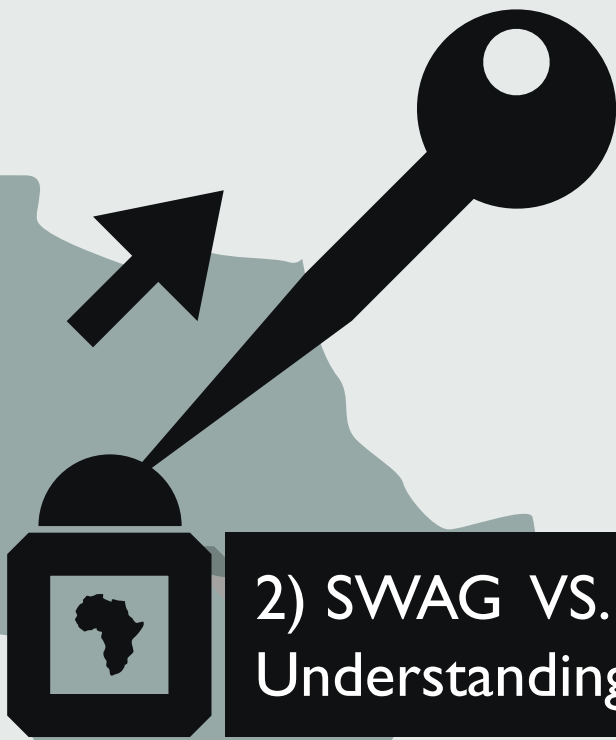


BRAND IMPLICATION: Businesses should find ways of embracing and scaling the spirit of Kanju within their own organisations.





The cosmetics sector in Sub-Saharan Africa is expected to grow exponentially. Overall, the African beauty and personal care market was estimated at \$11 billion in 2017 and it currently increases between 8% and 10% per year against a global market growth rate of close to 4%. It is expected to reach \$14 billion in 2020 when the continent's total population, the fastest growing in the world, will reach 1.4 billion inhabitants.



**2) SWAG VS. UBUNTU:
Understanding the African people**



Prospects are brightening for people across Africa

59% OF THE MIDDLE CLASS ARE MORE **CONFIDENT ABOUT THE FUTURE**

31% SAY THAT PEOPLE ARE **HAPPIER** THESE DAYS

42% SAY IT IS **EASIER TO MAKE MONEY**

26% SAY THEY WORRY LESS ABOUT THEIR **HEALTH**

KENYANS ARE PARTICULARLY CONFIDENT ABOUT THE FUTURE



BUT THIS IS CAUSING A TENSION BETWEEN NEW INDIVIDUALIST DESIRES AND TRADITIONALLY COMMUNAL MOTIVATIONS

SWAG

Showing off, celebrating success, aspiring to a higher socio-economic class.

UBUNTU

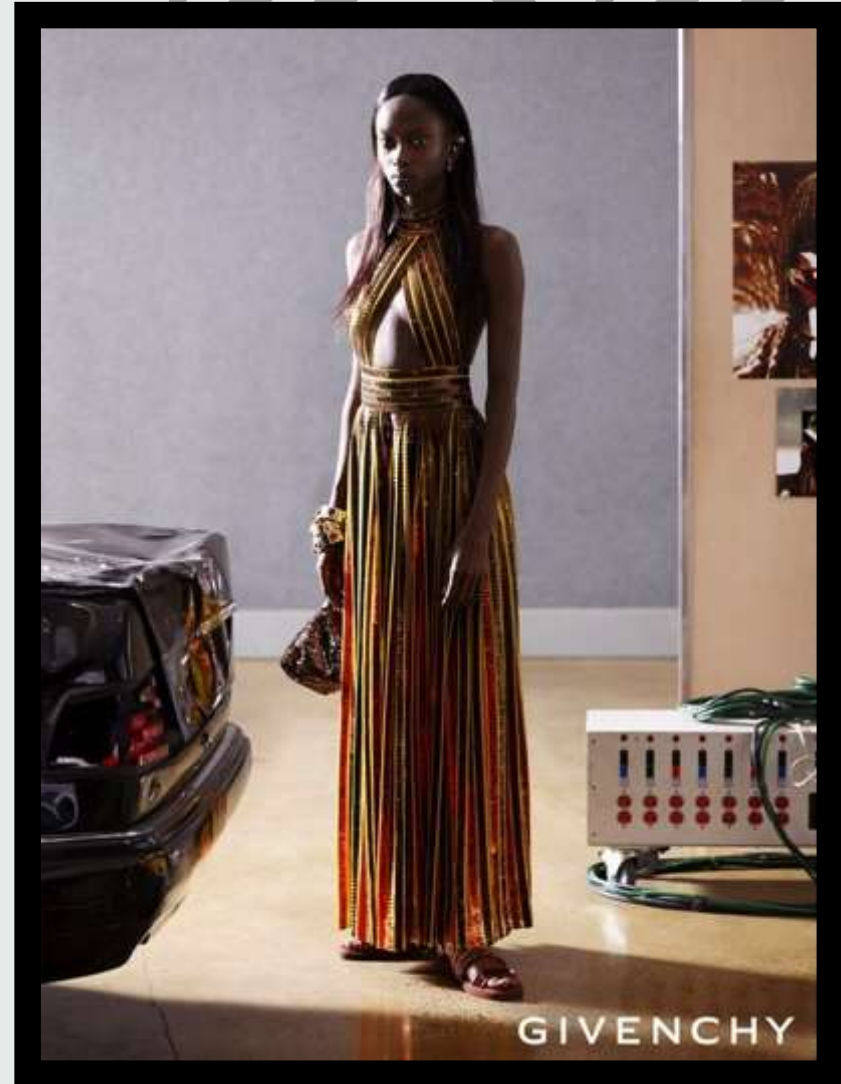
Caring for the community, investing in the next generation, leaving a legacy.

Swag is strong in how the youth define themselves

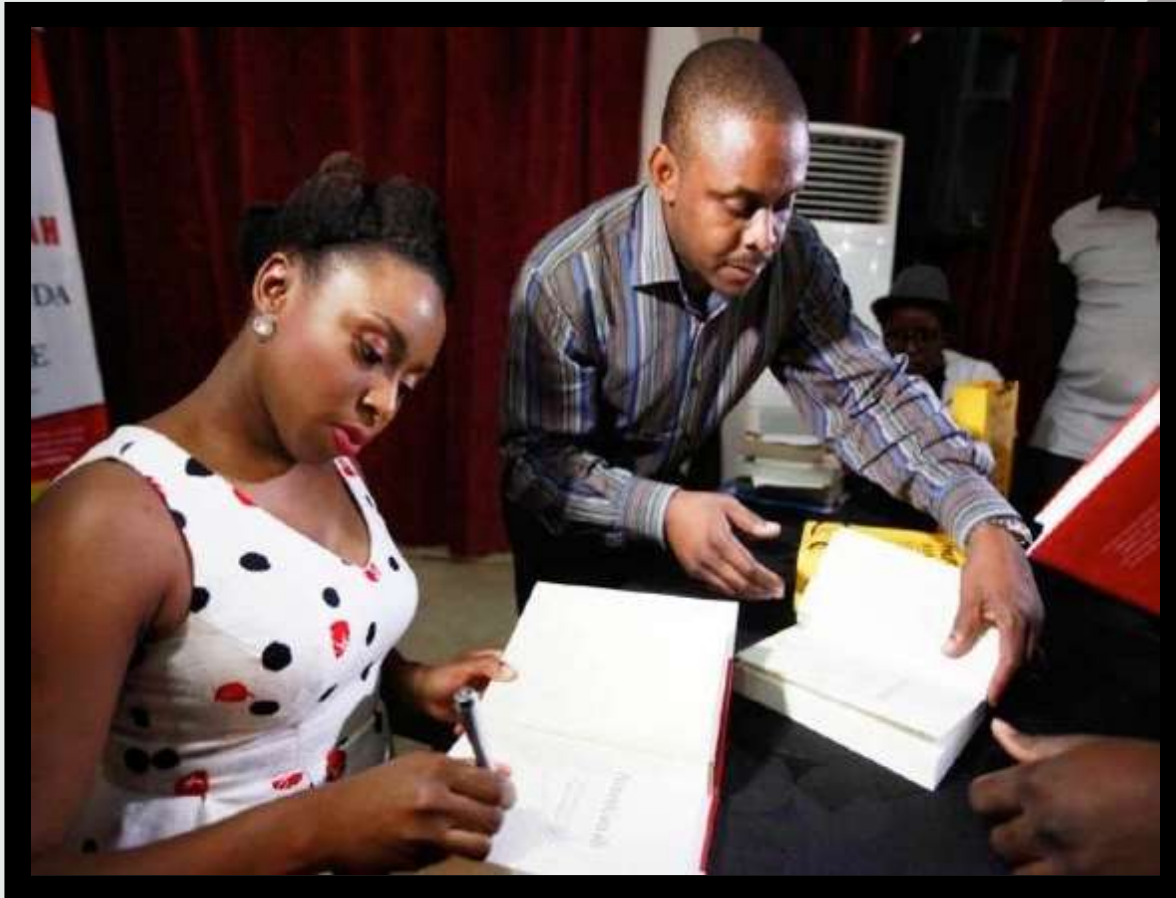


It is beyond cool, it is about aspiring to a new kind of lifestyle.

- “Wearing your future” is about showing that they’re successful today, and also symbolises where they want to be in the future
- The threat of slipping back into poverty is constant and scary for the African middle class



Africa has a surging professional class that has come from modest beginnings...



“I would call us the ambitious class, we’re hardly middle class but we strive hard to live the life we want. We can’t afford most of the things we have, but we buy them anyway because we aspire to the lifestyle they bring.”

25+ male, Lagos

The growing middle class wants recognition

- **Recognition** is the #1 driver of brand choice



Because they want to show that they are more than their income





CONGO - BRAZZAVILLE

They are in direct opposition to the philosophy of Ubuntu



'Ubuntu' *n.* Nguni Bantu term meaning humanity towards others

Deep-seated philosophy of community-mindedness in Africa

Ubuntu guides how Africans think about the future



- 76% believe **education** is the most important thing for their children to progress
- 46% want to leave a **legacy**

It drives them to seek community-minded role models, rather than “celebrities”

Julie Gichuru,
Journalist.





IMPLICATION

- Africans are not cynical about brands/advertising like developed markets. They welcome brand/business participation and want to be part of brand communities.



If you want to go quickly, go alone. If you want to go far, go together ~
African proverb





3) AFRICA FOR AFRICA: Understanding emerging pride

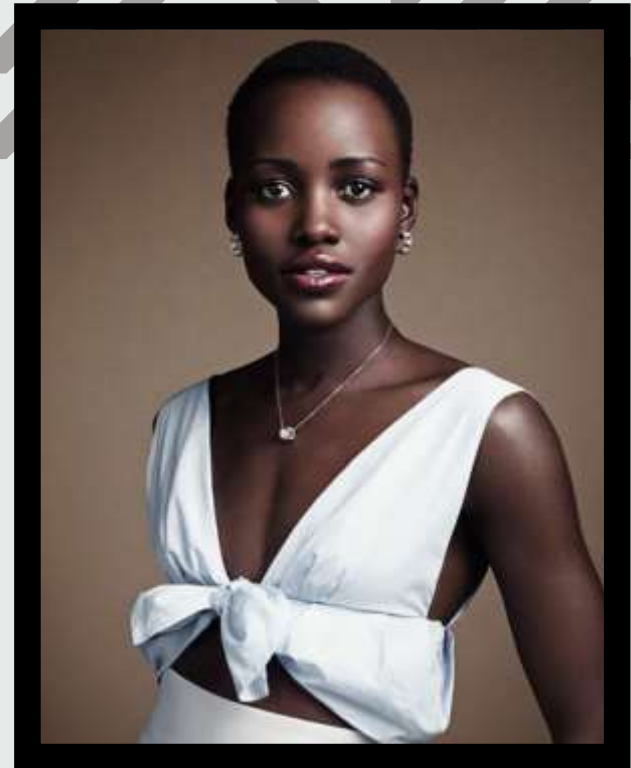


There is a growing pride and confidence in being African

- Africans are looking less and less for external help and validation
- Africa wants to solve its own problems



And after all, Africa has a lot to be proud of...



...a prolific film industry,
internationally famous
entertainers...



Africa is ready for Vogue

The business case is strong -

For skeptics who still see Africa in a dim light and therefore believe that a prestigious magazine like Vogue doesn't belong here, they are missing the fast-paced renaissance and energy that is flowing into almost every corner of the continent. It is a movement that is underpinned by a largely positive economic story with good long-term fundamentals and sweeping social and cultural changes that are being amplified by transformative technological change.

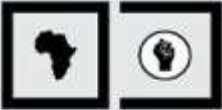


Black Panther success

The renewed conversation around race that Black Panther enters into extends beyond the entertainment industry. As the first black superhero film in a cinematic universe that's spent the past decade focused primarily on white superheroes, it underlines the chasm that exists between society's treatment of black Americans and white Americans.

Black Panther has certainly contributed dramatically to the steady drumbeat of purpose-driven content across all channels and industries and has contributed billions to the economy.

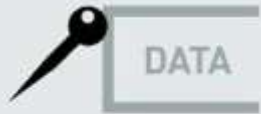
We cannot ignore Africa.



And some are finding global acclaim

- Many home-grown brands are looking to Pan-African expansion and are becoming multi-nationals within the continent
- Some home-grown brands have already expanded into Europe & North America





But we must never underestimate the power of a global brand

- It is about being global but in a local way

GLOBAL VS. LOCAL BRANDS

<p>African consumers have embraced and exhibit greater trust in global brands, which are perceived as higher quality.</p>	<p>91% of Africans think that brands should leverage the heritage of Africa</p>	<p>Only 17% of Africans primarily trust national brands over global brands, compared to the global average of 56%.</p> <p>87% of Africans trust technology companies such as Google and Facebook, far higher than in any other region. (73% globally)</p>	<p>“If I want to impress my girlfriend, I prefer buying her foreign brands because they are of higher quality.”</p> <p>Uganda, Male</p>
---	--	--	---

BRANDS IN AFRICA

African consumers want brands to be a part of the future of the region, in contrast to many other parts of the world, in which brands are a part of the local landscape in a way that is a welcome reminder of progress.

RIISING CONFIDENCE IN THE POWER OF GLOBAL BRANDS

<p>89% African consumers believe global brands have the power to make the world better.</p>	<p>68% of Africans believe that brands can bring people together and help eliminate prejudice/discrimination.</p>	<p>“Brands should get involved in the world when it comes to how their products are made and how employees are treated. But they should stay away from politics. Stay away from any political party affiliation. I’m keeping jeans, not your religion or political party.”</p> <p>South Africa, Female</p> <p>“Brands should speak for the voiceless.”</p> <p>Kenya, Male</p>
--	--	---





Enjoy Responsibly. Not for Sale to Persons Under the Age of 18.

TRUTH ABOUT STREET



SUCCESS:



PURPOSE:



LOVE:



CONNECTION:



DISCOVERY:



TRUTH ABOUT STREET



SUCCESS:



PURPOSE:



LOVE:



CONNECTION:



DISCOVERY:



TRUTH ABOUT STREET



This young woman who works in cosmetics wears a fashionable hairstyle and a casual office look, typical of the relaxed Curepipe style, with a jersey prepared for the cold weather - Mauritius



Fearless young creative in a creative suburb - South Africa



A man who stated he had been saved, as previously he only wore sweat pants - South Africa



Young ladies at a popular event in Kampala - Uganda

TRUTH ABOUT STREET



A VERY TRENDY GUY showing its Street style. The Bomber Jacketed lead the youth street style these days. - Cameroon



A Group of young guys (Sapeurs) showing their style on the street - Cameroon



Nice House Of Plastics Company Displays A Unique Design Of Chairs Making An Arch - Uganda



Woman dressed in 'Kaba' a typical traditional dress - Ghana



**4) SILICON SAVANNAH:
Understanding agents of change**

The mobile-enabled web has revolutionized Africans' access to services

Kenya is leading the way in innovative mobile services

- 78% of the Kenyan population owns a mobile phone
- 99% of total internet subscriptions are for mobile Internet
- 43% of mobile users have engaged in an m-commerce transaction



It has impacted a wide range of fields from banking to health to agriculture

Ushahidi: mobile disaster information crowdsourcing platform



M-Pesa: Mobile banking system

Nairobi is locally called 'silicon Savannah', and has ambitions of becoming a global tech capital.

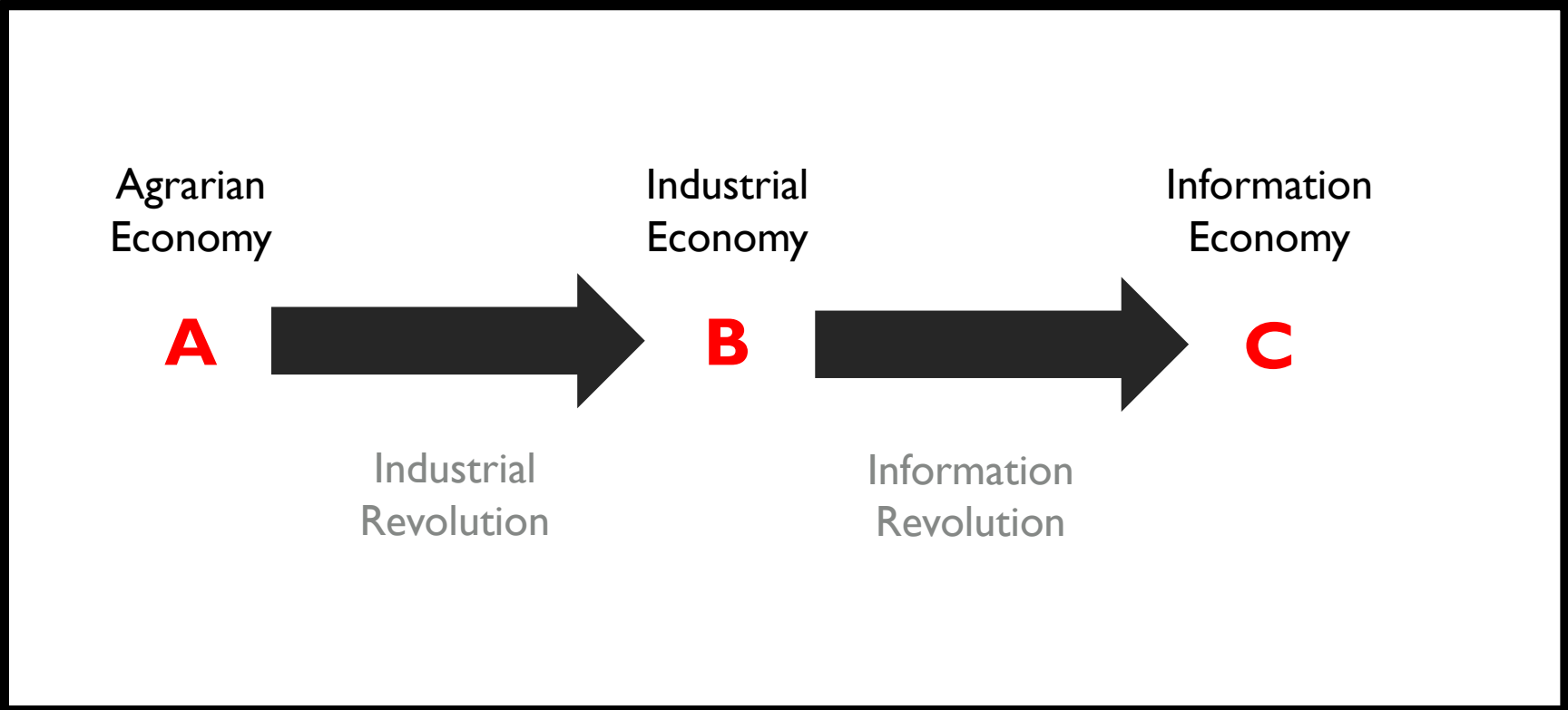
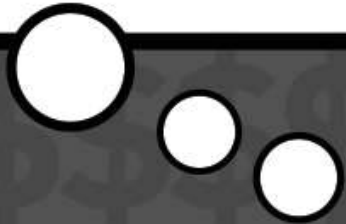




**AND FINALLY –
The macro-challenge in Africa**

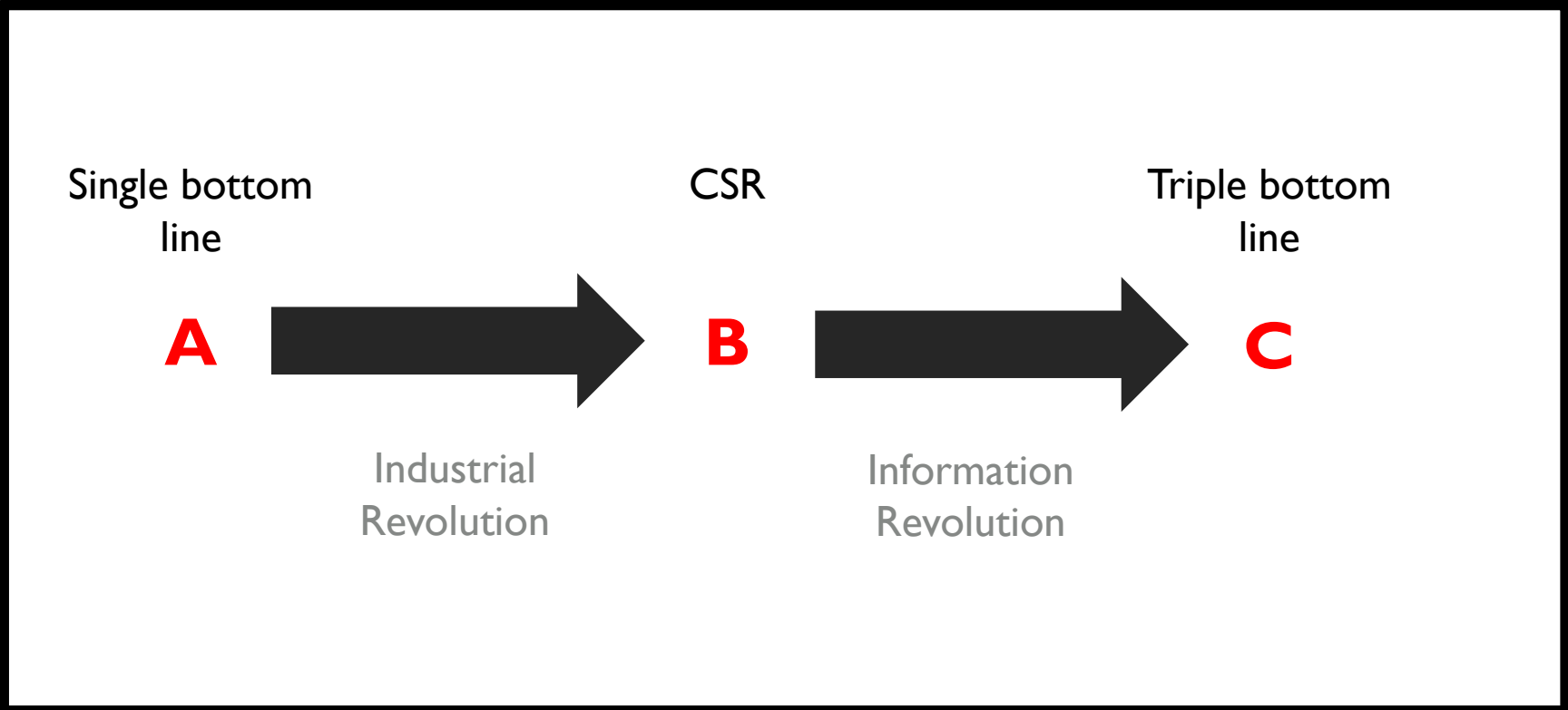
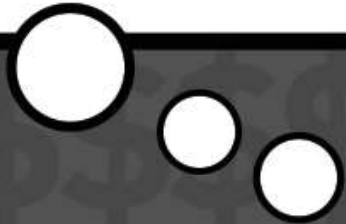


Africa presents a unique opportunity for new developmental paradigms



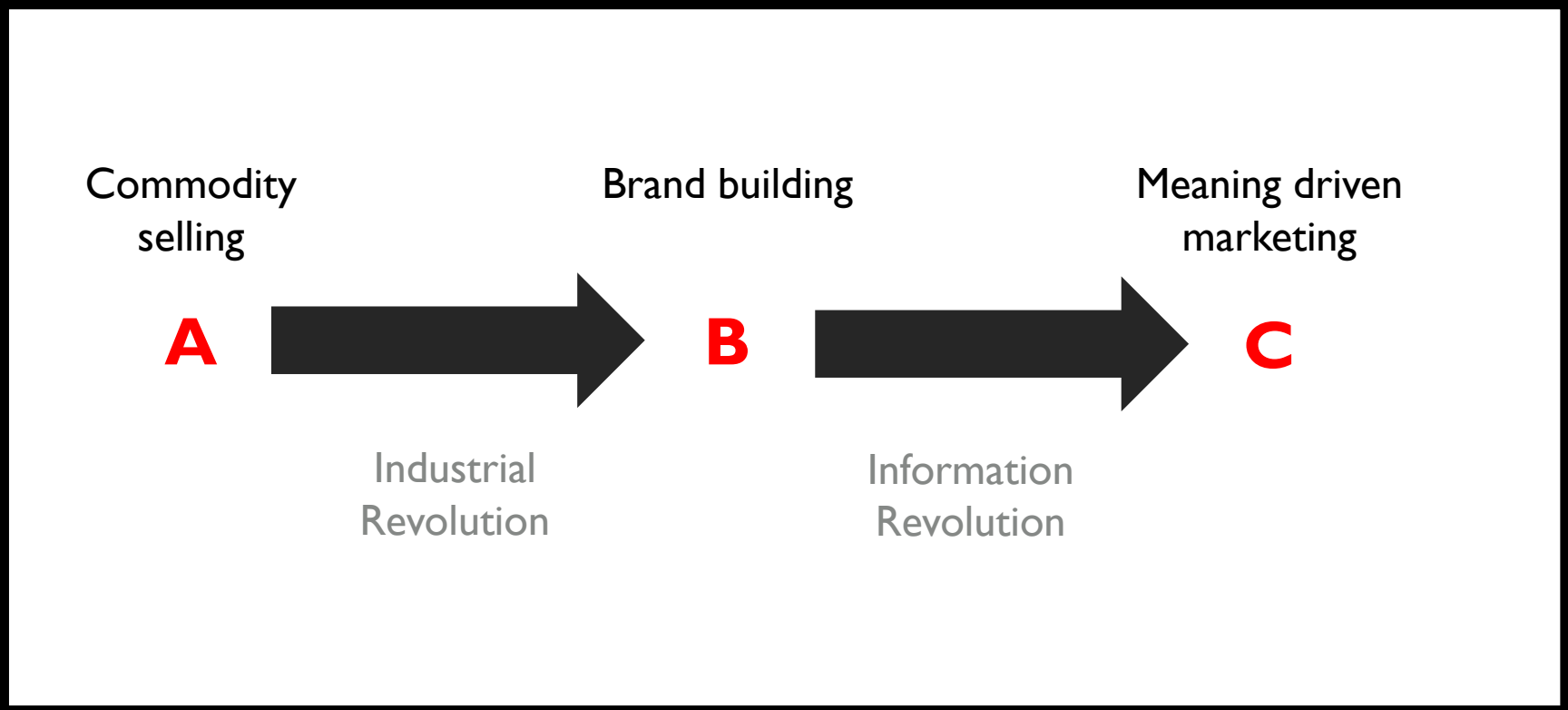
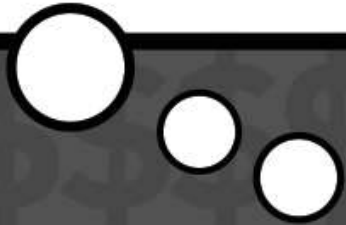


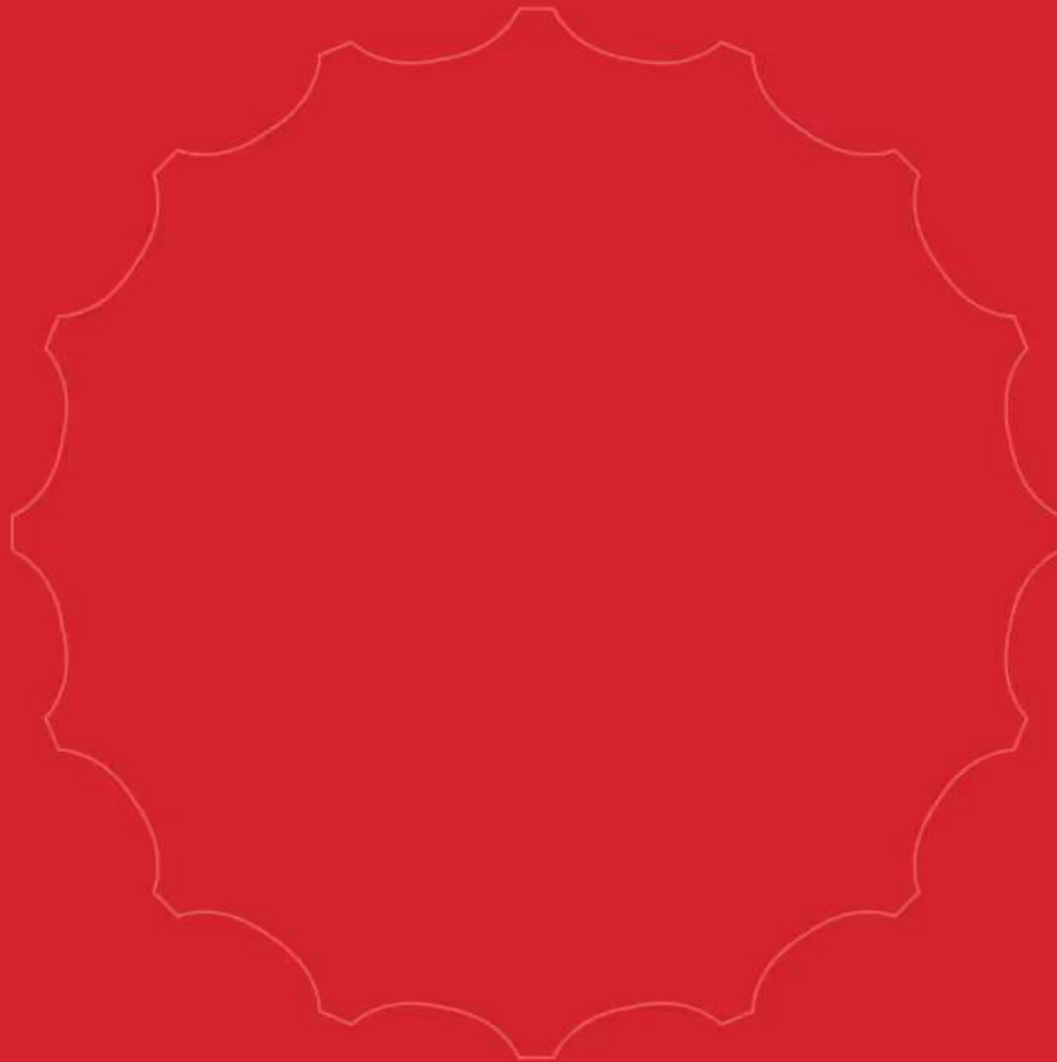
But Africa presents a unique opportunity for new developmental paradigms





But Africa presents a unique opportunity for new developmental paradigms





TRUTH ABOUT STREET



The background features a large, light-colored world map centered on the African continent. The map is rendered in a dotted or halftone style. Overlaid on this map are several large, semi-transparent silhouettes of African faces, each filled with a different traditional African pattern, such as diamonds and zig-zags. The overall color palette is monochromatic, using shades of gray and white.

**SEIZING THIS MOMENT OF “NOW” IN AFRICAN HISTORY WILL
REQUIRE BIG THINKING AND BRAVERY, BUT THOSE WHO’RE UP
FOR THE CHALLENGE STAND TO WIN BIG**



FOOD FOR THOUGHT