

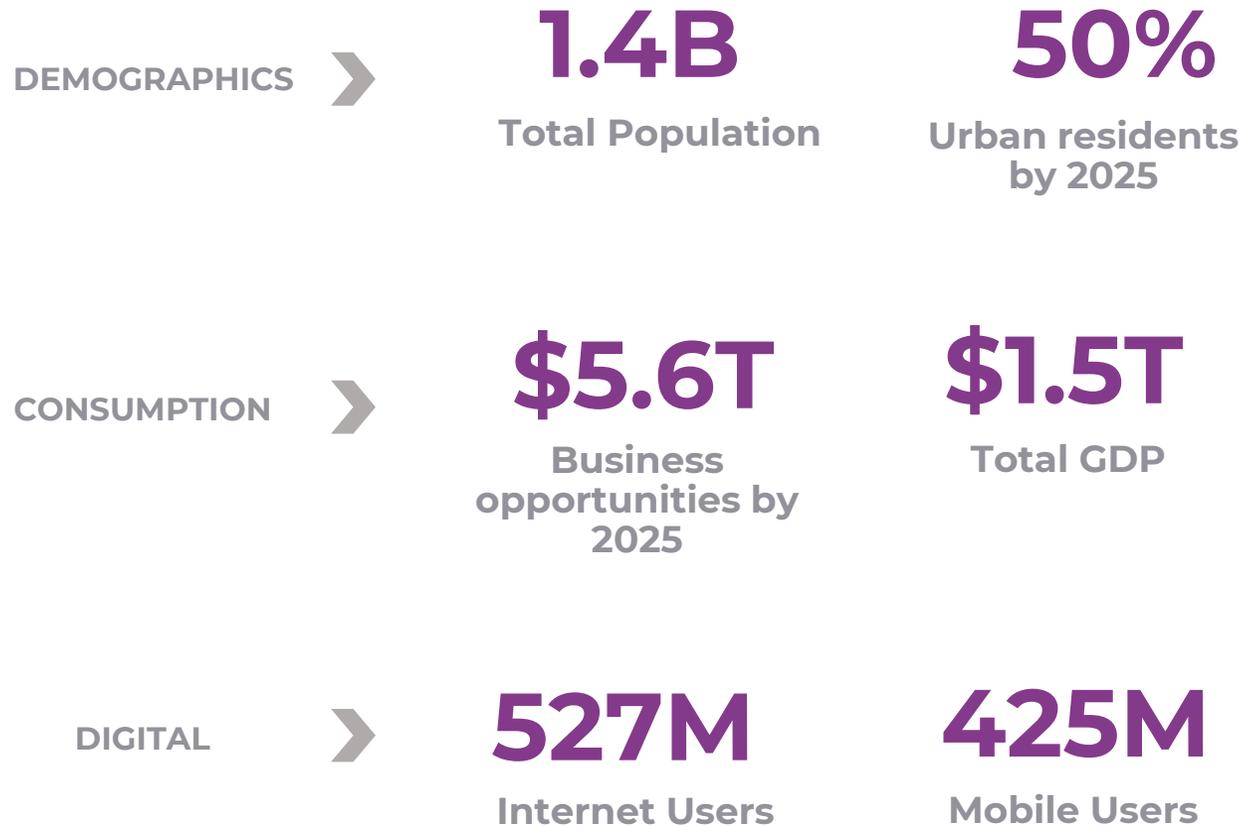


Informal Economies & Market Research Workshop

Kasi Insight | Canada + Africa
Presented by: Yannick Lefang
September 2023



Africa is a big market



Source: WorldBank, McKinsey & GSMA

Hilton Zanzibar | Zanzibar Island (East Africa)

Africa is not informal, informal is Africa

83% Employment in Africa is informal

25 to 65% of GDP in Africa

30 to 40% Young unemployment in Africa

40M SMEs operating in the informal economy



Africa is a \$2.6T consumer market.

- Consumer data is at the heart of your business
- Effective consumer research in Africa has evolved
- The way African consumers spend is changing
- Its critical to understand and connect with the African consumer

ADDRESS
(don't assume)

ADAPT
(don't confront)

PULL
(don't push)



Marakech Market | Africa @ Corbis

Every industry is impacted



CONSUMER GOODS

Retail, Apparel, Shopping malls, Fashion, Electronics



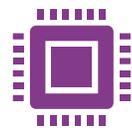
DIGITAL BANKING

Literacy, Cash management, Payment, Money transfer, Insurance



HEALTH & WELLNESS

Pharma, Medical care, Diagnostic, Exercise, Diet



TECHNOLOGY

Manufacturing, Robotics, Agri-business, Construction



Manufacturing factory (Ethiopia)

What it takes to win in Africa?

- High growth companies are moving away from guessing consumer habits and needs
- There is no success in Africa without local insights
- That's why the best brands strategize differently when it comes to Africa
- Only a few will thrive, and size doesn't matter



THE RABBIT

"Prospectors" who dig to understand customer problems and contexts



THE ELEPHANT

"Analyzers" who track trends and take a long view to transform their markets



THE CHEETAH

"Reactors" who respond and adjust quickly given new sets of problems and opportunities



The power of local data and insights

- The winners unlock the value of data to solve the right problem
- They build relevant and valuable products and services
- Data impacts every part of their businesses
- They adopt a customer-centric approach in Africa

#SMARTDATA, #PRICINGMODEL
#MARKETING STRATEGY,
#SALESAPPROACH,
#EXISTINGCOMPETITION, #SURVIVAL



Cheetah running | Africa @ Corbis

It's the only way to win in Africa

TODAY

400

Companies with Annual Revenue of \$1B in Africa

2025

600

Companies with Annual Revenue of \$1B in Africa



169

Companies with Annual Revenue of \$1B in Canada (2014)

200

Companies with Annual Revenue of \$1B in Canada



Dar Es Salaam, Tanzania (East Africa)



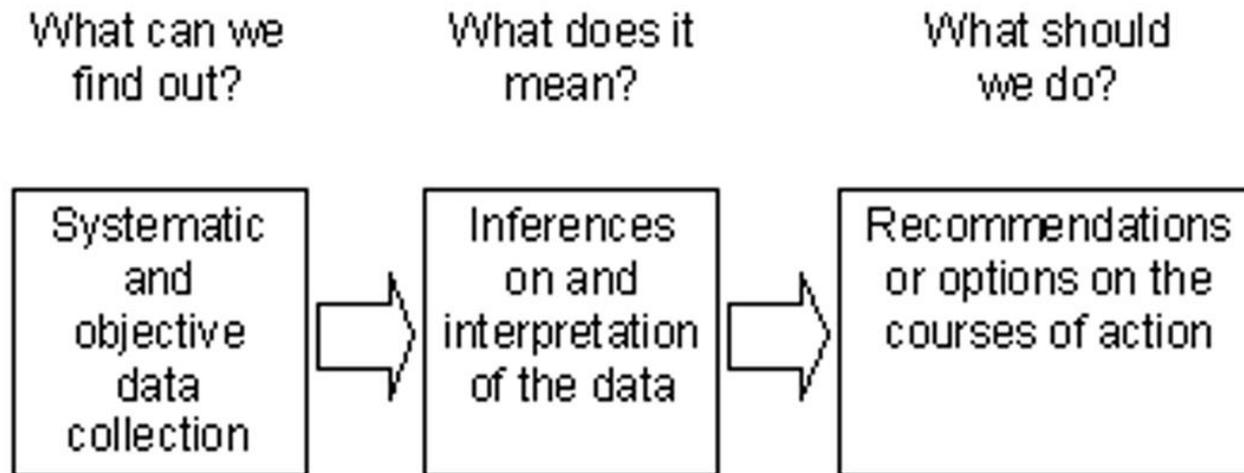
Marketing used to be about creating a myth and selling it and is now about finding a truth and sharing it.

Marc Mathieu | SVP Marketing Unilever



What is market research?

The systematic and objective collection and interpretation of data to help reduce risk in marketing decision.



Market research objectives

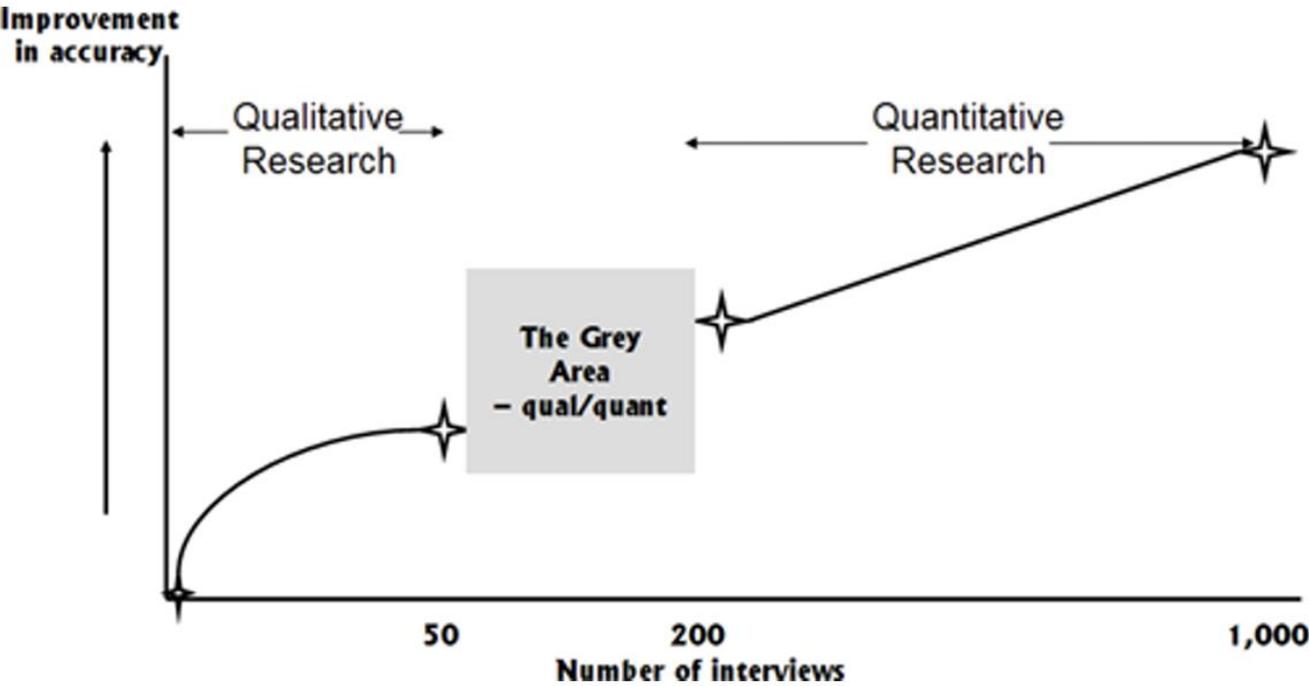
Market research can be used to help organisations grow by finding new markets for their products or new products for their markets.

New products	Market research can show the likelihood of adoption of new products	Market research can show un-met needs and provide an understanding of unfamiliar markets
Existing products	Market research can measure customer satisfaction to find out how to maintain a competitive edge	Market research can find new territories for products or services
	Existing markets	New markets

Market research design

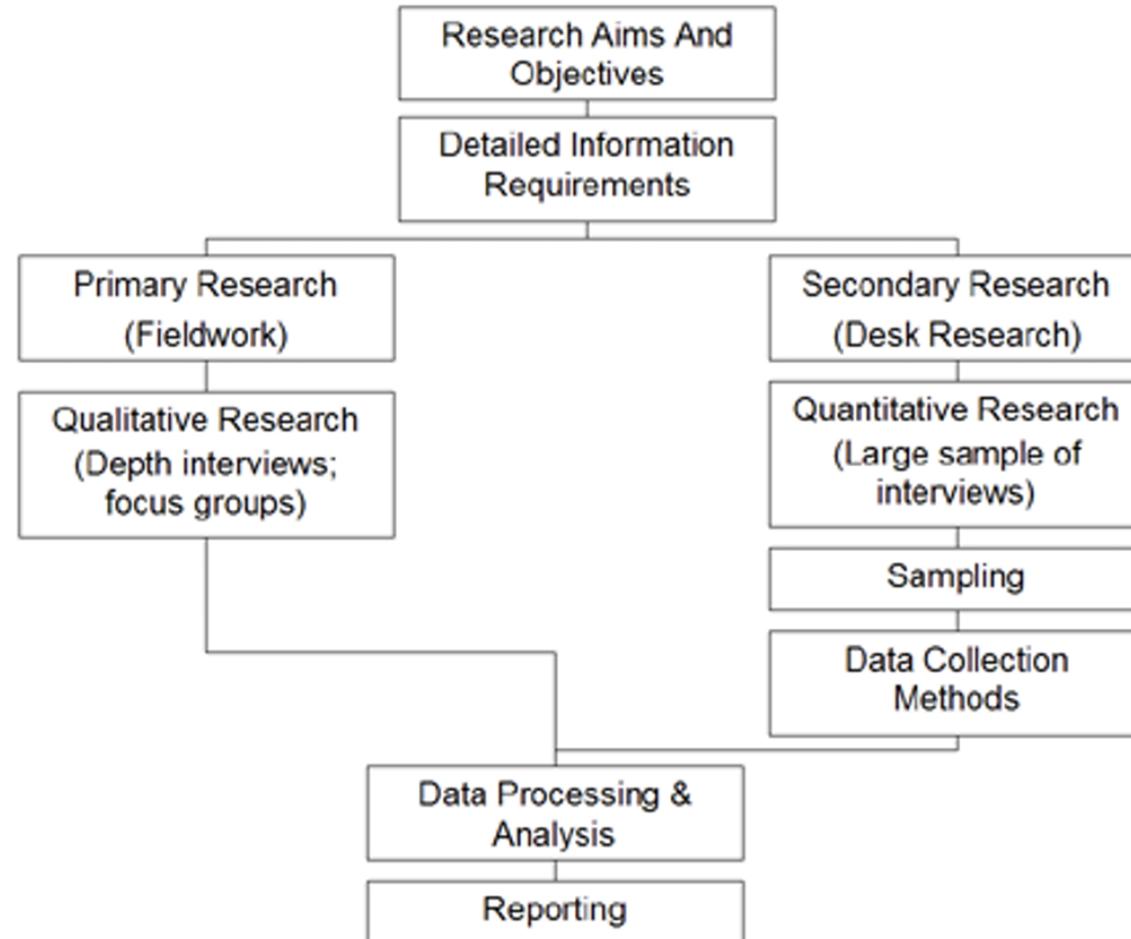
The building blocks of intelligence – which includes secondary as well as primary data. Quant and Qual applications.

Internal fact	External fact
Internal opinion	External opinion



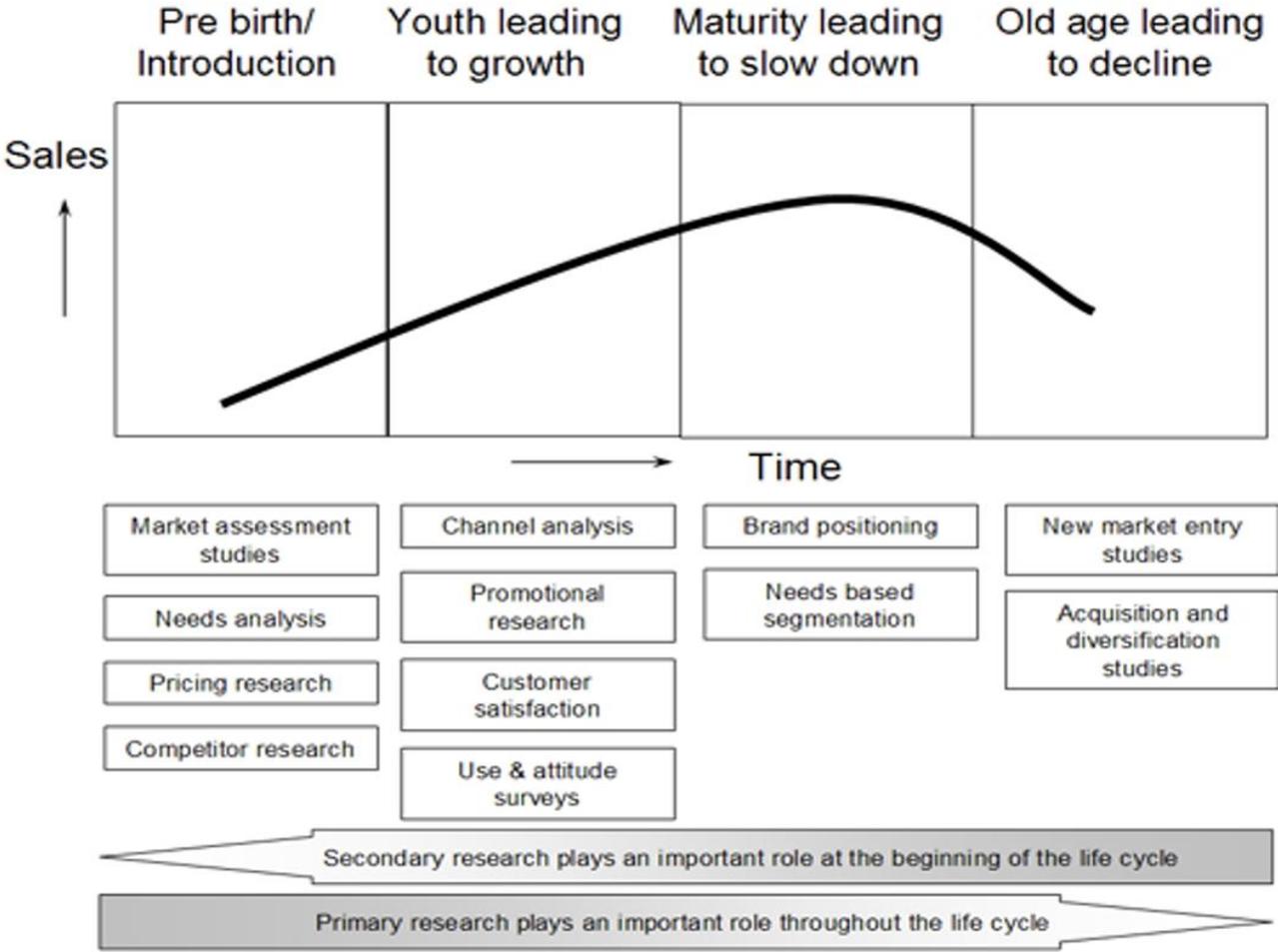
How to choose the right framework

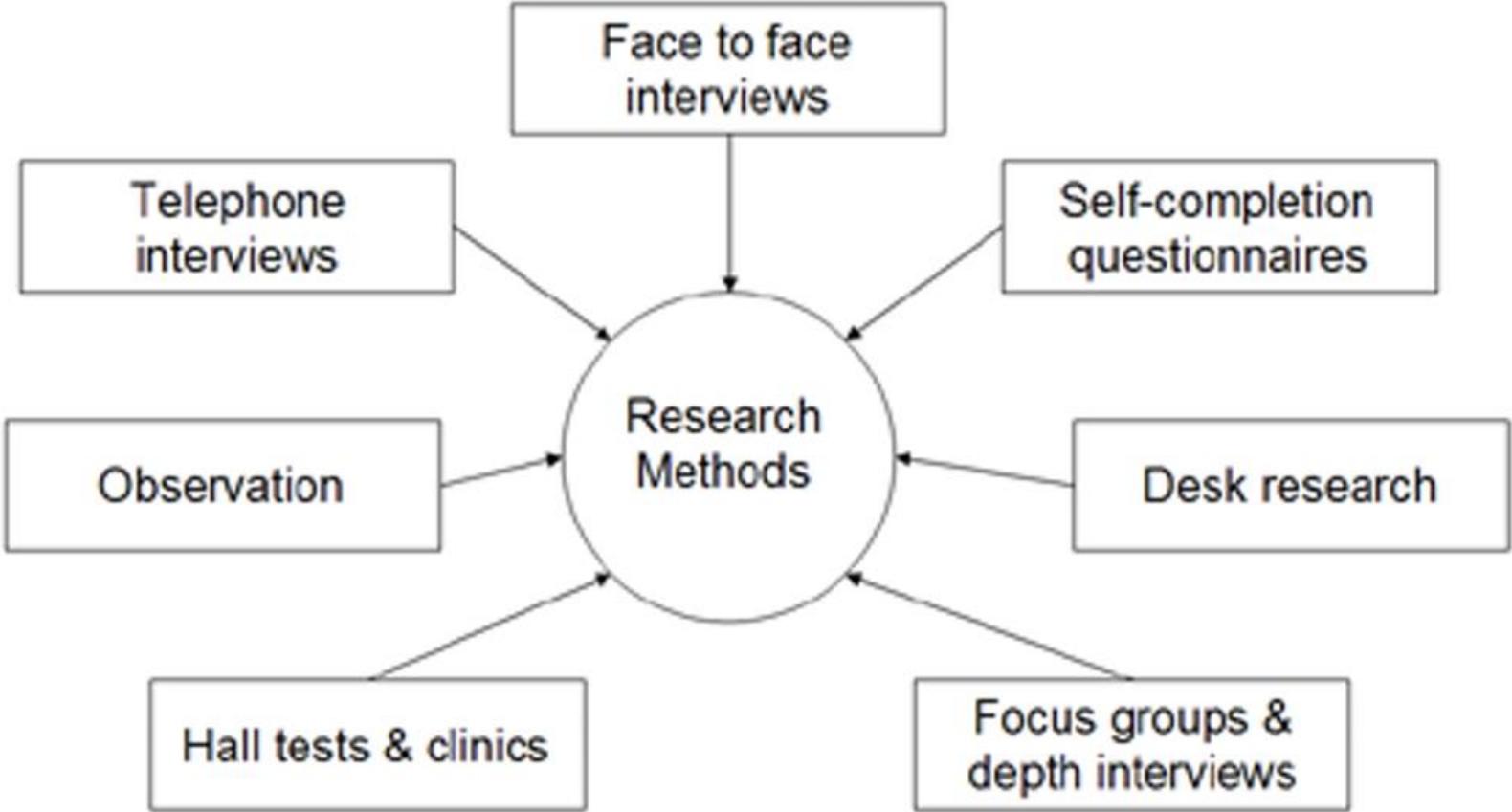
The research method that is chosen to achieve the objectives is usually a compromise between the accuracy and detail of the information required, the budget that is available and the timetable.



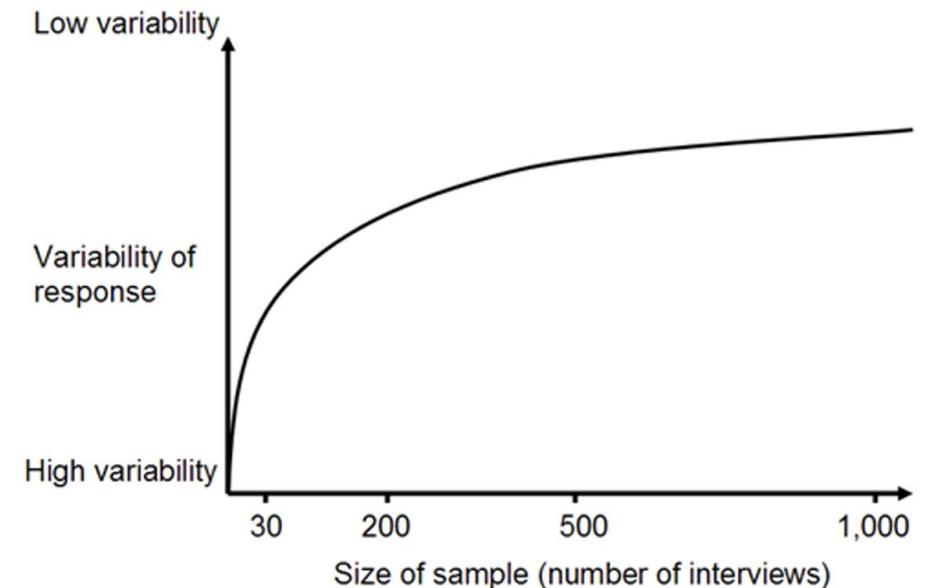
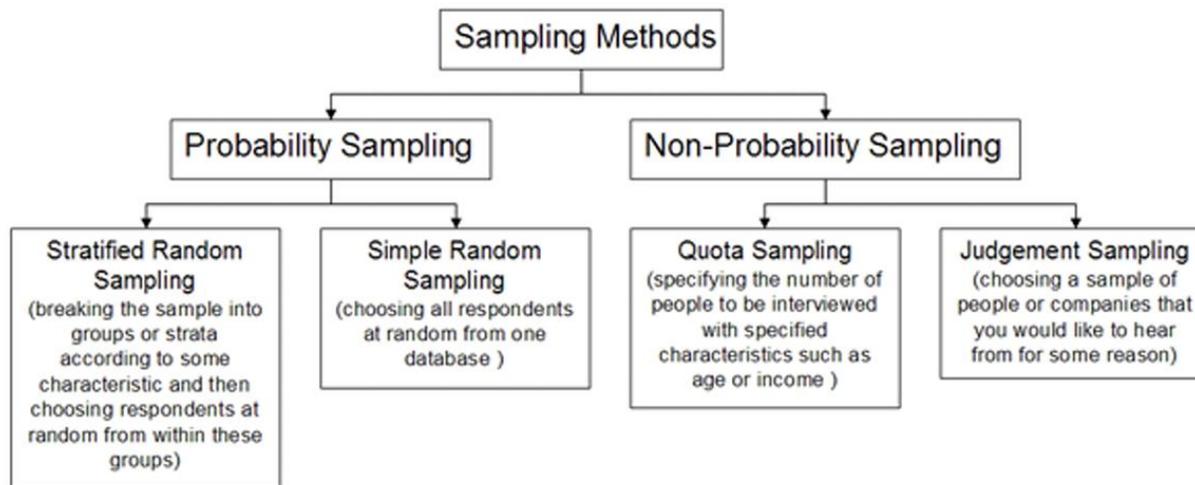
Role of research through product life cycle

Primary research is important and relevant earlier in the product life cycle while secondary research importance is higher later in the life cycle of a product.





The objective here is to identify the characteristics of the population under investigation and to decide how many should be interviewed. You can't interview everybody. It will be very expensive and not efficient.





**The rise of decision intelligence
or market research at the speed
of business and the agility of the
informal**



The rise of decision intelligence (market research 2.0)

Market research adapted to the informal economies



Case 1: Consumer confidence in Kenya

Tracking the real economy every month

While GDP estimates for 2020 are available the actual GDP reading from the central bank of Kenya is for 2019

Unfortunately, the GDP won't capture the intra month volatility and the full impact of the pandemic.

Kasi Consumer Confidence index tracked the impact of the pandemic in Kenya, month over month.

CCI YoY change is only 4% (+4 in January 2020 to 0 in December 2020) But the volatility was massive intra month as the pandemic disrupted consumers habits and lives.

Macro Data

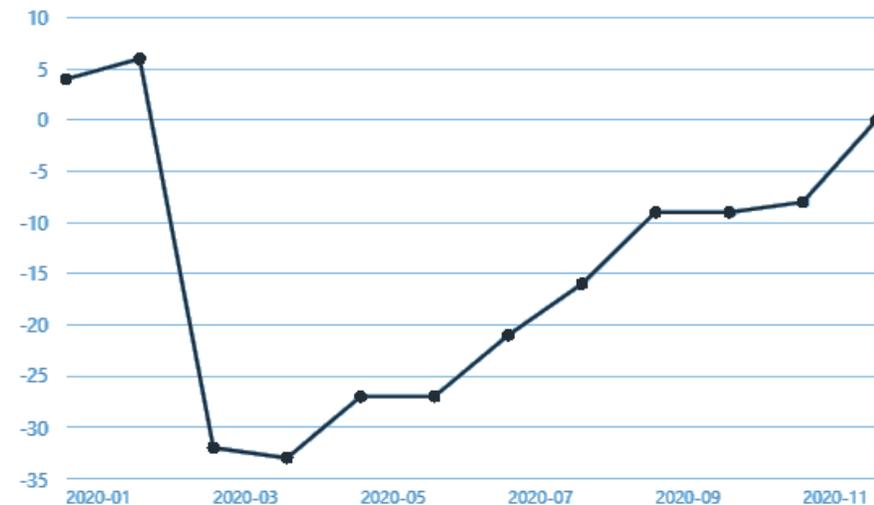
Top down



5.4%

Actual GDP
(2019)

Source: Central Bank of Kenya



Source: Kasi CCI (Kenya) – Index of Consumer Sentiment (ICS) - 2020

Market Data *Bottom up*



Case 2: Retail intelligence in Nigeria

Unlocking opportunities from the pandemic

The insurance penetration in Nigeria is very low – the country ranks 62nd in the world at around 1%.

Obstacles to insurance market growth include consumer awareness, lax enforcement of mandatory coverage laws and new proposed capital requirements.

Macro Data

Top down



1%

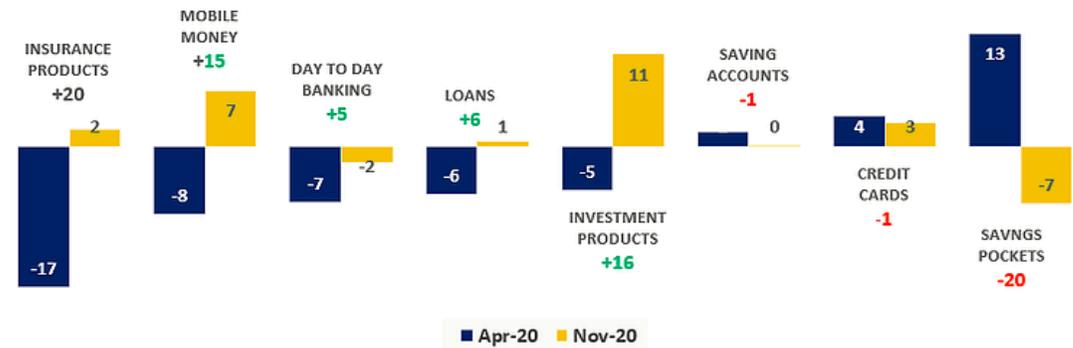
Insurance penetration rate

Source: PWC report

Demand for financial products shifted significantly as a result of the COVID-19

Our data shows that seven months later, consumer demand and purchase intent for financial products have shifted significantly. Amongst the products that saw an acceleration of the demand, insurance products' demand grew 20% followed by investment products at 16%.

Insurance products grew 20% since April 2020



Market Data Bottom up



Win with Confidence

Find us on social media:



[Kasiinsight.com](https://kasiinsight.com)



[kasiinsight](https://www.linkedin.com/company/kasiinsight)



[kasiinsight](https://twitter.com/kasiinsight)



[kasiinsight](https://www.instagram.com/kasiinsight)



[KASlinsightinc](https://www.facebook.com/KASlinsightinc)