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➤ AMC Founder Member Certificate handover to the Marketing Society of Kenya (from left): Gillian Rusike, AMC Secretary-General, with MSK Chairman, Charles Kariuki, and Vice Chair, Deepesh Jha



➤ AMC Founder Member Certificate handover to the Zambia Institute of Marketing (from left): Lute Mwelo, CEO of ZIM; Mwewa Besa, ZIM President; Helen McIntee, AMC President; Raymond Kufekisa, ZIM Council Secretary; and Nigel Tattersall, AMC Director

Exciting times as we connect with our membership

GOOD DAY AMC COLLEAGUES! IT HAS BEEN A very exciting time for the confederation over the past few weeks as the AMC Directors visited both the Zambia Institute of Marketing and the Marketing Society of Kenya. After very fruitful discussions regarding how we can continue to connect marketing professionals in Africa, we presented the CEOs of both associations with their AMC Founder Member Certificates. (See photos on this page).

We are also very pleased to welcome the Uganda Marketers Society as the AMC country member for Uganda. We look forward to working with the UMS in our endeavours and our shared vision of connecting marketing professionals on the continent.

On 27th May, I was honoured to host the relaunch event of the Institute of Marketing Management South Africa (see pg 34 for more information). It was a great occasion, the first 'in contact' event to be held since the beginning of the pandemic – and how special to be able to have human contact again! Matt van der Valk presented an excellent and entertaining session on Dark Marketing, a topic we covered in the previous issue of the magazine.

We also held the first AMC Virtual Masterclass on 31st May (see pg 20). Facilitated by Professor Adrian Palmer, Head of Department – Marketing at the Henley Business School in the UK. We had 18 delegates, all of whom gave very positive feedback. Entitled 'Building the Perfect Blueprint for Digital and Strategic Marketing', this informative Masterclass was the first of many the AMC will be holding in our bid to continue promoting professional standards across the continent.

Yours in marketing,

Helen McIntee
BA MBA (Wits) CM (SA)
President: African Marketing Confederation

Des temps passionnants alors que nous nous connectons avec notre adhésion

BONJOUR COLLÈGUES DE L'AMC! CES DERNIÈRES semaines, la confédération a vécu des moments passionnants lorsque les directeurs de l'AMC ont rendu visite à l'Institut Zambie du marketing et à la Société de marketing du Kenya. Après des discussions très fructueuses sur la manière dont nous pouvons continuer à connecter les professionnels du marketing en Afrique, nous avons remis aux PDG des deux associations leurs certificats de membre fondateur de l'AMC. (Voir les photos sur cette page).

Nous sommes également très heureux d'accueillir la Société de Marketeur d'Uganda en tant que pays membre de l'AMC pour Uganda. Nous sommes impatients de travailler avec l'UMS dans nos efforts et notre vision commune de connecter les professionnels du marketing sur le continent.

Le 27 mai, j'ai eu l'honneur d'accueillir l'événement de relance de l'Institute du Marketing Management South Africa (voir pg 34 pour plus d'informations). C'était une grande occasion, le premier événement "en contact" à se tenir depuis le début de la pandémie - et comme c'est spécial de pouvoir avoir à nouveau un contact humain! Matt van der Valk a présenté une session excellente et divertissante sur le Dark Marketing, un sujet que nous avons couvert dans le numéro précédent du magazine.

Nous avons également organisé la première Masterclass virtuelle AMC le 31 mai (voir pg 20). Animé par le professeur Adrian Palmer, chef de département – Marketing à la Henley Business School au Royaume-Uni. Nous avons eu 18 délégués, qui ont tous donné des commentaires très positifs. Intitulé "Construire le modèle parfait pour le marketing numérique et stratégique", cette Masterclass informative était la première des nombreuses que l'AMC organisera dans notre volonté de continuer à promouvoir les normes professionnelles à travers le continent.

Bien à vous dans le marketing,

Helen McIntee
BA MBA (Wits) CM (SA)
Présidente de: African Marketing Confederation

PUBLISHER

African Marketing Confederation

<https://africanmarketingconfederation.org>

info@africanmarketingconfederation.org

PUBLISHING COMMITTEE

Kwabena Agyekum (Chair)

Gillian Rusike

Helen McIntee

Nigel Tattersall

Mike Simpson

A.M.C. PRESIDENT

Helen McIntee

A.M.C. SECRETARY-GENERAL

Gillian Rusike

EDITORIAL

Simpson Media

Editor: Mike Simpson

mike@media-simpson.com

ADVERTISING SALES & COORDINATION

Avenue Advertising

Managing Director: Barbara Spence

Landline: +27 11 463 7940

Mobile: +27 82 881 3454

barbara@avenue.co.za

DESIGN & LAYOUT

Tamlin Lockhart Design

tamlin@tamlinlockhart.co.za

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Gen Z: It's important, but beware of the hype

WELCOME TO THE SECOND issue of *Strategic Marketing for Africa* for 2022 and the fourth issue of our new-look magazine since the renaissance of the African Marketing Confederation.

There is, currently, extensive coverage of the Gen Z grouping in seemingly every marketing publication that I read and on every marketing news website. Conversations with marketers frequently turn to Gen Z. Research agencies around the world are falling over themselves to find new insights about this cohort.

BEWARE OF THE HYPE

But sometimes it's necessary to remind ourselves that Gen Zeders are not the only group out there that should matter to marketers. Depending on their industry and product offering, companies and their marketing teams can still do good businesses without ever needing to target a Gen Zeder.

In most of the Developed World, with its ageing populations and low birth rates, the segment is still significantly outnumbered by older cohorts of consumers. In one **set of data** that I found from the respected **Brookings Institution**, Millennials are, in terms of aggregate income, still going to be the reigning economic powerhouse until around 2035.

Remember that important fact if you'd like to keep making a profit in the next 13 years! Even then, Millennials (and even some of the older cohorts)

won't magically disappear from the consumer landscape, confining themselves to buying only false teeth, arthritis remedies and walking sticks.

GEN Z'S INFLUENCE IN AFRICA

But (big 'but'), only a foolish company board or CMO would ignore the reality that Gen Z is what the music industry calls "bubbling under" and will eventually be at the top of the big-spending-consumer hit parade.

In Africa, with our very significant population of younger consumers, Gen Z is of vital importance to product developers, techies, manufacturers, marketers and sales teams. This segment is going to shape our long-term business and economic future on the continent – and perhaps a whole lot more besides – including lifestyle choices, attitudes to work, and the technologies that we embrace (or don't).

Gen Z, and the desire by business to tap into this audience, has already been integral to driving massive change worldwide. Three years ago, the TikTok phenomenon was largely unknown. This time last year, the Metaverse, wasn't a 'thing' unless you were a technology junkie. Yet look where we are now.

Which is why we are focusing strongly on Gen Z in this issue (see cover story) and will continue to examine the changing nature of this group, what it values, and its impact on marketing.

Mike Simpson
Editor

We acknowledge that the original inspiration for this issue's cover illustration comes from a photograph taken by Ninara and available via Wikimedia Commons under a Creative Commons Attribution-Share Alike 4.0 International license. It has subsequently been adapted by our creative team. The original photo can be viewed [here](#):



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Marketing: Key to Prosperity

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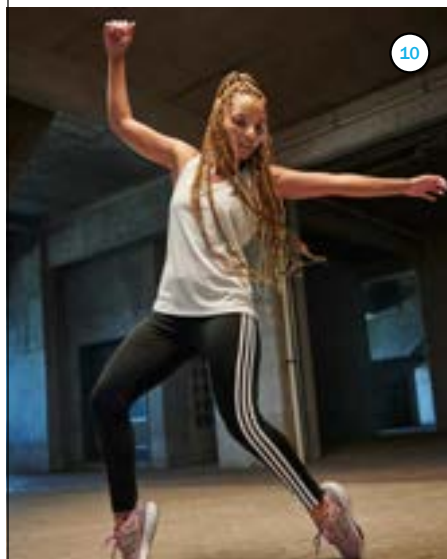
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NEXT ISSUE:

- The mysterious Metaverse comes to Africa
- How to survive a world without cookies
- The rise of the Virtual Influencer
- The science of Guerrilla Marketing



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Established in 1948

ABOUT US

The Institute of Marketing Management South Africa (IMM) has for decades been the pre-eminent marketing institute in Southern Africa, bringing together like-minded individuals to share thoughts and experiences within the rapidly changing marketing environment. The IMM offers a wide range of value-added products and services for marketing professionals who are Associates in either an individual or corporate capacity.

The IMM is a proud founding member of the African Marketing Confederation (AMC), providing you with the added benefit of developing a larger network across the African continent.



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Introducing the African Marketing Confederation

THE AFRICAN MARKETING Confederation is the ground-breaking pan-African body of marketing professionals spearheading the ongoing development of the highest possible standards of marketing across Africa.

Founded in 2011, the AMC is a collaboration between the various national marketing bodies and associations to exchange expertise and information, as well as to promote the marketing profession as a whole.

By unifying the bodies in the various countries, the AMC is positioned to

exchange expertise and information, provide intellectual capital and to ensure that the continent has a platform for like-minded marketing professionals at the highest level. The AMC aims to grow and support Leaders in Marketing in Africa, through this platform.

The AMC founding members are also fully committed to observing each country's unique and varying cultures, languages, standards of education and levels of development which require home-grown marketing approaches designed and nurtured by Africans themselves.

THE MOROCCAN ASSOCIATION OF MARKETING AND COMMUNICATIONS

The Moroccan Association of Marketing and Communications (AMMC) was created in late 2013 as a dedicated platform to the country's marketing and communication communities – including managers, directors and officers from large, medium and small companies operating in the private and public sectors. AMMC members contribute to strategic thinking related to topics and themes of common interest and organise networking and experience-sharing events. AMMC's vision is to become the Moroccan reference for marketing and communication. Its defined mission is to promote the marketing and communication professions, to develop the skills and knowledge of professionals and to participate actively in the economic welfare of Morocco. <https://www.facebook.com/AMMC.Maroc/>



CHARTERED INSTITUTE OF MARKETING, GHANA

The Chartered Institute of Marketing, Ghana (CIMG) was founded in July 1981 with the vision to be the voice of marketing practice in Ghana under the Professional Bodies Registration Act 1973 (NRCD143). The Institute aims at seeing organizations (both private and public) embrace the marketing concept, and be marketing oriented in their operations. In 2020, the CIMG received a Presidential Charter by the passage of the CIMG Act 2020 (Act 1021) with the main objects to set standards for the practice of marketing and to regulate the practice of the marketing profession in the country.

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NATIONAL INSTITUTE OF MARKETING OF NIGERIA

The National Institute of Marketing of Nigeria is the body of professionals engaged in marketing and related fields as marketing practitioners: sales and marketing directors, commercial directors, customers' managers, media planners, channel developers, creative directors, value builders, brand directors, corporate and institutional governors, transformers, communication experts, general managers, and chief executives.

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The Institute of Marketing Management South Africa (IMM) has for decades been the pre-eminent marketing institute in Southern Africa, bringing together like-minded individuals to share thoughts and experiences within the rapidly changing marketing environment. The IMM offers a wide range of value-added products and services for marketing professionals who are Associates in either an individual or corporate capacity. The IMM is a proud founding member of the AMC, providing you with the added benefit of developing a larger network across the African continent.

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UGANDA MARKETERS SOCIETY

The Uganda Marketers Society (UMS) is the leading community and voice of marketing professionals in Uganda. The society brings together diverse professionals across different backgrounds, experiences and levels of seniority to network, learn and grow together. UMS is affiliated with the Chartered Institute of Marketing CIM-UK, the world's leading professional marketing body. It is led by a diverse Board and Secretariat that

serve to ensure the society meets its goals. UMS started in 2015 with a vision to be the leading body of marketing practitioners and professionals inspired towards the development, promotion of professional ethics and standards, and application of world-class marketing leadership in Uganda. Its mission is to remain the most relevant influence informing Marketing in Uganda as a virtual community for professional marketers.

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MARKETING SOCIETY OF KENYA

The Marketing Society of Kenya started as the Advertising Society of Kenya in 1962. It became the Marketing Society of Kenya in 1968. The first chairperson was Nigel Crouch, the then MD of Cadbury Schweppes. The Society's main objectives are to develop, acknowledge and practice the profession of marketing, to provide services to members, and to offer a platform for self-regulation for practicing marketers.

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THE ZAMBIA INSTITUTE OF MARKETING

The Zambia Institute of Marketing is a membership organisation regulating the practice of marketing in Zambia as provided for in the Zambia Institute of Marketing Act No. 14 of 2003. The Institute is affiliated to the Ministry of Commerce, Trade and Industry. The broad operating moralities of the Institute include: apolitical stance; impartiality and common good; capacity building; networking; and effective communication.

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MARKETERS ASSOCIATION OF ZIMBABWE

The Marketers Association of Zimbabwe was launched in 2007 with a vision to be a leading body of marketing professionals promoting professionalism of the highest standards and establishing channels of career development for the benefit of organisations and the economy at large.

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INSTITUTE OF MARKETING IN MALAWI

Institute of Marketing in Malawi (IMM) was formed in 2020 after transitioning from what was CIM Malawi Members Group which was formed in 2010. IMM is committed to ensuring that interests and needs of its members and stakeholders are understood and catered for throughout the organisation and the wider industry. Currently, IMM is the largest community of professional marketers in Malawi involved in several marketing activities such as networking of marketers in Malawi, organizing marketing events and training courses, setting best marketing practice standards in Malawi, promoting professional development of Marketers, study and education guidance to marketing students among others. IMM has become the face of Marketing in Malawi with the organization now referred to as the benchmark of marketing standards in the country.

INSTITUTE OF MARKETING AND MANAGEMENT, MAURITIUS

Established in 1991, the Institute of Marketing & Management is the leading professional marketing education and training instituting of Mauritius.

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Dedicated African business news platform launched

MARNOX MEDIA IS COMMITTED TO BUILDING and growing businesses on the African continent, and has recently started representing international publisher, inc.com. The African chapter, inc.Africa, provides entrepreneurs and established business owners alike with the tools and resources to start, run and/or grow a business on the continent.

Inc.Africa offers ideas, resources, advice, support, tools, strategies, real stories, and real business insights that matter. The site is also easily segmented for business owners and potential customers to be able to easily access the information they require. And its editorial quality surpasses some of the world's most prominent publications.

This iconic digital publication, www.incafrica.com, that is on the same editorial level as *Forbes*, has been created to help African businesses succeed through providing them with unlimited access to quality content and resources to help them grow. Most notable is a section on their website called BrandView. This section can be used for public relations office boards and will allow brands to tell their stories written by, or in collaboration with, an inc.Africa writer.

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Understanding our young, **idealistic**, pro-African go-getting generation

By 2030, Gen Zers will be the world's largest consumer base. Are African marketers ready for a dominant new group with unique characteristics? By **Cara Bower**.



AS CONSUMERS, GEN Z (THOSE born between 1996 and 2012) and the older Millennials (born between 1981 and 1996) “often put their wallets where their values are, stopping or initiating relationships based on how companies treat the environment, protect personal data and position themselves on social and political issues”.

This is the assessment of the world’s two youngest consumer generations by Deloitte Global, in the *2021 Millennial and Gen Z Survey*. Much of what we know about Gen Z has come through reports such as this, which often lump the two generations together. However, as older Gen Zers enter the workforce it is becoming clear that they require a unique marketing touch.

Recently, research company Kantar hosted a webinar devoted to Africa’s Gen Z consumer. The insights included reflections on what pushes Gen Z’s buttons, what turns them off, who they are and what they want to be.

A SNAPSHOT OF THE KANTAR GEN Z RESEARCH FINDINGS

As with previous generations, Gen Zers

want to make an impact and shake things up. The difference is that these digital natives have technology firmly in their corner – and they aren’t afraid to use it.

According to Ndeye Diagne, Lagos-based MD of Kantar West Africa, Gen Z may still be finding its identity, but already brands are being forced to catch up as they seek to understand these connected “social media beasts” who are tech-optimistic, authentic, self-focused, socially aware, impact seeking, vulnerable, fun-loving and committed to their African identity.

While it is easy to get sucked into the ease with which Gen Zers engage with the digital world through preferred platforms such as Instagram, Twitter, Snapchat and TikTok, a focus on values is equally important. Kantar’s Chief Client Officer in Nigeria, Tamara Ojeaga, says Gen Zers share some common values with older generations, such as independence and self-determination, but they spice this up with their innate creativity and innovation, plus a keen desire for authenticity.

Babara Omwayi, CEO of Spark Communication, a below-the-line

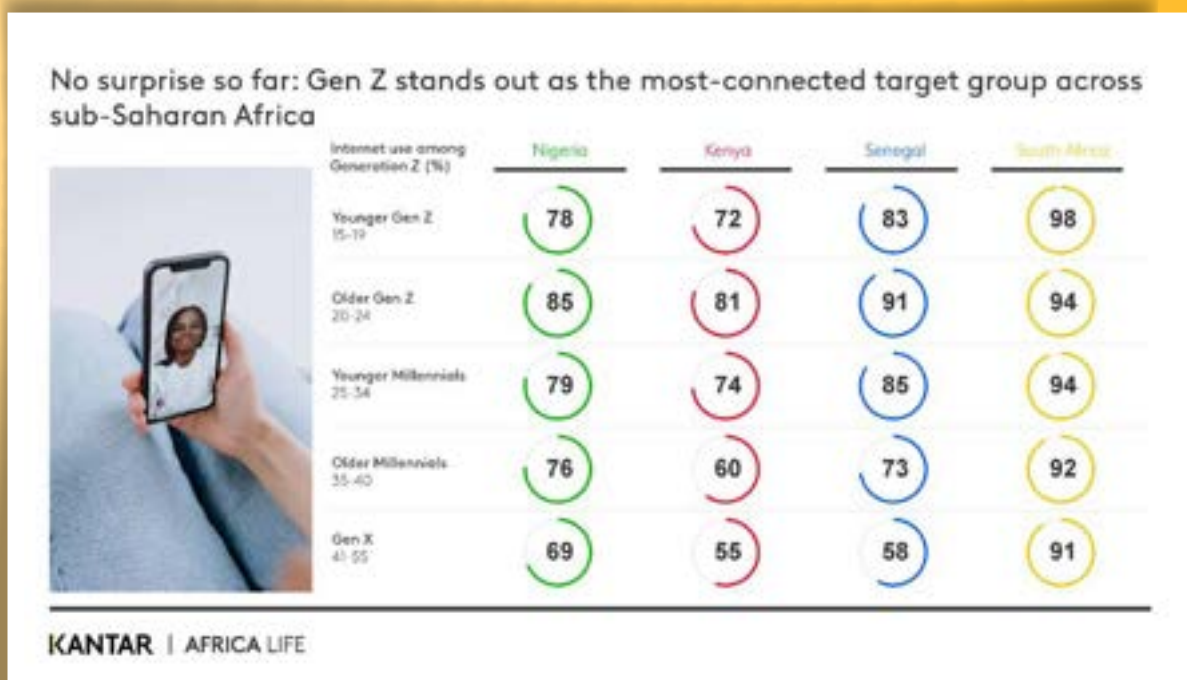
marketing agency based in Nairobi, recounts how she came to realise the Gen Z perspective on life tends to be completely different to her own, as a Millennial (also sometimes known as Generation Y) consumer.

During a meal with a young Gen Z male, she was surprised to learn that that had invested 600,000 Kenyan Shilling (US\$5,000) on buying a motorcycle.

“This surprised me because, in my opinion, investing in a parcel of land presents more investment benefits. I can bet you that his father would also ascribe to my school of thought on this matter,” Omwayi wrote in *Sokoni*, the magazine of the Marketing Society of Kenya.

“Out of concern, I asked the lad why he chose to spend such an amount on the particular asset instead of securing his future through land purchase. His response brought to the forefront some fundamental truths about the generation.”

Among these “fundamental truths”, Omways says, is that Gen Zers live for the moment, since tomorrow is unknown to them. They attach deep value to things that make them happy





and inspire them, such that they do not mind spending money to experience these moments or recreate them.

“The inclination towards valuing experiences has gone a long way towards the power and influence they yield in shaping shopping patterns. They are not motivated by money, rather by value.”

She adds: “This inclination makes them attach value to what is important to them and influences their shopping patterns, careers and employers. Considering this fact, brands and companies must earn their trust by developing solutions that align with their values.”

GEN ZEDERS WANT TO MAKE REAL CHANGE IN THE WORLD

This cocktail of traits, coupled with a unique outlook on life, makes for a fascinating generation, believes Katherine Freemantle, Managing Partner at Cape Town-based creative agency IMA South Africa. “One of my team says the Millennials talk a lot, but the Gen Zers do the stuff and make real change. That’s where the power comes in,” she says.

Because Gen Zers are socially, politically and environmentally aware, Freemantle advises brands to weave

purpose clearly into their business strategy and marketing efforts. Anything less would be deemed inauthentic by this high-minded cohort.

“Brands can’t suddenly and inorganically stand for a whole lot of layered political or social things unless this organically works with the brand,” she says.

Singling out Riky Rick, the African rapper who passed away in February 2022 and the Cotton Fest music event he founded, Freemantle points to the wealth of opportunities available to brands looking to connect with this market by promoting and uplifting local youth and talent.



Authenticity is the key requirement

Multinational drinks company PepsiCo has also adopted this approach in its marketing efforts in emerging markets such as Africa and, in particular, India where *Business Insider* correspondent Karuna Sharma wrote that the brand had become known for celebrating “the sizzling swag of India’s youth”.

Done right, high-profile influencers who represent Gen Z values still hold

great potential as a marketing channel that can be both genuine and impactful, says Freemantle.

“The word ‘authentic’ is the biggest catchphrase for a call-out on a Gen Z narrative,” she explains, but warns that the traditional influencer role is now morphing into a micro-influencer and micro-hustler space which is far more organic and which appeals to the Gen Z desire for authenticity (*Editor’s Note: See our Influencer Marketing article on Pg 16*).

Keeping up with these shifts necessitates constant input from young marketing professionals, believes Freemantle.

“I’ve been exposed to some creative teams made up of a combo of Gen Xers (42-57) and the older side of Millennials (26-41), and I honestly believe that by missing out on the Gen Z set, teams lose out on a lot. Having exposure to different views and diversity of thought in the building and brainstorming of creative ideas is critical, as well as the fact that the Gen Z’s input in terms of process, structure and how an agency actually works keeps us moving forward.”

Freemantle, a Millennial herself, adds: “The younger people on my team make me think.”

Continued on pg 14



› Krump dancer and choreographer Ashlynn Erasmus appears in a sports apparel campaign aimed at Gen Z consumers

SUCCESSFUL GEN Z MARKETING STRATEGIES IN AFRICA

Having won PepsiCo's sub-Saharan Africa account in early 2022, IMA will be working on a number of its key brands including NikNaks (cheese puffs), Pronutro, Weet-Bix (both breakfast cereals), Sasko (bread and baking products) and Simba (snacks). In addition, the agency also works with a number of banking and financial services companies and is increasingly active across the continent.

Freemantle's advice to marketers working on brands in different African countries is to "physically go in there and visit. Immerse yourself in their space and understand what is turning them on and turning them off." If you don't, she warns, and if you create a campaign that tries to force a viewpoint or comes across as inauthentic, this will immediately be spotted by the Gen Z consumer.

Freemantle explains that IMA was recently awarded a campaign for global sportswear group Adidas and Africa-based sporting goods retail chain Totalsports, which aimed to promote powerful young women in sport.

The way that her copywriter, Sisipho Sojola, and the project's director, Meghan Daniels – both of whom

are on the Gen Z/Millennial cusp – approached the campaign ensured that it resonated with a Gen Z audience. In particular, Freemantle recalled how Sojola (who is a sounding board when it comes to ensuring the authenticity and digital tie-in of the agency's creative efforts) responded to the shoot.

"Sisipho was on set and was aligned with the diversity of the four women cast this resonated with her value



The trick is creating covetable content

system," said Freemantle.

The Adidas campaign features female boxers from the Pride Fighting Academy, as well as local krump dancer and choreographer Ashlynn 'She-Fore' Erasmus; Quanita Bobbs, an Olympic hockey player; and digital marketer, fitness trainer and Adidas ambassador Mapule Ndhlovu.

Readers of our Digital Edition can watch a video of the Adidas/Totalsports campaign [here](#).

IT MUST BE LIKE CONNECTING WITH A VERY CLOSE FRIEND

Adds Lyn Wilson, Senior Through-

the-Line Strategic Planner at marketing communications agency Wunderman Thompson SA: "As Gen Zers pursue their aspirations, we see a predisposition to content over programming. Gen Zers are more likely than Millennials to 'like', 'share' or 'tag' comments, and prefer content that speaks with them as peers and flows like a conversation with a friend."

She continues: "As content becomes more and more ubiquitous, the trick will be to create covetable content. One way for brands to do so is to develop, own and share their unique points of view on category, culture, or the consumer mindset they are tapping into.

"It's imperative for marketers to find sweet spots for content, own their subject-matter expertise and work towards becoming go-to references."

According to Wilson, a Pew Research Centre study suggests that Gen Zers are rewiring their brains to adapt to the glut of information and are finding shortcuts to manage what they need to know and see what they want to learn. When content is commerce, and everything is readily available, one of the best things marketers can do is be 'about something' and ensure their content is easy to find, easy to relate to

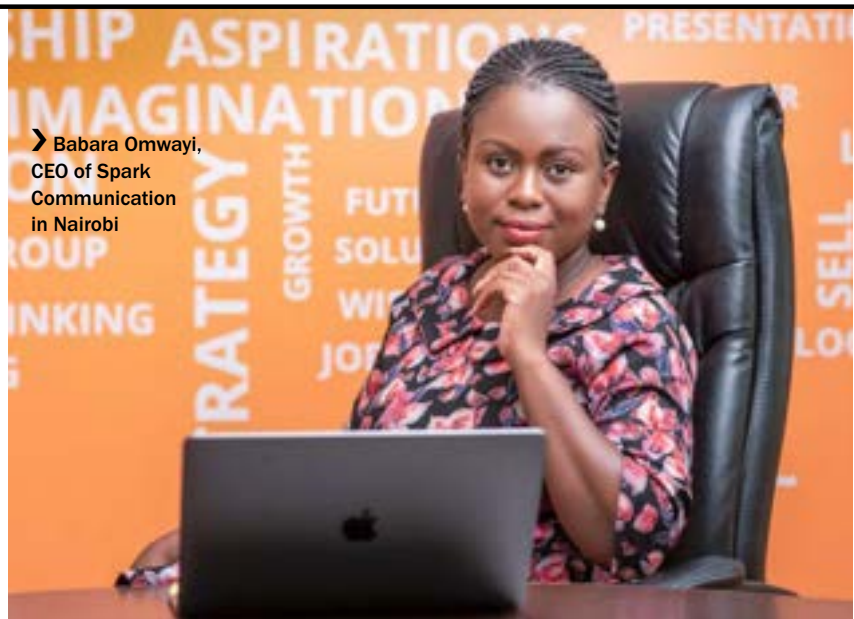


and easy to share.

Kantar's research accords with this view, but also challenges brands to be brave enough to express their positions on issues that matter to this cohort, from sustainability to supporting African creativity. Kantar believes that successful brands in the future will "offer tools, platforms, ideas, programmes that enable personal growth" and to view Gen Z consumers as partners and influencers.

"Brands that win Gen Zers are those that work with them, offering new opportunities to contribute, and be part of the brands' stories. Co-creation in new terms," the company states.

This view is echoed by writer and digital marketer at research company GeoPoll, Njeri Wanjohi, who told the Africa Hotel Investment Forum in Nairobi in 2018 that co-creation must form part of a brand's toolbox when engaging with Gen Zers in Africa. "Is your offering allowing them to express themselves over mass-market alternatives?" she



➤ Babara Omwayi,
CEO of Spark
Communication
in Nairobi

asked. If not, why not?

With the majority of Africa's population primarily comprising Gen Zers, Wanjohi says this generation is poised to shake up how businesses interact with customers. "If we thought Millennials were disruptive then we've not seen anything yet, because Generation Z are the next disruptors," she emphasised. ■

Cara Boucher is a Johannesburg-based writer, journalist and editor. Her words appear in media articles around the world, in business case studies, insight reports and corporate copywriting. She is also an experienced ghost writer. @caraboucher

Additional reporting for this feature by Mike Simpson.

A North African view of Gen Z shows a more conservative cohort

According to a study conducted by research company Ipsos in the Middle East-North Africa (MENA) region just prior to Covid, Gen Zers' "definition of success is the ability to choose, the ability to think for themselves and the ability to be heard".

Said the Ipsos researchers: "A cumulative result of living in MENA and being born into a digital age, this generation is educated, principled, and ambitious. They take pride in their heritage and particularly in the aspect of Arab hospitality as it distinguishes them from other places in the world.

"This sense of hospitality and community is deeply rooted in their upbringing and, as such, they are keen on building close relationships with those around them to attain a sense of comradeship and belonging."

For the study, entitled *Spilling The Tea On Gen Z*, Ipsos spoke with Gen Zers through 10 focus groups conducted in Morocco, Egypt, Jordan, the UAE and Saudi Arabia.

"Living in MENA has also opened their eyes to the promise of potential. They are witness to a slow but steady progression in their countries that gives them hope. They see a shift in the general mentality that is becoming more open-minded and accepting of change, which brings with it an excitement and ambition to do more as some traditional boundaries are broken and new opportunities arise," Ipsos noted.

But the researchers emphasised that in MENA, Gen Z "still confine themselves to what is socially

acceptable so as not to negatively stand out".

The report continued: "As a result, they adopt a passive 'live and let live' mentality that projects an outwardly progressive attitude, similar to their counterparts in the West, but opt for slightly more conservative behaviours so as not to alienate their 'Arab-ness'.

"But, particularly in MENA, being part and product of revolution, they recognise the power they have in driving change and are undeterred by these challenges. While older generations may see them as lazy and entitled (the usual characterisation of any younger generation by their elders), the youth are anything but, and will build support systems among their peers to help them reach their goals."

To do influencer marketing right in Africa, think 'nano' first

Opting for macro-influencers may seem an obvious choice for African marketers, but there are pitfalls to this approach. By **Khadeejat Soyemi**, **Uchenna Uzo** and **Ekeno Eyo**.



^ Understanding the influencer landscape involves selecting the right mix of macro-, micro- or nano-influencers for your brands

IT'S A SATURDAY NIGHT, AND you're scrolling through Instagram with the thought of purchasing some workout gear as you plan to start exercising in the coming week. Then you stumble upon a post by one of the famous Instagram personalities you follow.

You marvel as she is adorned by workout gear from a brand she swears by. This makes you click on the affiliate link in the influencer's bio, where you decide to purchase two outfits from the brand to try out. This, right here, is what we refer to as influencer marketing.

Individuals who have built a robust and dedicated following to recommend and endorse brands to their community are influencers. Social media influencers in Africa play a pivotal role in this direction. These influencers reach over **60-million people on the continent and are the fastest-growing channel for customer acquisition.**

However, influencer marketing can be an expensive and risky investment. For example, Davido, Nigeria's top influencer with 23-million followers, charges US\$128,300 per sponsored Instagram post. Macro-influencers (those with over 500,000 followers) like Davido demand high fees based on temporary terms and conditions that force clients to adopt a short-term mindset to brand management.

Choosing which influencer to use can also be tricky, as personal mistakes or lousy publicity can automatically impact the brand. Sponsored content can also become overwhelming and intrusive for users if overdone. Influencers may also be inauthentic, or even fraudulent, as the proliferation of apps and businesses that enable the buying of social media followers increases.

LOW R.O.I. ON INFLUENCERS?

Many businesses in Africa suffer low returns on investment from influencer marketing because they do not understand how the continent's influencers work. Three common myths hinder the ability to understand the

continent's influencers. The first myth is that macro-influencers have the most decisive influence on consumers' purchase decisions. The second is that macro-influencers (especially celebrity endorsers) enable high brand loyalty among consumers, and the third is that macro-influencers power customer lifetime value in Africa.

But findings from a recent study by Uchenna Uzo, Academic Director of Lagos Business School's Africa Retail Academy and a co-author of this article, show that the reality is different.

> *Nano-influencers have more impact*

Firstly, nano-influencers in Africa are more potent than macro-influencers because they have a higher impact on purchase decision-making. The study finds that Africa's top three nano-influencers by rank are family members, friends and trusted colleagues at work.

According to an interview respondent: *"My family and friends are my number-one purchase influencers because they are most honest about brands. A brand ambassador is paid to push brands even when they don't use those brands".* The continent's nano-influencers thus exert significant power

because customers trust them more than macro-influencers.

Secondly, insights from our study reveal that nano-influencers command higher brand loyalty for businesses than macro-influencers do. The political correctness of macro-influencers in Africa, who are paid to preach rather than practice, hinders their ability to build brand trust and credibility.

Thirdly, the short-term mindset associated with prioritising macro-influencers over nano-influencers in Africa erodes customer lifetime value in the long run. **Aspirations power customer lifetime value in Africa.** While macro-influencers tend to mirror the long-term aspirational values of customers, there is a higher risk of erosion in customer lifetime value when these influencers adopt behaviours that contradict those values.

Businesses invest significantly in macro-influencers when nano-influencers offer cheaper and potentially higher benefits. Investments in influencer marketing can lead to exponential growth or colossal brand erosion. Succeeding in Africa requires developing the right influencer marketing strategy tailored to the needs of your business and target customer.

Influencer marketing success on the continent doesn't happen by chance but by precise, deliberate



> Egypt's Tamer Hosny is an influencer for phone companies, among others

› Davido, Nigeria's top influencer with 23-million followers



and intentional strategies. Here are five principles that make influencer marketing work for your brand:

DETERMINE YOUR STRATEGIC GOALS USING INFLUENCERS

Any good strategy begins with goals. Where do you want to play? While the apparent goal may be to increase sales, influencer marketing can do more than that. Ask yourself, are you trying to go viral, or are you trying to build credibility for your brand? Is the goal to build brand awareness, attract a new market or facilitate lead generation?

› *Fit influencers into the broad strategy*

You can achieve several objectives with influencer marketing; hence, the trick is to understand how influencer marketing can fit into your overall marketing strategy. While your influencer campaign is ongoing, you should have predetermined dates to review your

results, the influencers you're using and refine your plan if need be.

UNDERSTAND THE LANDSCAPE AND CHOOSE YOUR PLATFORM

The influencer landscape can be broad, so it is essential to understand it before becoming involved. There are macro-influencers (people with a huge following), micro-influencers (people with smaller but generally much more engaging followers) and nano-influencers (ordinary people like friends, family, peers, etc.).

In general, the bigger their following, the more it would cost to do business with them. Some top African influencers include Elsa Majimbo from Kenya, who has had partnerships with brands like Valentino and Beyonce's Ivy Park; Don Jazzy from Nigeria, who has secured partnerships with banks, sport-betting companies etc.; Boity Thulo from South Africa, who's an influencer for brands like Moët and Chandon; Tamer Hosny from Egypt, who's an influencer for phone companies, and so many more.

Understanding the influencer landscape involves selecting the right mix of macro-, micro- or nano-influencers for your brands. The mixture will depend on the type of business, industry, product/service, and regulatory environment.

For example, if you are a clothing company, you want to look for influencers with very engaged communities that create fashion and lifestyle content. You'd also like to determine the platform your target audience is mainly on and research the best influencers who deliver content on those platforms. Management consultants, religious leaders, community chiefs, and journalists are increasingly becoming trusted purchase influencers in Africa.

FOCUS ON THE RIGHT METRICS

There is no doubt that measuring the impact of influencer marketing on purchase decision-making is a challenging task. However, there are pitfalls to avoid.

Organisations fixate on measuring customer-acquisition rates. These

PHOTOS: KEVIN WALSH FROM PRESTON BROOK IN ENGLAND VIA WIKIMEDIA COMMONS; RON LACH ON PEXELS; RASHEEDHRASHEED VIA WIKIMEDIA COMMONS

metrics can be misleading because they do not isolate other factors contributing to purchase decisions. Consider measuring the quality and frequency of influencer impact and the percentage influence on purchase behaviour.

You also want to be careful not to get scammed by 'fakes' who have bought their community. A way to identify this is to check if their next post matches the engagement rate – it should be at least a 1.5 to 3 percent likes-to-follower ratio. Also, check to ensure the comments are not spammy. Focusing on the right metrics can make all the difference.

INFLUENCER OUTREACH – CONNECT WITH INFLUENCERS

There are different ways of finding the influencers you want to work with, but you may want to start by looking at who your competitors are using. This process should lead you to decide on the type of influence you would like to see.

Ask yourself whether the influencers should focus on endorsing, creating content, gatekeeping or educating. You can also use tools to search for influencers depending on the platform you've chosen. *InfluenceGrid* helps you find TikTok influencers; some **Twitter Analytics Tools** help you find on Twitter, and *Awario* enables you to discover influencers on various platforms.

You can also use some of your brand's followers to find influencers. Search through your brand followers and see if you can discover any influencers there. This is a good way of finding people already targeting your audience.

MONITOR ETHICAL BEHAVIOURS OF YOUR CHOSEN INFLUENCERS

Influencers who behave unethically can erode your brand in the short and long term. Do not underestimate the role of ethical behaviour in building brand trust and loyalty. It is up to you to define

the moral values that your influencers must embrace and monitor compliance. You may also find it helpful to develop a code of conduct to guide and monitor influencer behaviour.

Overall, the right influencer marketing strategy can deliver superior returns and become a differentiator for your business. It is time for companies on the continent to rethink their approach to influencer marketing. ■

***Khadeejat Soyemi is Marketing
Communications Manager at
DriveMe.Ng in Lagos.***

***Uchenna Uzo is Academic
Director at Lagos Business School's
Africa Retail Academy.***

***Ekeno Eyo is Chief Operating
Officer at Noah's Ark Communications
Limited in Lagos.***

**This article originally appeared on the
website [Afrитай](#)**

➤ Footballer Mo Salah is arguably the most-loved African on social media and a mega-influencer with more than 50-million followers on Instagram alone



AMC kicks off Virtual Masterclasses with top UK marketing guru

“Change can be an opportunity ... never let a good crisis go to waste,” respected academic and business author tells attendees.

THE AFRICAN MARKETING Confederation recently presented its first Virtual Masterclass aimed at upskilling marketers on the continent who are, through membership of their respective national marketing associations, also members of the AMC.

This inaugural class, themed ‘*Building the Perfect Blueprint for Digital and Strategic Marketing*’, was facilitated by Professor Adrian Palmer, Professor of Marketing and Head of the Department of Marketing and Reputation at Henley Business School in the UK.

He is also a respected business author and his book, *Principles of Services Marketing*, is now in its seventh edition and widely used throughout the world to provide a grounding in the challenges and opportunities of services marketing.

In his presentation to attendees, Professor Palmer emphasised that now is an exciting time to be in marketing, with the world going through a number of fundamental changes in the way we live, work and focus our priorities. Rapid digitisation and the impacts of the pandemic were central to these changes, he said.

FOCUS ON FINDING SOLUTIONS, DON'T DWELL ON THE PROBLEM

As marketers rushed to adapt to these changes, it was vital that their concentration was on finding solutions rather than dwelling on the problems.

“Be resilient,” Prof. Palmer urged. “Resilience is about adapting and coming back in another form.

Remember that change can be an opportunity ... never let a good crisis go to waste.”

It was also important to avoid the trap of looking only at short-term challenges and tactical marketing solutions, while neglecting the bigger, long-term, picture. In seeking longer-term opportunities, professionals needed to utilise their intuition and common sense, in addition to analysing the data.

He highlighted the danger of basing market predictions purely on conventional wisdom. “Some trends are simply not predictable,” he observed. “Five months prior to Covid, the biggest global health threats were perceived to be chronic diseases such as cancer,

obesity and diabetes (32% of people). Nobody foresaw respiratory disease – of which Covid is one.”

Among the fundamental changes brought about by the pandemic is the approach to supply chain strategy. Whereas ‘just-in-time’ was the pre-Covid mantra, businesses were now embracing a ‘just-in-case’ approach and were warehousing more stock. This was an example of ‘resilience’ and the realisation that not all market threats could be anticipated.

The African Marketing Confederation will advise of future Virtual Masterclass with industry experts. Readers of our Digital Edition can check the AMC [website](#), [Facebook](#) and [LinkedIn](#) pages for updates. ■

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Why Africa's consumers are ready to be rewarded

The continent has huge potential for the development of loyalty programmes – providing the rewards are relevant and meaningful. By **Preneeshen Munian**.

HAVING LONG BEEN OVER-LOOKED as a region, Africa's rapid economic growth and the large-scale adoption of hand-held technology and associated fin-tech solutions mean that consumers are ready to be rewarded for their loyalty to brands – if those rewards are relevant and meaningful.

With its workforce expected to be the largest at one billion by 2040¹, and a combined landmass greater than China, Europe and the United States combined, the African continent is one of great opportunity and significant economic growth. On average, the continent has seen five percent economic growth over the last decade and is already as urbanised as China.²

At the same time, mobile and smart phone adoption, along with expansive internet penetration, have meant that financial services in many African countries are bypassing conventional banking services in favour of technology-enabled solutions such as mobile payments, mobile banking and digital lending.³

➤ Almost 90% of consumers want promotional offers when shopping, while over 70% expect something other than a price discount



Africa also has the world's fastest-growing population. With 65% of this population being under 35, the continent has a rapidly expanding middle class, with urbanisation projected to double over the next 25 years⁴.

I believe this favourable outlook is extremely positive for the growth and popularity of loyalty and rewards programmes on the continent. Doing so, makes simple business sense. Most companies agree that retaining existing clients is more cost effective than acquiring new ones, noting that two-thirds of their business comes from those existing customers. Even more important is that 75% of customers favour companies that offer rewards⁵.

Consumers are also more likely to recommend a brand if it has a good loyalty programme, and, importantly in the context of emerging fintech solutions in Africa, 95% of loyalty programme members want to engage with brands' programmes through new and emerging technologies⁶.

OFFER THEM EXPERIENCES INSTEAD OF DISCOUNTS

TLC Worldwide's Promotions Intelligence Index (Pii™) recently revealed that almost

90% of consumers want promotional offers when they are shopping, while over 70% expect something other than a price discount from brands. More than two-thirds prefer to receive a free experience, while nearly nine out of 10 respondents felt that an experience of their choice is a more meaningful acknowledgement

of their loyalty to a brand than a discount would be⁷.

Indeed, the vast majority of respondents agreed with the statement: *"An experience of your choice as a thank-you gift from a brand is more personal than a discount. I'll remember the brand that offered it to me."*



➤ Frequent-flyer programmes are sometimes plagued by benefits that change and are difficult to redeem

In an era where brands increasingly turn to social media to promote awareness, it's worth noting that 89% of respondents said that they would be more likely to share an experience on social media if it came from a brand. When last did you see an (unpaid) influencer sharing a social media post about the 'money' that they'd earned from a rewards programme which they had to pay to belong to? So, the potential benefits to a business going the 'experience reward' route are obvious.

It's also important to offer rewards consistently over time, whether it's via a specific weekly or monthly offer that customers can plan for – such as a 'Wacky Wednesday' discount deal on fast food – or via a new seasonal or themed campaign that they can depend on. Once-off rewards inspire loyalty to the reward and not to the brand that's offering them, defeating the purpose of the exercise.

KEEP IT SIMPLE, STUPID

Similarly, the actions expected of customers to access rewards need to be simple and consistent, with bite-sized behaviours being ideal. Adding

hoops and hurdles to the rewards journey make it onerous for consumers to engage and they'll quickly lose interest – and loyalty too.

Many brand-rewards programmes offer financial reward via a brand-specific 'currency' rather than using the currency of the local country. Each year – sometimes more frequently – the rules of earning and engagement change, with the value of the currency decreasing and the places to spend it reducing.

Consumers who are (or have been) members of programmes that offer frequent-flyer miles, airport lounge access and other travel-related benefits may recall instances where the benefits suddenly changed – seldom for the better – and the very reason that they signed up for the programme is now diminished or unavailable.

Changing the goalposts doesn't work in soccer and it doesn't work for loyalty programmes either!

WHY SHOULD CLIENTS HAVE TO 'PAY TO PLAY'?

It also makes no sense for brands to expect their customers to pay for the privilege of joining a loyalty or

rewards programme, as this takes the shine out of the relationship. Those consumers are already paying for the brand's product or service ... expecting them to pay more to access rewards is effectively 'double dipping' into the consumer's pocket. And many people are street-wise enough to realise this.

Smart customers will be loyal to those brands that recognise their value, so acknowledge it by offering meaningful rewards that do not cost them more than they're already spending on that brand.

There's no doubt that rewards and loyalty programmes are expensive to run, particularly if they offer meaningful returns to their members. But the smoke-and-mirrors strategy of charging membership fees dilutes programmes' true value for users.

In my view, building strategic alliances with businesses that offer high-value and experience-led products and services – which translate into guaranteed digital rewards that are value adds with purchases – are the most meaningful rewards in an African context.

It's that successful search for meaning that will set brands apart in the loyalty and rewards sector on this continent. Luxury experiences may inspire loyalty



› In the African context, back-to-school stationery and equipment may be a better loyalty reward than a luxury travel experience, for example

in a wealthier market, but the rewards that make an impact in Africa are for groceries, clothing, transport, airtime, data and even back-to-school stationery and equipment.

CREATE A MEANINGFUL OFFERING

Where meaningful rewards mechanisms don't yet exist, it's a good idea to create them. This is why TLC, for example, established a partnership with an online education platform that offers free access to more than 200 courses on skills as diverse as customer services and massage therapy as a reward for purchases. These are meaningful rewards that can lead to specific and measurable improvements in a person's life and circumstances.

It's also important to democratise access to rewards, bearing in mind that, as an example, some of the continent's biggest banks do not offer access to their loyalty programmes to customers who earn less than a stipulated minimum amount per month. Happily, those banks are re-strategising to find ways to reward this segment of customers, and they're turning to external resources to do so, rather than trying to expand their existing programmes designed to service consumers with higher earning and spending profiles.

It's here that established and institutional rewards programmes struggle to maintain their meaning, with many having not been designed for the success that they've ultimately achieved. This means that the cost of their success is greater than what was planned for, and they constantly have to re-engineer – or reduce – their offerings so that they don't impact negatively on corporate bottom lines.

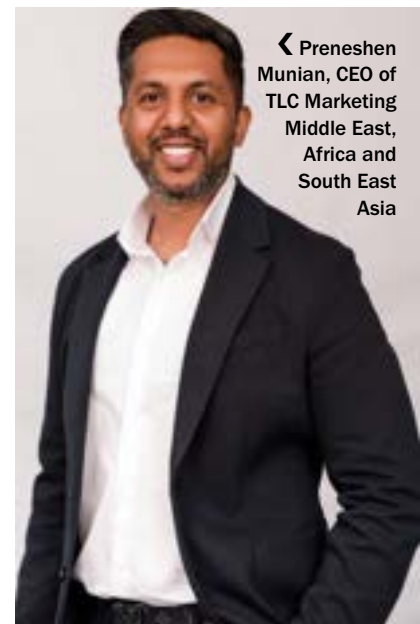
I believe that loyalty and rewards programmes across the continent must offer real value to customers. Almost all long-established programmes were designed for a smaller segment of the market, but the democratisation of access to information via the mobile world has made it imperative that brands find ways to reward all their customers

meaningfully, not just a high-earning and elite segment.

Doing so will truly win over the hearts, minds and wallets of the world's fastest-growing economically active population, contributing to brands' success and sustainability on the continent.

Preneshen Munian is CEO of TLC Marketing Middle East, Africa and South East Asia. TLC is a global promotion and loyalty agency with a 30-year history and 12 offices around the world. Its clients include some of the world's biggest brands – among them Coca-Cola, McDonald's, MTN and ABSA Bank.

Additional reporting for this feature by Mike Simpson.



◀ Preneshen Munian, CEO of TLC Marketing Middle East, Africa and South East Asia

Do loyalty programmes really make money?

Do customer loyalty programmes work? A recent study by three US universities sought to find out and researchers learned that 'yes', they do work – but perhaps not in ways most people may assume.

There are two basic types of loyalty offerings: tiered and non-tiered. Airlines and hotels often use tiered customer loyalty programmes that increase rewards as members reach higher thresholds of spending over time. Retailers and service industry businesses are more likely to offer non-tiered loyalty offerings, in which members are rewarded with frequent, but not increasing, rewards such as 'buy 10 and get one free'.

This research investigated if those non-tiered customer loyalty programmes actually do what they are designed to do.

The authors found that non-tiered customer loyalty offerings increase customer value by almost 30% over a five-year period. They discovered that the programme's effectiveness is not so much through increased spending

per transaction or frequency of purchasing, but rather through the reduction of attrition. In other words, the chief benefit is that the customer loyalty programme reduces customer fall-off and turnover.

"We found that a non-tiered customer loyalty programme's reduction in attrition accounts for more than 80% of the programme's total lift or success," said researcher Raphael Thomadsen. "On the other hand, increased frequency accounts for less than 20% of the programme's lift or effectiveness."

Researcher Zhenling Jiang added: "One of the more interesting findings was that the impact of the loyalty programme does not necessarily contribute to increased spending per transaction or increased frequency of transactions. Rather, the benefit to the business is creating more sustainable and lasting relationships with customers."

The original study was published in the journal *Marketing Science*. Readers of our digital edition can find out more [here](#).



How loyalty clients respond differently

An international team of researchers has found that the social media messages which resonate best with loyalty programme members differ from the posts that work best with other customers. The finding could inform how best to craft social media campaigns aimed at either segment of a customer base.

“Loyalty programmes and social media are both important tools in contemporary marketing, but there’s very little research into how these two marketing tools interact with each other,” says Mike Stanko, an Associate Professor of Marketing at North Carolina State University in the US.

“This could inform a range of marketing activities,” Stanko explains. “For example, does it make sense for a company to commit resources to developing separate social media channels for customers who are members of a loyalty programmes, versus customers who are not? Or, if a company is committed to using a single social media channel, does it need to use different messaging to reach loyalty and non-loyalty customers?”

The researchers used a team of trained ‘raters’ to assess all of one European company’s posts, scoring them on a range of characteristics – such as how intellectual, behavioural, relational and sensory they were.

‘Relational’ content appeals to the bonds an individual has within their social network, such as a post that presents a brand in the context of spending time with family and friends. ‘Intellectual’ content appeals to conscious mental processes related to the practical resolution of problems, the stimulation of curiosity, or the application of the individual’s creativity.

‘Behavioural’ content concerns an individual’s physical or behavioural actions, such as posts showing someone making use of the relevant product. ‘Sensory’ content is designed to shock or produce a visceral response. Examples include posts for ski resorts that show a beautiful mountain vista, or posts from a coffee company that show colourful photos of coffee plants.

The researchers found that relational and intellectual posts did substantially better with loyalty programme clients, while behavioural posts did better with non-loyalty programme clients.

“Loyalty programme customers are more apt to systematically process social media information from companies they have a relationship with – they’re simply more willing to take the time to hear those companies out,” Stanko observes. “We think that’s why loyalty customers are more responsive to intellectual and relational posts.

“Meanwhile, because non-loyalty customers are not necessarily focused on a specific company’s social media posts, they’re more likely to respond to behavioural posts. They see a post that shows someone buying a cup of coffee and they decide they want a cup of coffee.”

Surprisingly, sensory posts didn’t resonate with either audience.

“We speculate that there is simply too much spectacular or shocking content on social media for sensory-oriented posts to stand out,” Stanko explains.

The paper appears in the *Journal of the Academy of Marketing Science*. Our digital edition readers can find out more [here](#).

› Loyalty programme customers are more apt to systematically process social media information from companies they have a relationship with

¹⁻² <https://www.futureagenda.org/foresights/africa-growth/>

³⁻⁴ <https://ftpartners.docsend.com/view/kg7dcbj>

⁵⁻⁶ <https://www.smallbizgenius.net/by-the-numbers/customer-loyalty-statistics/#gref>

⁷ <https://www.bizcommunity.com/Article/196/33/220611.html>

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The rapid progression of the liquor retail **channel** in Africa

Off-trade liquor retail strategies are evolving in size and sophistication, in part due to changes in habits driven by the pandemic. **Leonard Gebhardt** explains.



▲ Hyper Psaro outlet in Kinshasa, DRC.

Top photo: Liquor off-trade retailing at Say Cheers in Ghana

P RIVATE WEALTH IN AFRICA IS expected to rise by 38% over the next 10 years, according to the latest 2022 *Africa Wealth Report*, published in May by Henley & Partners together with New World Wealth. This is despite the havoc of Covid-19 and the potential impact of rising oil and fuel prices due to the Ukraine crisis.

This expected growth, combined with continued expansion of the African middle class, is positively impacting the formal retail channel, including liquor retail, in many countries on the continent. The demand – and increased sophistication – is fuelled by urbanisation, wealth creation and higher levels of consumer expectation as digital technology exposes people to what they may be missing out on.

Premium fashion brands, for instance, have been investing in African markets for some time. They are creating shop-in-shop concepts within larger retailers to cater to the growing demand for experiences equivalent to those enjoyed by shoppers in New York, Cape Town, Dubai or Paris.

Levi's, for example, now has 21 standalone stores across Africa (excluding shop-in-shops) versus 16 in South Africa, which has typically been regarded as setting the retail standard – particularly in the sub-Saharan region.

In the supermarket sector, groups such as Carrefour, Pick 'n Pay, Spar, Shoprite Checkers and Walmart have expanded into many African territories, and despite some store closures in the wake of the pandemic, all groups opened more stores than they closed or sold on the continent during 2021.

LIQUOR RETAILING GROWTH AND RISING SOPHISTICATION

Looking specifically at the modern liquor retail sector in Africa, investment in sophisticated stand-alone liquor retail outlets was historically largely limited to duty-free shops in international airports – a very competitive sector where displays and activations must be booked well in

advance by brand marketers due to limited space and high demand.

For many years, the big African and international liquor companies have invested heavily in the on-trade (on-premise consumption in bars, clubs and the like) market, with bespoke solutions for where their brands were enjoyed. In Ethiopia, for example, Meta Breweries created experiential 'Meta Houses'.

But more recently there has been a notable change in modern liquor retail. Potentially significant growth is coming from grocery stores that have dedicated liquor outlets located within them.



Liquor suppliers are spending in off-trade

Indeed, in many African countries liquor sales are permitted inside supermarkets, so independent liquor stores have not been deemed necessary. The more supermarket groups grow their client base, the more liquor brands will expand their within this environment.

In general, we now see major liquor suppliers spending much more aggressively in off-trade retail (supermarkets, off-licences, shops). This shift in spend is likely driven by the pandemic and the resultant limitations on access to bars, clubs, beer halls and informal drinking houses as a way for brands to reach their customers.

This change has highlighted the importance of capitalising on sales and marketing opportunities at off-trade retail level for liquor brands, so the fight is on!

In my opinion, liquor brands and their local in-country suppliers should act swiftly so as not to be left behind. Permanent, bespoke, shopfitting solutions are already being rolled out by high-end brands, putting pressure on the remaining available space. Now is the time to collaborate with liquor retailers, and for the premium alcohol brands to take cues from what they have previously executed successfully

in duty-free stores at airports.

It is also worth reviewing what luxury fashion brands have achieved in Africa, building their retail footprint in a way that meets consumers' increasingly elevated demands.

BEWARE OF RETURNING TO OLD BRAND TACTICS

With the on-trade liquor-consumption environment reopening in the post-pandemic era, marketers should not necessarily fall back on old pre-pandemic tactics, discarding the valuable progress made in off-trade retail and the opportunities it presents. Building off-trade shopper experiences is key to future brand growth and relevance, especially as in-home consumption occasions gained a firm foothold during Covid and continue to remain popular.

It is also time for liquor brands – whether Africa-based or international – to look beyond Southern Africa, where much of the pre-pandemic retail evolution took place – to established markets in West Africa such as Nigeria, Ghana, Cameroon and Côte d'Ivoire. Also to Ethiopia in East Africa, as well as North African territories such as Egypt and Morocco. In the latter two nations, consumer demand for experiential retail is prevalent, coupled with the presence of a strong middle class.

It would also be unwise to fall into the trap of thinking that the emerging African liquor retail markets can be served with 'leftover' point-of-sale materials from the more developed countries, or off-trade solutions of inferior quality.

The ever-burgeoning middle class is retail savvy and has high expectations. There exist some beautifully designed high-end liquor stores in our continent's cities which would put many global stores to shame. At the other end of the spectrum there are tiny outlets stocking multiple brands which require real innovation for brands to stand out, be noticed and build lasting brand equity.

As African designers increasingly make a name for themselves on the global



✓ La Cave De Bacchus liquor store in Lubumbashi, DRC

^ Checking out the party drinks in Accra, Ghana

stage, brand collaboration prospects exist for both pack and retail design that truly celebrate Africa and even further entrench global brands in the hearts and minds of African consumers.

While all the obvious reasons remain for brands to maintain their clearly defined identity, it is also true that Africa is a cultural melting pot where a one-size-fits-all approach does not work. Marketing and design nuances must acknowledge specific national/regional trends, influences, social norms and cultural expectations.

A significant opportunity exists for brands to work with retailers to develop custom off-trade solutions for

their stores, especially when it comes to category management and using their anchor brands to signal category locations. Certain materials, substrates and even some production techniques

➤ *Clever brands can forge a new path*

may be unavailable in some markets, and in those instances local marketing teams can draw on expertise and craftsmanship from more established markets, including South Africa and the North African economic giants.

Market-leading brands have the opportunity and resources to forge the new pathway forward, building relationships with local traders that benefit brand, consumer and store – all the while contributing to the growth, evolution and rising sophistication of the liquor retail sector on the continent and, of course, the African economy as a whole. ■

Leonard Gebhardt is a business development, customer marketing & project management specialist with 25+ years' FMCG experience. He consults on commercial, customer marketing, route to market, innovation, and strategy development for numerous companies in the liquor and FMCG sector. Through his business, Red Fox Create, he leads the production of custom, permanent brand-displays across the African continent.

PHOTOS: COURTESY OF RED FOX GROUP

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Kenyan marketers call on Government to **support** the industry

Marketing Society of Kenya makes appeal to the national Government during the society's 60th anniversary celebrations.



^ MSK Chair, Charles Kariuki, speaking at the 60th anniversary celebration

THE MARKETING SOCIETY of Kenya (MSK) has called on the Government to support the marketing profession to be able to deliver its mandate, as the force behind the success of any business in the country.

This call was made at a recent event to celebrate the 60th anniversary of MSK, which was founded in 1952 as the Advertising Society of Kenya and subsequently renamed in 1968.

Nairobi County Women Representative, Hon. Esther Passaris, noted that the Society has a key role to position the Kenyan marketing industry to global standards.

"I am happy to take this Bill to parliament and I am encouraged to know that MSK is ready to position itself as a regulatory body for the marketing sector. This is a step in the right direction. There is much that is needed to be able to position the marketing industry to global standards, and as such we must start to examine global best practices to ensure that our operations and functionalities are guided on a global perspective," said Ms Passaris.

Also at the event, MSK Chairman, Mr Charles Kariuki, expressed enthusiasm on the development of the MSK Bill 2022, adding that the sector continues to seek Government support to pass the Bill to properly regulate the sector.

"We need the Government to make a deliberate move to support this sector. We are cognisant that, without adequate and effective marketing profitability, sustainability of our economy will not be achieved. The MSK Bill 2022 will ensure that we effectively regulate the sector for maximum output which will benefit businesses to increase their profits," added Mr Kariuki.



MSK members and guests in celebratory mood



Esther Passaris is joined by MSK officials in cutting the anniversary cake

Kenya National Chamber of Commerce and Industry Chief Executive, Mr Samuel Matonda, reiterated the value of the marketing sector to the success of the country's economy.

"MSK deploys technological tools to blur market boundaries that may exist from country to country and culture to culture. This will introduce a semblance of homogeneity of the market landscape and the consumption patterns. MSK must also prepare to guide companies through assessment and strategic interventions to profit from the structural benefits that a trading bloc offers to members," he stated.

MSK IS RECOGNISED BY WORLD FEDERATION

Meanwhile, MSK was recently recognised by the World Federation of Advertisers (WFA) for outstanding marketing leadership. It was one of five industry associations acknowledged in this way – the others being from Belgium, Colombia, Sweden and the UK.

Launched in 2010, the annual WFA **President's Awards** recognise initiatives run by national industry

associations that have helped advance the marketers' agenda and contribute to positive change in the marketing industry and society. Submissions were judged on being able to compellingly demonstrate that they had made a measurable impact and could be replicated in other markets.

This year's winners were selected from 24 initiatives submitted by 14 associations from WFA's sixty-strong membership of national industry associations.

Commenting on the award, MSK Business Development Manager, Geoffrey Lidonga, noted, "As MSK, we are intent on building the next generation

of **#MarketingMavericks**, to ensure that they are cognisant of ethos that will enhance the sector to make it professional, inclusive and sustainable – now and in the future."

MSK is the national umbrella body for all marketers in Kenya and a founding member of the African Marketing Confederation (AMC). Its key mandate is to empower and regulate the marketing industry by creating policy that governs the Marketing Industry (self-regulated), education and training of professionals, corporates and entrepreneurs, marketing and business mentorship and arbitration through the Advertising Standards Board. ■



Dark Marketing under spotlight at first live IMM Fridays event

Institute of Marketing Management relaunches in South Africa and kicks off with the first of its planned monthly breakfast events.



THE INSTITUTE OF Marketing Management South Africa (IMM), one of the founding members of the African Marketing Confederation, has been formally re-launched and kicked off its new programme of events and activities for the local marketing community at the end of May.

Its first 'live' event in the post-Covid era was an IMM Fridays breakfast held at the institute's new premises in the Johannesburg suburb of Parktown. This featured Matthew van der Valk, Executive Creative Director at brand agency VMLY&R, as guest speaker on the topic

of Dark Marketing. Or, as he prefers to call it, 'Beyond-the-Line Marketing'.

Despite its ominous title, Van der Valk believes Dark Marketing is an increasingly important element in the marketer's toolbox.

As he told the audience: "It's the stuff you don't see above the line or below the line. This is why I've started calling it beyond the line; because there is no line. You are looking at distribution; you are looking at people's influence within specific communities; you are looking at borrowed interest. It's about using the mind of the consumer as a medium."



▲ Helen McIntee, President of the African Marketing Confederation, briefed guests on the role of the AMC. The IMM is a founder member of the AMC



▼ Guest speaker Matthew van der Valk in conversation with Dimakatso Maduma from Smart Procurement



▲ Nande Hadebe (centre), IMM brand ambassador, B.Phil. Hons. Graduate and a Mrs SA semi-finalist, chats to guests at the IMM Fridays event

DARK MARKETING WAS FIRST USED BY REGULATED BRANDS

For a long time, Dark Marketing has largely been used by regulated brands as a way of connecting with consumers through innovative, non-restricted avenues. The likes of the tobacco and alcohol industries, casinos and online gaming, arms and ammunition, and even big pharma count among this number – which no doubt has added to the perception of subterfuge attached to the approach.

But Van der Valk said that, increasingly, the human learnings from these marketing efforts are

crossing over into other mainstream industries, spurred on by new controls and consumer privacy legislation which will make it harder for marketers to reach consumers using traditional approaches.

Van der Valk was recently interviewed by *Strategic Marketing for Africa* on the topic of Dark Marketing. You can read the article on page 48 of Issue 1 2022.

THE IMM'S AIMS AND OBJECTIVES

The aim of the IMM is to bring together like-minded individuals to share thoughts and experiences within the rapidly changing marketing

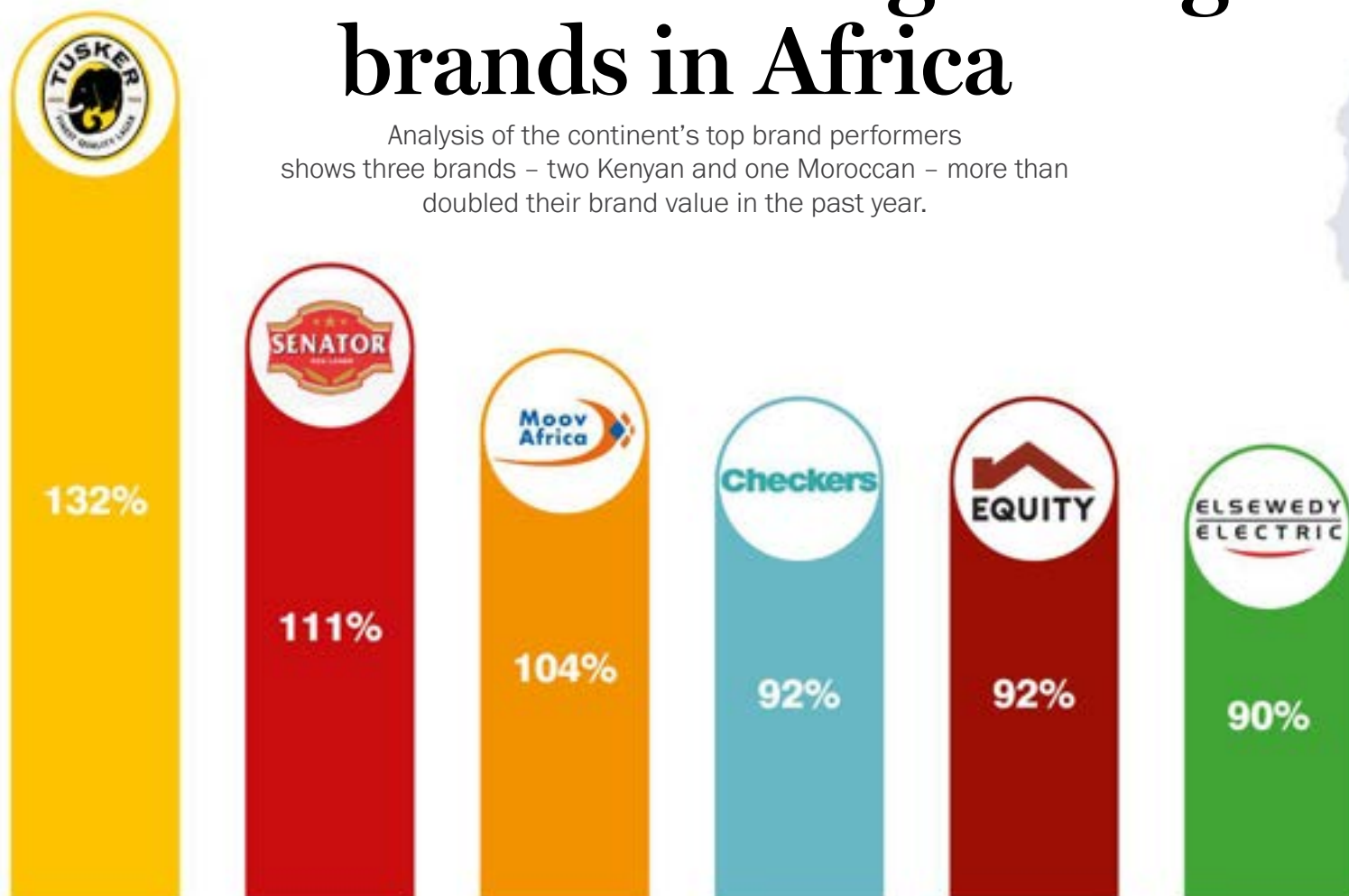
environment. The IMM offers a wide range of value-added products and services for marketing professionals who are Associates in either an individual or corporate capacity.

Benefits of membership include: Educational activities such as short courses, express courses and workshops; Events like the monthly IMM Fridays and a bi-annual executive think tank; Awards such as the planned Marketing Excellence Awards; and Recruitment-assistance activities such as the IMM Recruitment Day.

Readers of our Digital Edition can find out more about the IMM [here](#). ■

Two Kenyan beer brands are fastest-growing brands in Africa

Analysis of the continent's top brand performers shows three brands – two Kenyan and one Moroccan – more than doubled their brand value in the past year.



^ Fastest-Growing African Brands in 2022.

KENYAN-BASED TUSKER beer is Africa's fastest-growing brand and has more than doubled in value over the past year. It now has a brand value estimated to be US\$50-million.

The second fastest-growing brand on the continent is another East African Breweries beer brand – Senator Lager – which is sold mainly in Kenya and Uganda. Third on the list of brand movers-and-shakers is Moov Africa, the African subsidiary of Moroccan-based telecoms giant Maroc Telecom.

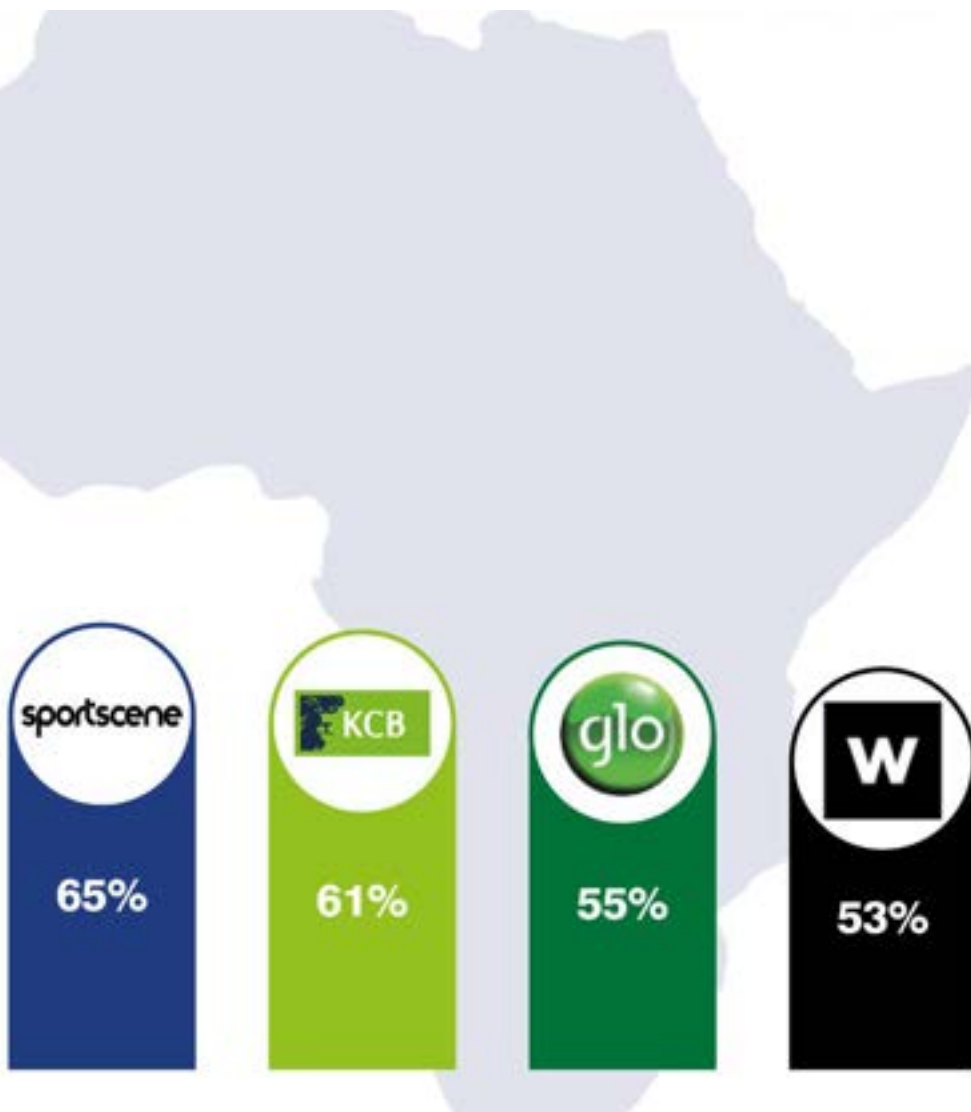
It operates in countries ranging from Benin to Gabon and Mali.

➤ *All the top three brands more than doubled in value*

All of these three brands more than doubled in brand value over the previous 12 months: Tusker by 132%, Senator by 111% and Moov Africa by 104%.

This is according to the annual **Brand Finance Africa 150 ranking** for 2022 released by international brand valuation consultancy Brand Finance. The continent's top 150 Most Valuable and Strongest brands are also included in the study.

Tusker's brand-value growth was noteworthy as it was achieved amidst uncertain business conditions, including a global supply chain crisis and the closure of restaurants and bars due to pandemic-induced restrictions, the report noted.



“The brand overcame this challenge by employing social-media marketing and influencer marketing as its primary method of promotion throughout the lockdown. By partnering with athletes and social-media influencers, Tusker created engaging online content to increase demand, sales and brand recall,” the research team said.

Other fast-growing African brands singled out by Brand Finance include Checkers supermarkets (South Africa), Equity Bank (Kenya), energy company Elsewedy Electric (Egypt)

and sporting-goods retailer Sportscene (South Africa).

A RANGE OF KEY METRICS

The report analyses a range of brand metrics, including the Most Valuable Brands and the Strongest Brands on the continent.

Africa-wide cellular technology company MTN retains its position as the most valuable brand on the continent, while South Africa’s Capitec Bank is the strongest brand. Overall, the banking sector has the most valuable brands on

the continent, followed by the telecom and retail sectors.

MTN (brand value up 49% to US\$4-billion) kept the number one place on the strongest-brand ranking that it also held in 2021. Apart from telecommunications, the company has diversified its services into fintech and mobile money across Africa.

The report says MTN’s Mobile Money (MoMo) application is performing exceedingly well and overtook its competition M-Pesa (brand value up 32% to US\$246-million) in terms of volume of financial transactions through the application, which has a loyal customer base of 57-million active users.

Commenting on Capitec Bank, which is the strongest brand and the only one given a AAA+ rating, the research team observed that the bank is forming strategic partnerships to keep up with market and sector-wide trends in online banking and digital transformation.

“Most recently, Capitec Bank partnered with IT consulting firm Entersekt to leverage behavioural analytics and to enable a higher number of online transactions using e-commerce platforms. The bank also works alongside US-based software brand nCino to provide more efficient and more effective banking services to consumers with the help of cloud banking and digital automation,” they said.

BRANDS ADAPTED TO UNCERTAIN GLOBAL MARKET CONDITIONS

According to Brand Finance, African brands have benefited significantly from adapting to uncertain business conditions caused by Covid-19 by leveraging technological disruption to tackle supply chain issues and national lockdowns.

“Brands from diverse sectors including banking, telecommunications and food & beverage found innovative ways to connect with the customers online. This digital transformation helped the top brands in Africa achieve a 28% increase in aggregate brand value to US\$50.1-billion. Building



^ Top 10 Most Valuable African Brands in 2022.

strong brands across Africa fuels growth in the economy which is creating more dynamic jobs in the long-term,” the report stated.

South African brands (value up by 30% to US\$36.9-billion) are leading the African continent, followed by Nigerian brands (value up by 35% to US\$3.2-billion), Egyptian brands (value up by 42% to US\$3.1-billion), Moroccan brands (value up by 14% to US\$2.6-

billion) and Kenyan brands (value up by 69% to US\$2.1-billion).

Summarising the 2022 report, Jeremy Sampson, Managing Director

➤ *African brands achieved growth through agility*

of Brand Finance Africa, commented: “African brands have achieved strong performances by being agile amid change in the business environment. Whilst South African brands will continue to dominate the ranking for some time, there are encouraging signs of strong brands emerging around the continent, especially amongst the banking and telecommunication sectors.” ■



^ Top 10 Strongest African Brands in 2022.

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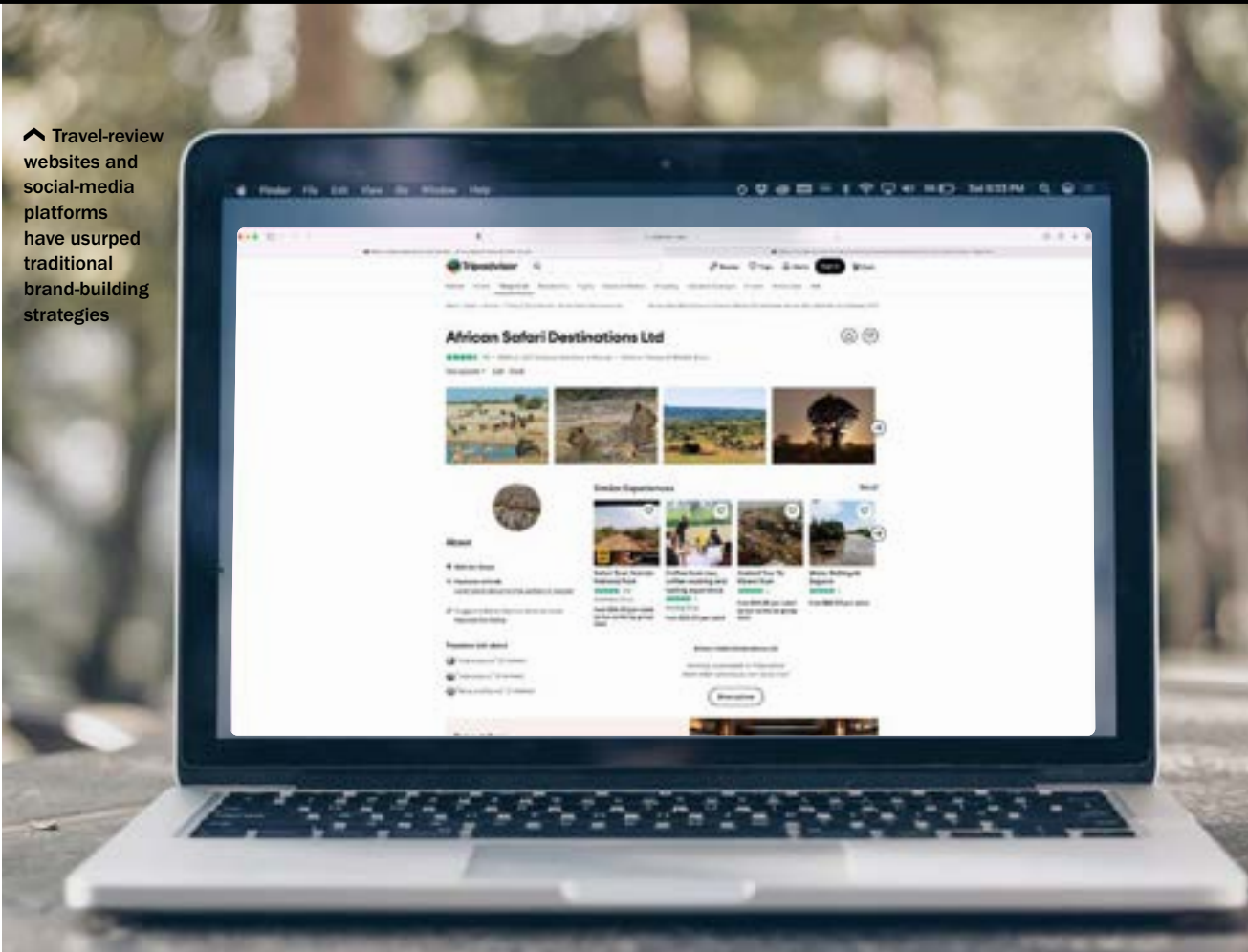
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^ Travel-review websites and social-media platforms have usurped traditional brand-building strategies



The influence of eWOM on **travel** decisions made by consumers

Travel-review websites and social-media platforms have usurped traditional brand-building strategies as the ‘go to’ approach for travel marketers, writes **Neo Cheda**.

CONSUMER-GENERATED content has rapidly gained traction as a key input into the consumer purchase decision-making process. Modern social and online media allows consumers through electronic Word-of-Mouth (eWOM) to share information, opinions and purchase experiences about products and services. Critically, consumers are more likely to trust the information that has been shared by other consumers (Varkaris & Neuhofer, 2017).

However, there is a relative lack of information regarding the influence of social platforms on consumers’

purchasing decisions. The travel industry – which attracts a large volume of social media comments and website-based reviews – is one of the sectors most in need of such information. My research, therefore, aimed to examine the information-sourcing activities of travellers on the internet and social media, and to get a deep understanding of consumer decision-making, paying attention to the factors that influence the buying decision.

RELEVANCE OF TRAVELLER AND TOURIST-GENERATED CONTENT

The prominence of social media

platforms such as Facebook and Instagram, plus travel-review websites like *TripAdvisor* and others, allow consumers to share their opinions, views, and converse extensively with other travellers online.

The travel-related content that people create and upload to these platforms is termed ‘Tourist-Generated Content’ and can both shape the overall image of a destination and raise its profile among prospective travellers – thereby motivating (or, of course, discouraging) travel (Gavilan, Avello, & Martinez-Navarro, 2018).

Social media is, therefore, changing the decision-making processes of tourism consumers and driving business-model transformations to influencing the consumer's decision-making process (Srivastava & Rai, 2015).

Since people trust word of mouth, social networks have become highly influential sources of information to consumers and have influenced how travellers search for, collect and disseminate travel information, recommendations and experiences.

SOCIAL EXCHANGE THEORY

To attempt to address and provide an explanation of travellers' perceptions of, and reasons for, travel decision-making, researchers make use of several theories. Although many theories have been discussed to determine the role and effectiveness of travel reviews in influencing decision-making at different stages of travel planning, the most widely utilised one has been the Social Exchange Theory (SET, Byrd et al., 2009).

The application of this theory to the study is largely appropriate as the SET explains the positive and negative influence of society on its individuals' perceptions (Wang & Pfister, 2008). The research highlights several in-review and in-profile factors that play an important role in the consumer decision-making process and in the credibility assessment of online reviews.

CONSUMER REVIEW SITES

My primary data was obtained through the distribution of an online questionnaire, which was completed by 166 respondents. Regression Analysis was used to analyse the data collected and an examination of the survey results therefore concludes that the internet is a key distribution and communication channel for travellers and suppliers of travel services, such as hotels.

eWOM communication is perceived by consumers as a highly credible form of communication, with research showing that consumers trust it as much as personal recommendations. The study

concludes that consumer-review sites have become an integral part of travel communities as a significant source of information that facilitates consumers' purchase decisions.

Social media also influences the tourism sector in both positive and negative ways. Consistent with recent empirical literature, destination consideration is enhanced by exposure to both positive and negative consumer reviews, as both increased awareness. The robustness in the reviews, and the recommendations given, informs users of the experiences other consumers have had with the products under review.

The findings in the study could be used to gain a deeper understanding of what would make a review credible, exploring what tools travel websites and platforms could introduce to help increase the trustworthiness of reviews – other than, for instance, the 'Helpful Review' button on *TripAdvisor*. Moreover, the factors of importance within reviews identified in this study could be used in qualitative or experimental studies to understand if consumers choose the same influence factors through a visual representation of a sample review or reference.

TAKEAWAYS FOR MARKETERS

The travel industry is one of the largest users of social and online media, not only to promote its services but also to reach out to its target market. Contrary to the past, where travel agents and operators were the only source of credible travel information, the development of social media and online platforms has created an environment where its users produce equally important content about their travels and experience.

My study can be utilised as a guideline for social-platform usage in the travel sector. With this approach, the analysis can also aid in identifying the opportunities and pitfalls that related companies are facing, and the influence on consumers' decision-making preferences to seize and embrace the possibilities in the new marketing era.

The study recommends that travel-



service providers create a brand image that is trustworthy and engaging on social platforms. As a result, both existing and potential travellers will be inspired to share positive content on relevant destinations and, as such, improve their market profile as destinations of choice.

Secondly, there is a need for the travel-service providers to create rapport with their target audience. Creating such a relationship will help these destinations and travel companies to learn about their strengths and weaknesses, thus creating room for improvement. Also, destinations and travel-service providers will be able to address the complaints that arise from consumers who have visited them before, thus enabling them to maintain a positive brand image.

Thirdly, the study suggests that understanding the influence factors and type of content consumers engage with on review websites is part of an emerging marketing strategy that is more effective than traditional advertising or brand-building. Consequently, tourism destinations and operators should promote their products via relevant social media and travel-review sites. User-generated content and eWOM are the key tools to achieve this.

Neo Cheda is Head of Marketing at Tectura International, a professional services company operating in East, Central and South Africa. This article summarises research she undertook as part of her Master of Philosophy (MPhil) in Marketing studies with the IMM Graduate School.

How to get your best customers to sell for you

The art of storyselling isn't about selling yourself to potential new clients, it's about getting satisfied customers doing the job on your behalf!

HERE BE DRAGONS - HOW TO Win Deals and Influence Ideas by Mastering the Eloquent Art of Storyselling is the third book by the offbeat and somewhat eccentric Rich Mulholland. A one-time stagehand (roadie) with rock 'n roll bands, he has subsequently built a successful business helping corporate executives give top-quality presentations to audiences.

His company, Missing Link, has worked in various parts of Africa and around the world with many big-name organisations and individuals. Mulholland, who is based in South Africa, has himself become a leading public speaker and wowed audiences in more than 30 countries on six continents.

He is also involved in a sales business called The Sales Department, as well as two other companies: HumanWrit.es and 21Tanks.

For African marketers, one of the key nuggets of advice from *Here Be Dragons* is how to make satisfied customers your most effective brand ambassadors. After all, praise freely given by others trumps self-praise every time! Here is the extract:

A HAPPY CUSTOMER IS THE STORYSELLER'S SIDEKICK.

So let's discuss how to get good ones. The first thing I'd say is that video is always preferable.

This used to be tricky and involve sending out camera crews, but now it's so much easier. Just invite them to a Zoom** call or similar and record from there, you can just edit yourself out later.

There are a few pointers I'd like to share here. First off, don't make it squeaky clean. Don't be afraid to talk about some of the hiccups in your process and how it was handled. If a story sounds too perfect it also sounds too good to be true. Also, nobody expects perfection, what they want to know is that they are working with a team that will step up if they are needed. As a waiter in my youth, I always got the biggest tips from the tables that I messed up in the beginning. We'll discuss storytelling in the after-sales/service space soon.

Next, for all the reasons mentioned above, get some emotion out of them, facts alone won't cut it. In line with this, get them to mention people by name. It doesn't matter if they leave, it just speaks to the relationship that you have built.

While not an exhaustive list, here are a few questions I would choose from to ask **every** customer at the end of an interaction (seriously, why would you not ask them?). Just be sure to let them know that you are recording the meeting for the purpose of marketing – make this clear before the meeting, they should be

jumping on to the call because they are excited to share their experience:

- What problem were you facing before you met with [your company name]?
- Why was this important to you, and what would have happened had you done nothing about it?
- What made you feel that [your company name] was the right choice?
- Even the best interactions can't be perfect. Were there any mishaps and how did we step up to solve them?
- What was the best part of working with [your company name]?
- How do you feel now about the problem that you mentioned as an answer to question one?
- What were the unintended positive consequences of dealing with [your company name] when solving it?
- Would you recommend us and, if so, why specifically?

You don't need to ask any more than that. The first few questions speak to the dragon, the last few reveal the treasure. I've found the second last question about the unintended positive consequences to be the most powerful as it usually speaks to the added value that they got from dealing with us.

Oh and remember, you're going to edit this down to just a few one-liners,

HERE BE DRAGONS

How to win deals and influence ideas by mastering the eloquent art of storytelling



Richard Mulholland

➤ A satisfied customer will sell your story for you



➤ A testimony from an existing customer will do more for your new business pitch than facts and figures

➤ Author and entrepreneur
Richard Mulholland

so if you're not happy with anything it hits the cutting room floor. These videos run from a minute to three minutes (three minutes is very long, most people will tap out before it's complete). Small snippets sprinkled throughout your presentation or website will probably be best.

Remember, you can't big yourself up as the hero in a story, but you can certainly bring someone else into the room to do just that. So let's decide who to call.

The next time you have an all-hands meeting, ask your colleagues the following question:

If we had a big pitch next week and we could have any one of the customers that you have worked with in the last six months in the room selling on our behalf, who would you choose and why?

Then send the following mail to each of them:

Hey [name],

Thanks so much for giving us the opportunity to work with [their company name], it meant the world to us and the team just loved working with you - we hope you feel the same way?



Clients who say 'yes' will sell your story

If you do, could I bother you to jump on a fifteen-minute Zoom call? We'll just ask you a few questions about your experience and use your honest answers to help us to do more great work for customers like you.

We're proud to have worked with a brand like yours and we'd love to shout about it from the rooftops.

And don't worry, we'll edit the call to make sure you look and sound great, and you will get to double-check everything before we put anything out in the world :)

* * *

Some customers won't or can't (company policy) help you, and that's okay. Not a single one will mind you asking though.

The ones who say yes, will sell your story for you ... and that's a beautiful thing.

***At the time of this writing I recommend Zoom as there are settings that allow you to record HD two separate video feeds, you and customer. This makes editing much easier. ■*

Here Be Dragons – How to Win Deals and Influence Ideas by Mastering the Eloquent Art of Storyselling was published in November 2021 by Tracey McDonald Publishers. It is available in paperback and is sold online and in bookstores.

PHOTOS: TRACEY McDONALD PUBLISHERS; : TIMA MIROSHNICHENKO AND KAMPUS PRODUCTION FROM PEXELS)

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Route-to-market in emerging markets: Framework and key steps

In the second of a two-part series, **Tielman Nieuwoudt** discusses the Design and Enablers phases of developing a supply chain route-to-market strategy.



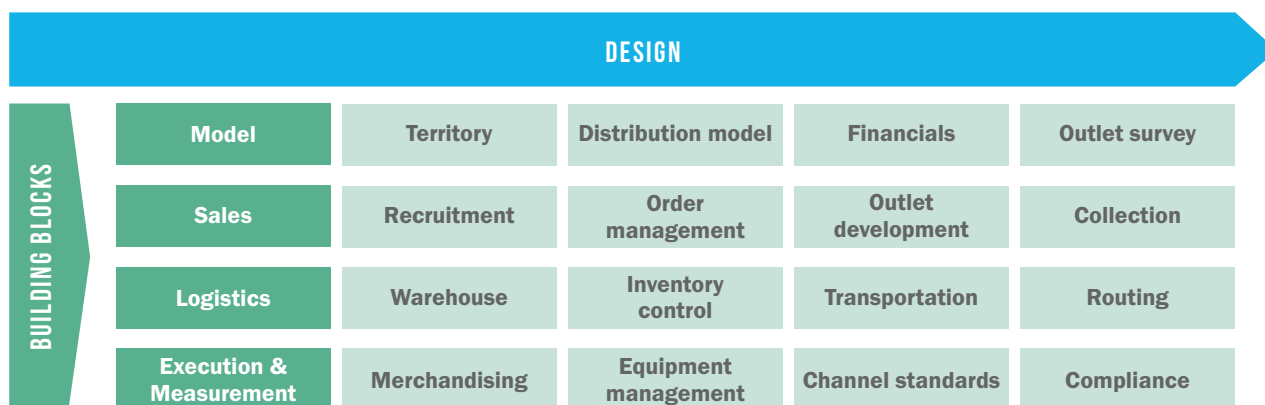
ONCE YOU HAVE COMPLETED your Analysis phase (discussed in Issue 1 2022 of the magazine), you need to start the Design process. The Design phase is segmented into four major building blocks that comprise the distribution model, sales, logistics, and execution & measurement.

- Are there opportunities to share resources and infrastructure with other non-competing companies?
- Do you have a well-defined outlet survey, understanding both the existing and potential outlet base?

collecting cash in person. It is important to understand when cash is collected. In some informal markets, getting the order and collecting cash are done at separate stages. Sometimes cash is only collected later in the day – when the outlet has sufficient cash to pay for the goods.

SALES BUILDING BLOCKS

The sales building blocks focus on sales,



DISTRIBUTION MODEL

The distribution model building blocks consider the model type, territory, financials and the need for an outlet survey. Key questions could include:

- Do you build your own physical distribution network or make use of third parties?
- Do you create a distribution system or rely only on passive wholesalers?
- What is the role of the model?
- Are distributors given exclusivity within territories and channels?
- What is the size of the distribution territory?
- Do you understand the trade margins and are these in line with your financial assumptions?
- Do you understand the profitability of each model?
- How will you support the distribution model?
- Are there aspects you would like to control – such as account development and recruitment of new outlets?
- How much investment will each distribution model require?

order management, outlet development and money-collection activities.

Recruitment of new outlets:

Design the steps to identify and activate a new outlet. Recruitment of outlets can be done by adding the responsibilities to a salesperson's role, or creating a dedicated team of outlet activators or recruiters.

Order management: Develop all activities related to managing customer orders, both manually and electronic – such as e-commerce. Consider documentation and tracking of orders.

Outlet development: Review the outlet development plan and how to create additional demand, sales and profits within existing customers. These activities include selling new products, negotiating space for products, and developing close relationships with the customer.

Collection: Map out the receiving of money from the customer. This could be done electronically or by

LOGISTICS MANAGEMENT

Logistics refers to the overall process of managing and transporting inventory from manufacturing to storage, then on to the final destination. The final destination could be an outlet – ready to serve the end consumer. The logistics building blocks focus on warehousing, inventory control, transportation and routing.

Warehousing & Inventory: Review warehousing and the act of storing goods that will be sold or distributed later. Consider where products are stored, the shelving and racking system being used, inventory-control system, material-handling equipment, security, and yard management.

Transportation: Assess the process of physically transporting goods from manufacturing to the customer, and unloading products at the customer location. The actual sale becomes a reality when the delivery team delivers the products – ensuring the products are available in the outlet. Transportation also needs to take into consideration the



optimum fleet and maintenance.

Routing: Design the service frequency and delivery routes. Routing aims to simplify the work, ensuring a clear call sequence for the sales and delivery teams, and maximising the daily number of standard calls.

EXECUTION AND MEASUREMENT

The execution and measurement phase focuses on merchandising, equipment management, channel standards and compliance.

Merchandising: Assess the activity of promoting the sale of goods in the outlet. Display products at the right time, at the right place in the outlet, in the right quantity, and at the right price to

increase sales. Merchandising activities may include product display techniques such as stock rotation, placing equipment and point-of-sale material.

Equipment management: Identify the need for equipment such as racks and coolers, and the placement plan in visible and high-traffic areas to maximise sales. Ensure equipment is clean and well maintained.

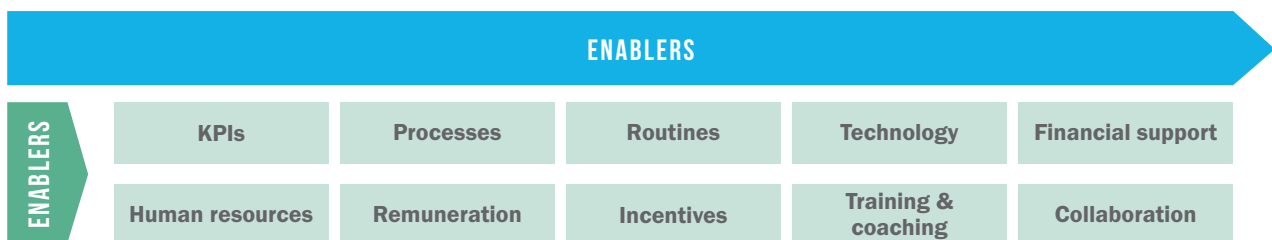
Channel standards: Set execution standards for the sales team. Determine what success looks like for the organisation when in the market, and identify the brands and SKUs (stock keeping units) that need to be visible in the outlet. Also decide where you would like your products displayed in the outlet.

Compliance: Design minimum standards for the sales and distribution teams, and implement an audit system to track compliance. For example, distribution partners could be measured on their minimum inventory levels, warehouse layout, personnel and delivery process.

ENABLERS

The final activity of the design phase is to develop the key enablers to support the building blocks.

Key performance indicators: Develop performance measurements which can demonstrate how effective a company is in achieving its key business objectives. KPIs can add value to your business and highlight opportunities for process improvement.



^ Goods being delivered to a market in Rwanda.



PHOTOS: THE SUPPLY CHAIN LAB, DBMPICTURES VIA WIKIMEDIA COMMONS, ALEX SHEMA VIA WIKIMEDIA COMMONS, HANSUELI KRAPF VIA WIKIMEDIA COMMONS

Process mapping: Map out business processes and all the steps needed to complete a task. Focus on the detail that is required for the project. A process map describes the flow of materials, information and documents, and indicates the various tasks contained within a process. It indicates the decisions that need to be made, and demonstrates the essential inter-relationships and interdependence between the process steps.

Routines: Design routines or actions that are regularly followed. This could be a sales routine comprising the steps a salesman follows to complete an order in an outlet.

Technology: Consider equipment such as smartphones, mobile applications and cloud-based software to digitise supply chains. Assess how you can simplify operational processes and create real-time visibility in even the smallest outlet.

Financial support: Determine the financial support required to support

retailers and smaller distribution partners. Consider partnering with financial institutions and fintech providers with a focus on SMEs. Financial institutions don't typically work with small businesses in emerging markets, as they mostly lack a paper trail and credit rating.

Human resources: Consider the acquisition and retention of skilled staff. Create the right environment for employees to learn and grow, and put the right policies in place.

Remuneration and incentives: Determine the sales compensation, including base salary, commission and additional monetary incentives. Set incentives based on execution and compliance standards for the sales and distribution team.

Coaching: Develop coaching programmes and equip employees with the tools and knowledge to complete their tasks in the workplace. Basic coaching steps include accessing the current skills,

setting clear goals, agreeing on actions and following up.

Training: Implement training programmes to increase knowledge and skills of employees. For sales staff this could include product knowledge, merchandising skills and how to handle objections in the market.

Collaboration: Identify organisations and businesses that you could collaborate with. Businesses, governments and non-profit organisations all have rich networks and can play an important role in facilitating relationships. Collaboration could lead to cost savings, resource pooling and reduced overheads on projects ■

Tielman Nieuwoudt is a consultant focused on supply chain, last-mile logistics, and informal retail service models in emerging markets. He has more than two decades of personal and professional experience – working, living and travelling across more than a hundred countries in Africa, the Middle East and elsewhere.

Study throws light on the effectiveness of going freemium

Academics find that using a freemium marketing strategy tends to benefit the market leaders only. Other companies are worse off.

FREEMIUM STRATEGIES dominate software-related product markets, with many applications enticing potential new users with a free version, then requiring payment for more advanced features. The strategy certainly does attract users, but there's very little empirical evidence showing how it eventually impacts a company's bottom line.

Recent research published in the *Strategic Management Journal* changes that, with data that suggests this oft-used tactic has its limits for generating revenue, especially for companies trailing in their market category.

"Freemium strategies often seem like a natural way of exploiting a network effect," says Kevin J. Boudreau, an Associate Professor of Entrepreneurship and Innovation at Northeastern University in the US, and one of the study's authors.

"By offering a free version, companies may be able to increase the size of their

user base. But in order for a company to use the freemium model to increase revenue, they have to gain enough of a network advantage to tip the market."

Boudreau, along with co-author Lars Bo Jeppesen of Copenhagen Business School and corresponding author Milan Miric of the University of Southern California, created an empirical study using Apple's launch of the Game Center in 2010 and its effect on 485 gaming app market categories.

➤ *Market leaders had 40% of the revenue*

Like almost all app categories, the gaming apps already existed in centralised markets, with leaders capturing 40% of all revenue in their app category, and second-ranked followers only 17%.

The new Game Center introduced strong network effects to the market

with multiplayer and interactive features. To better compete amidst the network effects, many apps shifted to a freemium model with their next product update, which occurred 70 days later. Researchers used this window, combined with 70 days before Game Center hit the market, to investigate how the freemium strategies performed.

EXTENSIVE PUBLIC AND PROPRIETARY DATA USED

Their analysis included public data on more than 1.4-million mobile apps and proprietary data from a marketing analytics company to categorise the apps and identify market leaders and followers.

"Although a sample of 140 days may not seem a long time in conventional industries, app markets are particularly dynamic," says Jeppesen, a Professor of Innovation Management. "On average, a market category would undergo dozens of leadership changes within this short time window."

The authors used Apple's daily list of top 500 apps in sales and downloads to approximate revenue, using an established method that incorporates revenue ranking, prices and download ranking. They found using freemium strategies in markets with strong network effects widened the already large revenue gap between leaders and followers by 55%. Leaders gained ground and second-ranked followers lost it.

"Our results show that freemium strategies can lead to drastically different outcomes for market leaders and followers in markets with strong network effects," says Miric, an

Marketers shouldn't try to sign up everybody

According to an article published last year in *Forbes* business magazine, marketers using a freemium model shouldn't waste their time trying to sign everyone up to a paid premium version. Instead, they should market to the prospects most likely to buy a paid plan.

The free tier then becomes an incentive to get them on board. However, this only works if:

1. You've correctly identified who's most likely to benefit from your product.
2. You're selling through channels and mediums that qualified leads use.
3. You've priced and designed your paid plan correctly.

"Otherwise, you run the risk of overspending on marketing and ending up with more free customers than paid, which returns you to square one," *Forbes* cautions.

Assistant Professor of Data Sciences and Operations. “Network effects had no impact on products that were paid-only, but greatly amplified leaders’ advantages where freemium strategies are used.”

The study’s data suggests that freemium models and network effects are not always mutually beneficial, as many software companies believe. Companies that do not lead their market ultimately suffer when both are at play, and the market itself also suffers since competition and innovation ultimately decrease.

Under a freemium business model, explains the website *Investopedia*, a business gives away services at no cost to the consumer as a way to establish the foundation for future transactions. By offering basic-level services for free, companies build relationships with customers, eventually offering them advanced services, add-ons, enhanced storage or usage limits, or an ad-free user experience for an extra cost.

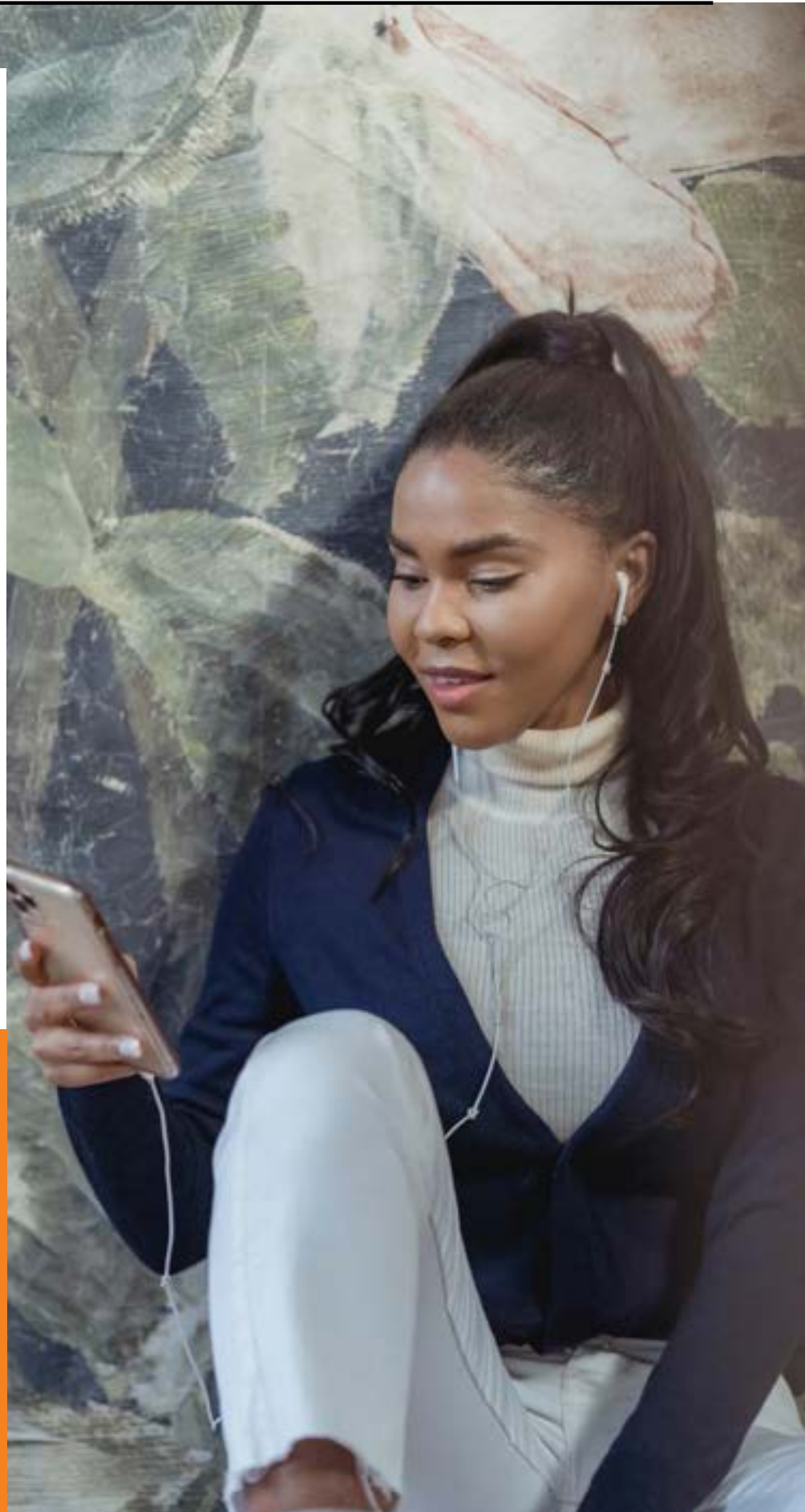
In the video game industry, this strategy is also called free-to-play.

Readers of our Digital Edition can access the full research [here](#): Kevin J. Boudreau et al, Competing on freemium: Digital competition with network effects, *Strategic Management Journal* (2021)

Freemium examples

Examples of products using a freemium strategy (in some cases only available in certain markets or under specific conditions) include:

- Dropbox
- HootSuite
- MailChimp
- LinkedIn
- Spotify
- Evernote
- Adobe Acrobat
- Adobe Lightroom
- Netflix
- Microsoft Teams
- YouTube





Study from Ghana emphasises Africa's misinformation challenge

Media messaging and misinformation in the African context must take into account 'pavement media' and other non-traditional information sources.

FOR BUSINESSES, GOVERNMENTS and community organisations, the rapid spread via social media of fake news and misinformation is a significant threat.

Recent global examples include Covid-related misinformation, disinformation around the US election, and fake news about the health impacts of 5G cellular technology. In the latter instance, there were attacks on employees of cellular networks who were believed to be installing 5G technology, as well as arson at sites believed to house cellular towers using 5G technology.

Now, new research from Ghana emphasises that PR efforts intended to combat the spread of such misinformation in African countries must move beyond the Western-centred conception of what constitutes 'media' and take different local styles of media access and fact-checking into account.

The study, published in the journal *African Affairs*, notes that social, traditional and 'pavement media' are all used to spread fake news and misinformation in the country. People who hear misinformation second-hand, or via 'pavement radio' are less likely to

question it.

As a consequence, say the researchers, the continent needs unique techniques to tackle the spread of misinformation. They note that discussions about current affairs in marketplaces, places of worship, bars and other social spaces – as well as through songs, sermons and graffiti – form a key part of the media ecosystem in Africa.

These communication channels, combined with traditional media, mean that information from social media quickly crosses into offline spaces.

The study emphasises that those using social media are usually able to independently assess the accuracy of information they read. They are keenly aware of the prevalence of misinformation on social media and generally more suspicious of social media content.

INFORMATION RECEIVED SECOND HAND IS USUALLY FAR LESS QUESTIONED

However, people who hear about misinformation on social media second-hand, or via 'pavement radio', are less likely to question it, leaving them more vulnerable. They usually hear about this

information from people they trust and through existing social hierarchies, so are more likely to take it at face value.

The study was carried out by Professor Elena Gadjanova from the University of Exeter in the UK, Professor Gabrielle Lynch from the University of Warwick in the UK, and Dr Ghadafi Saibu from the Bayreuth International Graduate School of African Studies in Germany.

"Africa's interconnected media spaces and multiple, intersecting, digital inequalities have significant implications for citizens' patterns of exposure, relative vulnerability and response to social media misinformation," Dr Gadjanova said.

"The interconnected media space means that misinformation originating on social media travels through multiple channels simultaneously, significantly increasing its reach. Efforts to battle misinformation should take this into account. There is a need to harness multiple information channels to debunk misinformation. [These include] local and national media, common information diffusion spaces such as markets, and high-status individuals who enjoy high levels of trust locally."

The study notes that social media literacy campaigns are unlikely to be effective unless they have influence in wider society. Beyond encouraging fact-checking on an individual level, governments and civil society should strive to normalise it as social practice, which would empower indirect social media users to respond quickly to suspected misinformation.

In Africa, social media and mobile phones are now part of everyday life.

The study describes the social divide between the highly literate and well off who have unlimited access to media channels and the internet – versus those who are offline, have limited access to traditional media, and whose friends and family members are similarly disengaged.

Readers of our Digital Edition can find out more about the study [here](#). ■



↑ Villagers in Ghana. Traditional and 'pavement media' are used to spread misinformation

How fake news hit India's poultry sector

An example of fake news disseminated by street-level gossip comes from India, where a rumour that Covid-19 was being caused by chickens resulted in significant damage to that country's poultry industry.

There were also knock-on effects for related business sectors, such as the maize and soya industries, as the poultry business was the biggest buyer of these crops for chicken feed purposes.

The World Economic Forum has ranked the spread of misinformation and fake news as being among the top global risks.

According to Mike Paul, President of PR and crisis communications company Reputation Doctor: "Fake news today is like a modern-day tech suicide bomber in the worlds

of communication, reputation and branding. It only takes one well-planned [fake news] success to hurt a lot of people or an organisation."

A study in 2019 by the University of Baltimore in the US, in conjunction with cybersecurity company CHEQ, found that fake news had cost the world an estimated US\$78-billion, with \$39-billion of that being stock market losses caused by share price volatility due to misinformation.

"Other indirect costs include the effects of constant vigilance, energy and resources to defend against and repair damages caused by campaigns of misinformation. This effort is often diverted away from innovation, training, corporate social responsibility and many other vital economic sources of growth," the study warned.

Boost your brand message by making consumers laugh, new report advises

The Happiness Report believes that people will reward brands which embrace humour in their marketing campaigns with loyalty, advocacy and repeat purchases.

CONSUMERS WANT BRANDS to make them smile and laugh, but most business leaders fear using humour in customer interactions, according to a new research report by computer technology company Oracle and Gretchen Rubin, five-time *New York Times* bestselling author and podcaster.

The Happiness Report includes insights from more than 12,000 consumers and business leaders across 14 countries. It found that people are searching for new experiences to make them smile and laugh and will reward brands that embrace humour with loyalty, advocacy and repeat purchases ... or walk away from those that don't.

According to the researchers, consumers are searching for happiness in new ways and are willing to pay a premium when they get it. "It has been more than two years since many people last felt true happiness and they are searching for ways to be happy again, no matter the cost," they explain.

The report notes that:

- 25 percent of people don't know, or have forgotten, what it means to feel truly happy.
- 88 percent of respondents are looking for new experiences to make them smile and laugh. People are prioritising health (80 percent), personal connections (79 percent), and experiences (53 percent) to gain happiness.
- More than half (53 percent) wish

^ Consumers are searching for happiness in new ways and are willing to pay a premium when they get it

money could buy happiness, with 78 percent willing to pay a premium for true happiness.

- 89 percent attempted to find happiness in online shopping during the pandemic and, while 47 percent said that receiving packages made them happy, 12 percent struggled to remember the purchases they had made online.



While consumers like brand humour, bosses are wary

Therefore, the researchers believe that advertising, marketing, sales and customer service interactions need to change in order to accommodate this. But there is a significant push-back from company management, where the study found that a massive 95% of business leaders fear using humour when dealing with customers.

To illustrate the above point, *The Happiness Report* adds:

- 78 percent of people believe brands can do more to deliver happiness to their customers and 91 percent said they preferred brands to be funny; this number increased among Gen Z (94 percent) and Millennials (94 percent).
- 90 percent are more likely to remember ads that are funny, yet business leaders said that only 20 percent of their brands' offline ads (TV, billboards) and 18 percent of their online ads actively use humour.
- 77 percent of people are more likely to buy from a salesperson that is funny, yet only 16 percent of business leaders said that their brands use humour to sell.
- 75 percent of people would follow a brand if it's funny on its social media channels, yet only 15 percent of business leaders said their brand is humorous on social.

- 69 percent of people would open an email from a brand if the subject line were funnier, yet only 24 percent of business leaders said they actively use humour in email marketing campaigns.
- 68 percent would prefer to engage with a chatbot/digital assistant that is funny, yet only 27 percent of business leaders said their brands actively incorporate humour into bot communications.

"For brands aiming to contribute to the happiness of their target audience, the process starts with data and knowing your customers. Only then can you bring the appropriate mix of humour, personality and brand experience that will drive loyalty and brand advocacy," observes report co-author Rubin ■



Being funny increases message receptivity

Humour is the most powerful creative enhancer of receptivity among consumers. It also has the important advantage of being able to cross generations.

In a blog post published in February this year, insights company Kantar analysed various in-house studies relating to advertising effectiveness and creative effectiveness. It found that, not only is humour a great way to get a reaction, it can also make advertising really stand out from the crowd. Humorous ads are more expressive (+27 point increase over non-humorous ads), more involving (+14) and more distinct (+11).

But the company does warn that, in a constantly evolving world where levels of appropriateness and acceptability can be transient, it is wise to be mindful of the type of humour your brand uses.

"It is essential that it is not only relevant to your target audience, but also appropriate to the media context," Kantar states. "Humour

offers a great opportunity to humanise your brand and build affinity. In the same way the friends who make you laugh are often those you are closely bonded with, brands that connect with their consumers through humour also bond with them."

The research emphasises that it needs to be used judiciously to ensure it doesn't distract from communication, as this can impede persuasion. The danger lies in losing your ad's core message in the humour. However, if you have new information to convey, it can be beneficial to build the humour around that message.

"Social media platforms and user-generated content have made the humour of the masses more accessible to all, and this has led to a wider range of styles that can suit the most specific of niche audiences," Kantar states. "Using humour with exacting precision may indeed be a way for brands to connect and bond with their consumers on a whole new level."

High prices can make **wealthy** feel entitled to unsustainable goods

Putting a higher price tag on certain unsustainable items doesn't necessarily discourage purchase. In fact, the opposite may apply, new research indicates.

AROUND THE WORLD, THERE is a trend towards encouraging consumers to buy fewer unsustainable items in the interests of saving the planet. One of the obvious ways to do this is to raise the prices of those items.

Or not? Research published by the University of Pennsylvania in the US indicates that in some cases the opposite will apply.

According to the study, high prices may not deter wealthy people from buying unsustainable goods – instead,

hefty price tags can trigger those in the upper class to buy these products.

In a series of studies, the researchers – including Karen Winterich, Professor in Sustainability at the university – found that upper-class people were more likely to buy unsustainable goods when they had a higher price tag. Further analysis found this was because the higher price made those consumers feel entitled to the benefits of these products, despite the cost to the environment.

Additionally, said the researchers, this effect extended to other 'socially costly' situations, like travelling to a holiday destination that was suffering environmental damage from too many tourists.

However, the team of academics also found that when participants were encouraged to think of everyone being equal, this effect went away. Winterich said the findings, recently published in the peer-reviewed *Journal of Marketing Research* could potentially be used to help consumers make more sustainable choices.

MESSAGING STRATEGIES SHOULD RATHER EMPHASISE EQUALITY

"If we want to turn off the purchase of socially costly products, then we need to focus on messaging strategies that encourage people to think more about the overall equality of human beings," Winterich explained.

"When we prompt people to think about equality, or to think more about the environment, then we can circumvent this effect and make them not as likely to accept these social

costs just because they paid a high price for the product."

According to the researchers, previous studies have found that most people prefer products that offer social benefits, such as being 'green' or good for the environment. However, when they make purchases, many customers still choose products that are convenient or perform better.

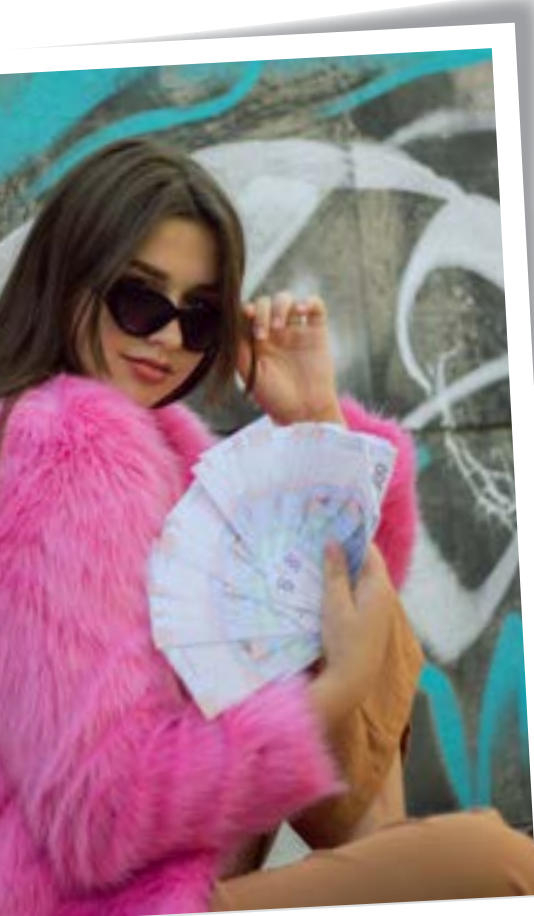
The researchers found that, while higher social-class people felt justified buying socially costly products when they cost more money, there was also a limit to what they found acceptable.

> *Feeling justified only true in some contexts*

"It's possible for people to have a chronic sense of entitlement, but our findings were focused on this specific tendency for price to trigger a feeling of being justified in their purchases," Winterich said. "We're not talking about really severe social costs. If the cost would be very high, like someone being physically harmed, we wouldn't see this effect."

The researchers theorised that people who describe themselves as being in a lower social class may think more communally, which may protect them from feeling entitled by paying a higher price.

"This might come from the experience of having to rely more on their community, and therefore being more communal-minded and less likely to think transactionally," Winterich said. ■



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