

NIQ

An Inside Look

The SMB Overview of Africa

NielsenIQ

July 2024



About the survey



NIQ's An Inside Look was a global survey to a digital panel comprising of business owners from 47 markets representing approximately \$26 billion* in FMCG sales value. It was designed to understand the realities faced by SMBs in today's economic and retail landscape.

Fieldwork: March to May 2024.

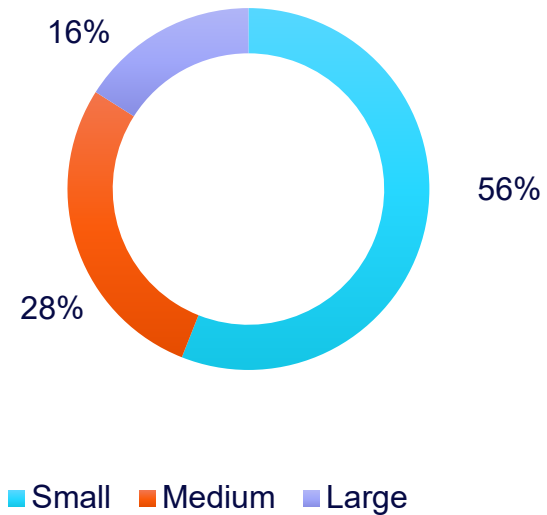
Regions represented: Asia Pacific, Latin America, North America, Europe, Middle East, Africa and China.

This regional report delivers an overview of the African respondents from 11 markets representing approximately \$6.4 billion* in FMCG sales value.

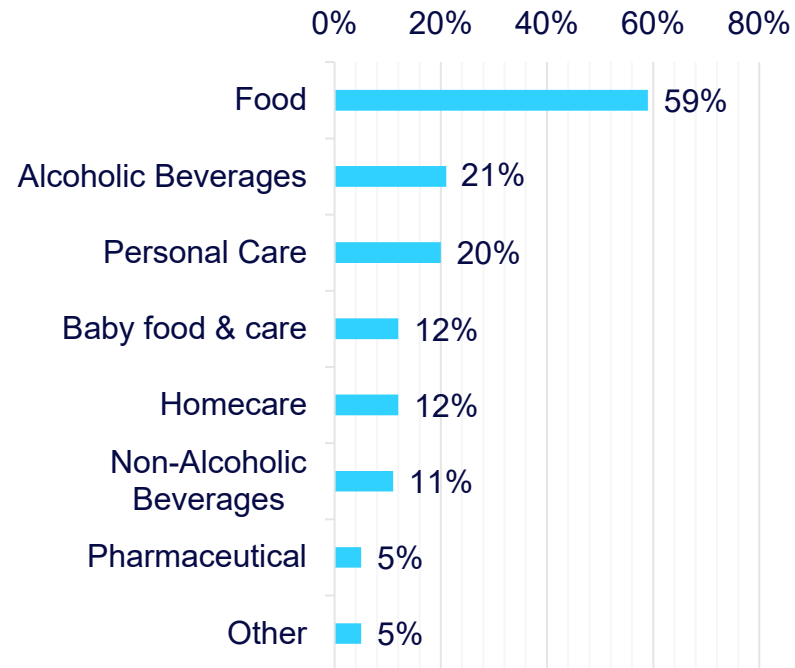
** Based on NIQ RMS segmentation for Small and Medium Businesses*

About the respondents

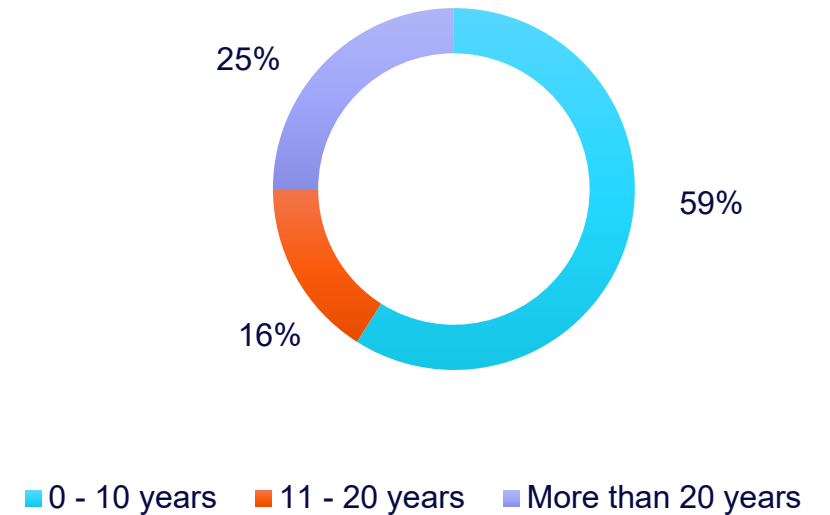
Respondents business size (Africa)



Category breakdown (Africa)



Company operating years (Africa)



Survey Results

Respondents from Africa

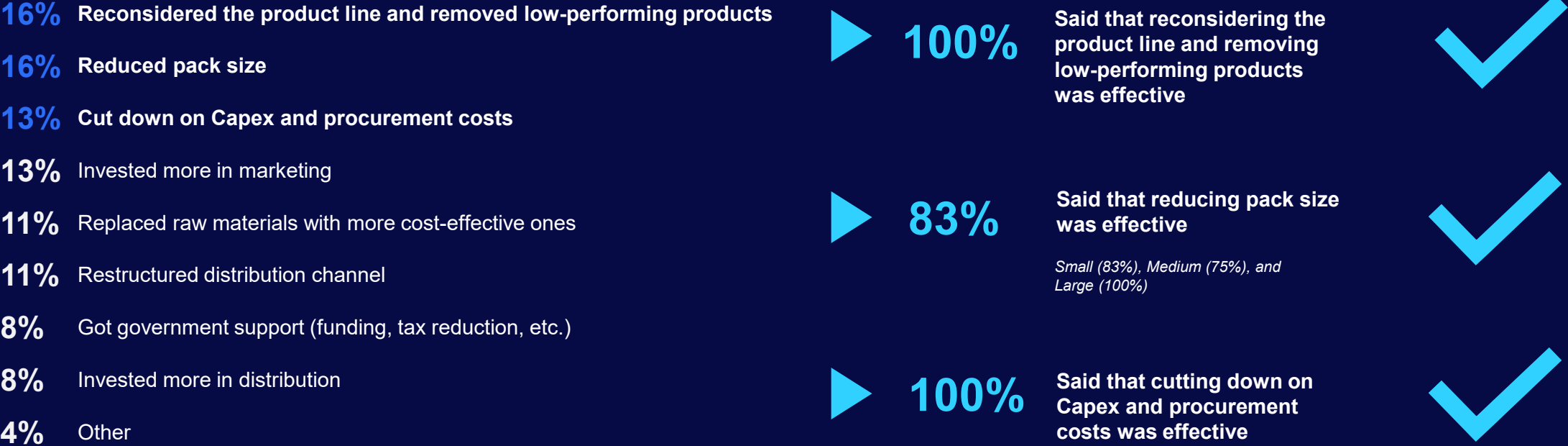
Challenges,
Risks and
Opportunities

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In the Africa region, the most effective actions to overcome inflation are reconsidering the product line by removing low-performing items and reducing pack sizes

What was your key point of action for overcoming challenges brought on by inflation in 2023?



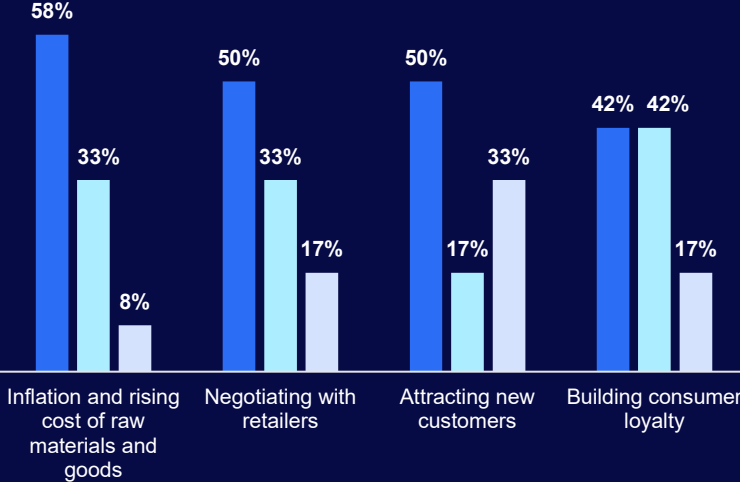
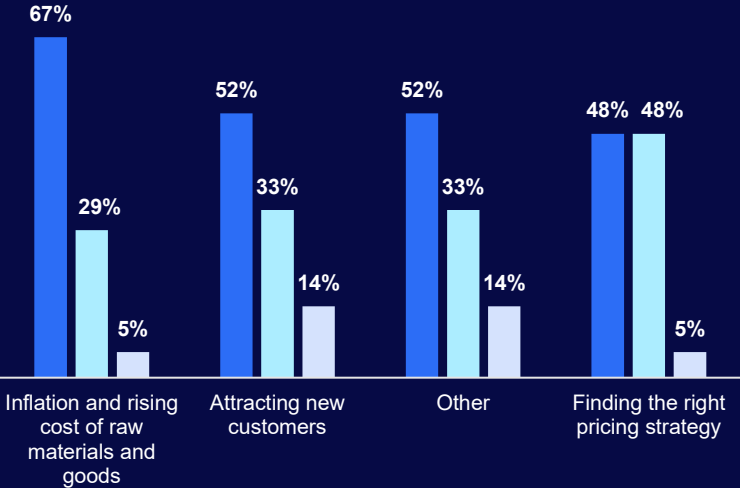
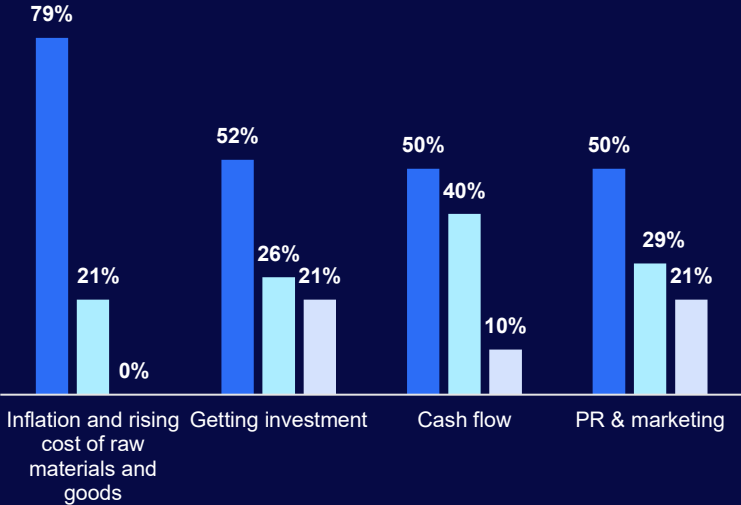
In 2024, inflation remains a main concern for all Small, Medium, and Large companies

What main challenges is your business currently encountering?

Small

Medium

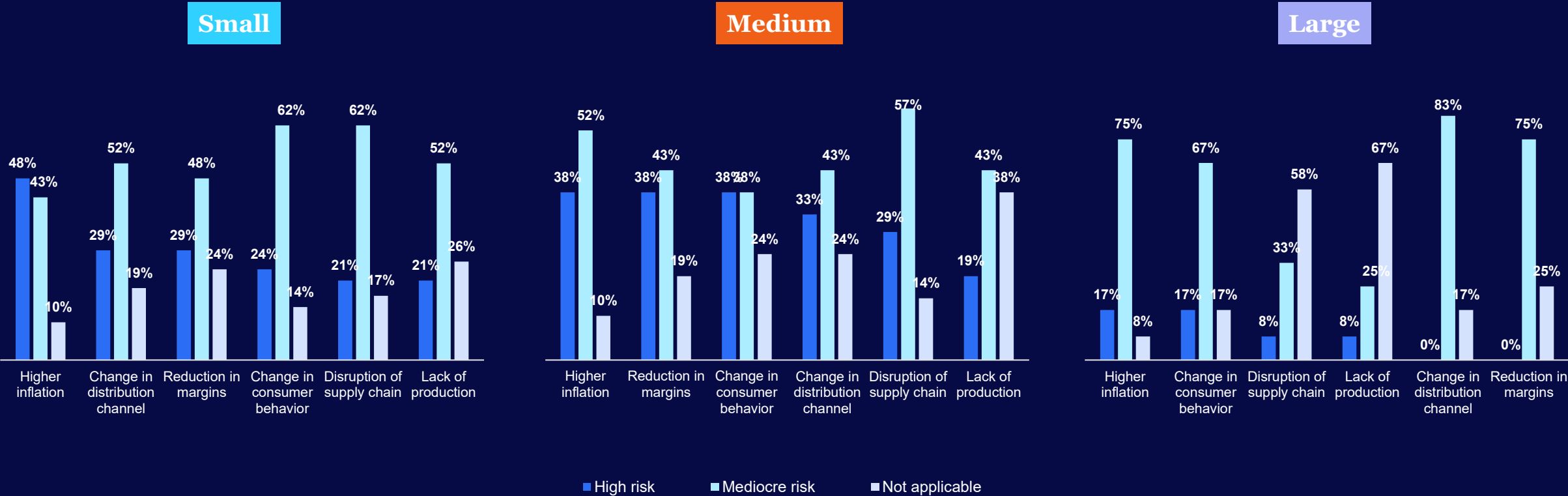
Large



- Biggest challenge + Second most challenging
- Somewhat a challenge
- Not a challenge at all

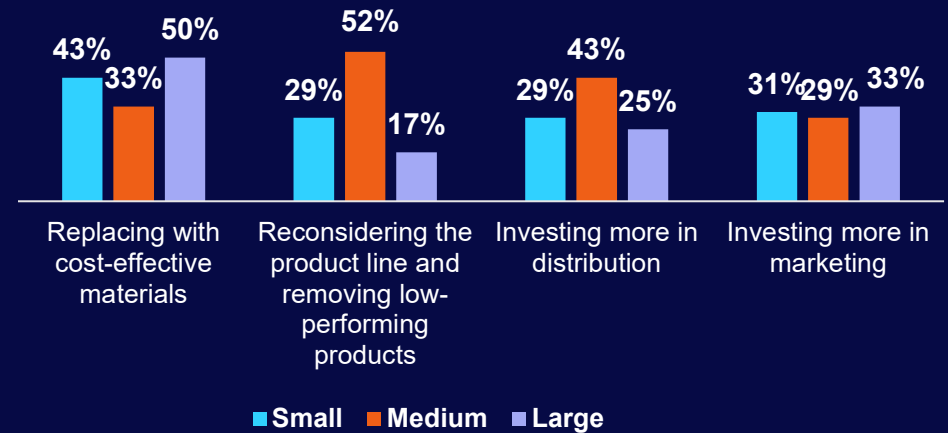
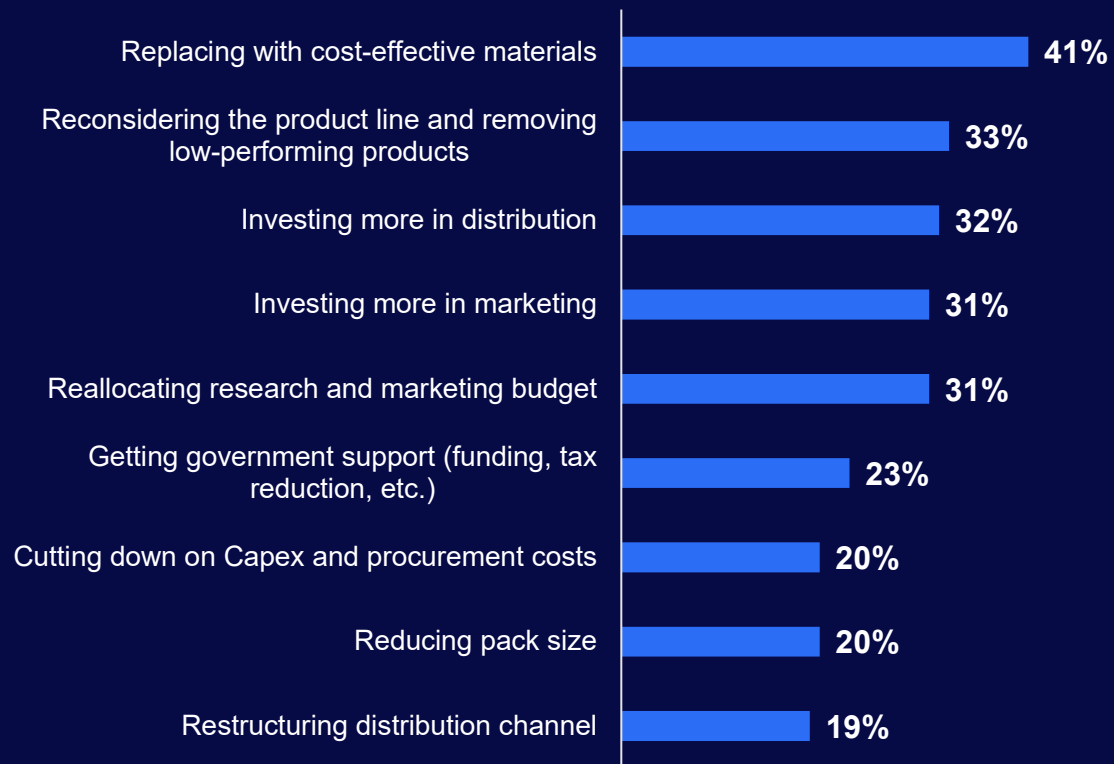
Inflation will be a major risk for all companies in the next 12 months, while distribution changes are a moderate risk for Large companies and supply chain disruptions for Small and Medium-Sized Businesses

What do you think are the main risks for your business in the next 12 months?



Adjustments on the portfolio is the solution to deal with those challenges in 2024

How do you plan to deal with those challenges in 2024?

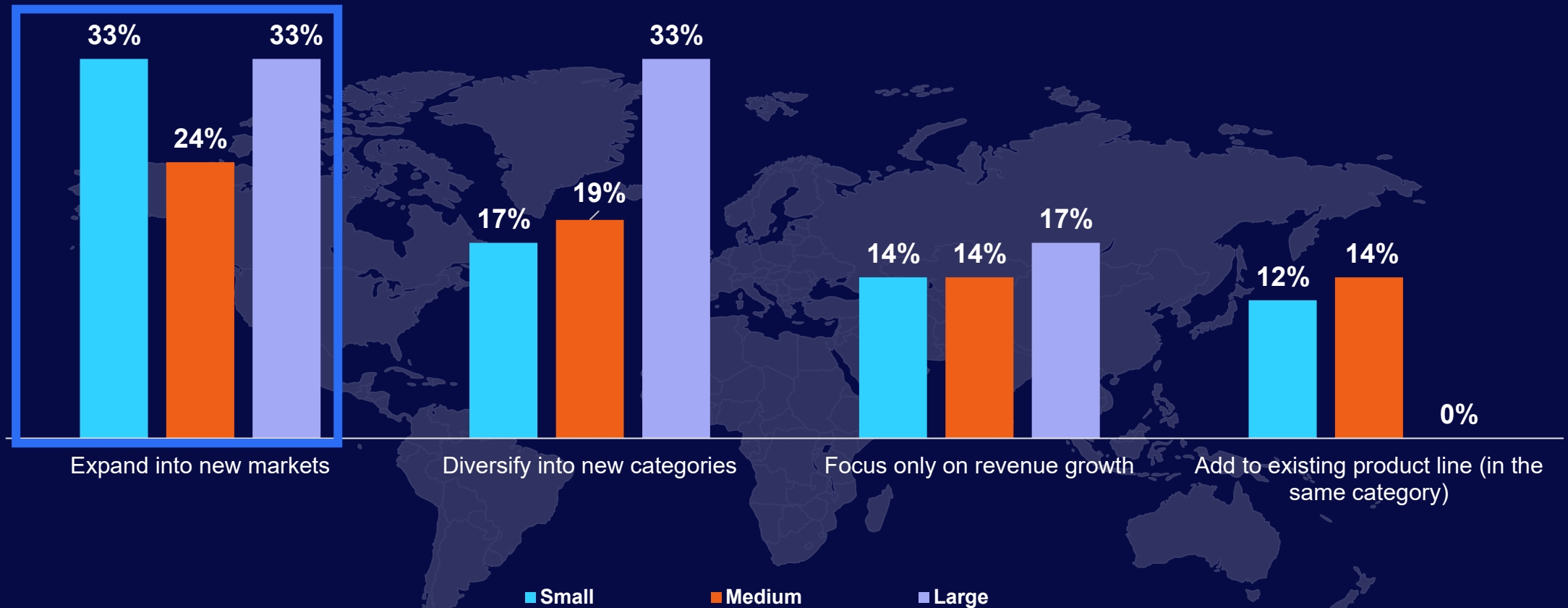


The right products in the right place

NIQ can support your product line and assortment decisions.
[Know how!](#)

All Small, Medium, and Large companies are leaning towards new market expansion

What is your next step for growth?



Distribution & Retailer Experience

NIQ

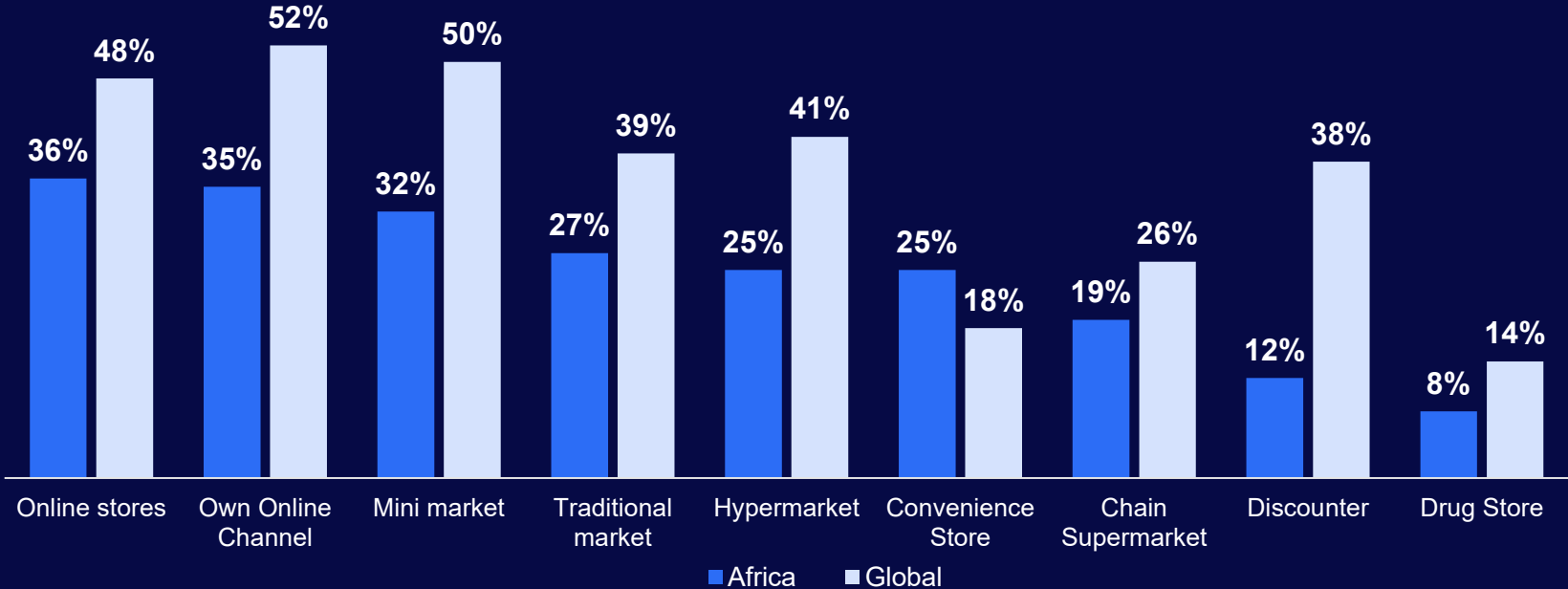


Online stores are prominent in Africa

Online stores and own Online channels are the two most widely used channels by the African enterprises.

Larger companies tend to prefer chain supermarkets (67%) while mini markets and hypermarkets are significant channels for Small and Medium Businesses.

What channels are you represented in?



Top 3 – Small (Africa)

Hypermarket (36%), Traditional Market (33%), and Own Online Channel (31%)

Top 3 – Medium (Africa)

Online Store (38%), Own Online Channel (38%), and Traditional Market (29%)

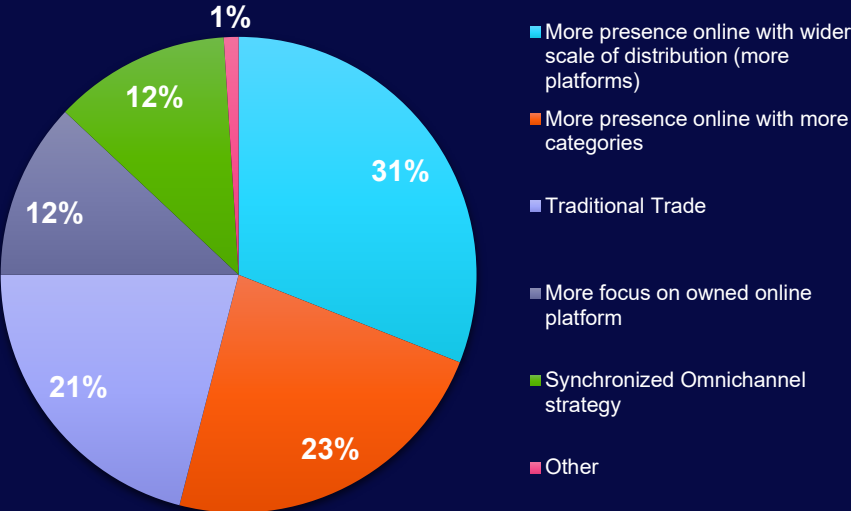
Top 3 – Large (Africa)

Chain Supermarket (67%), Online Store (58%), and Convenience Store (50%)

Companies, especially Medium-Sized Businesses in Africa are focused on omnichannel strategies for the next year where it brings a huge growth opportunity

What is the primary area of focus of your channel / distribution strategy in the next 12 months?

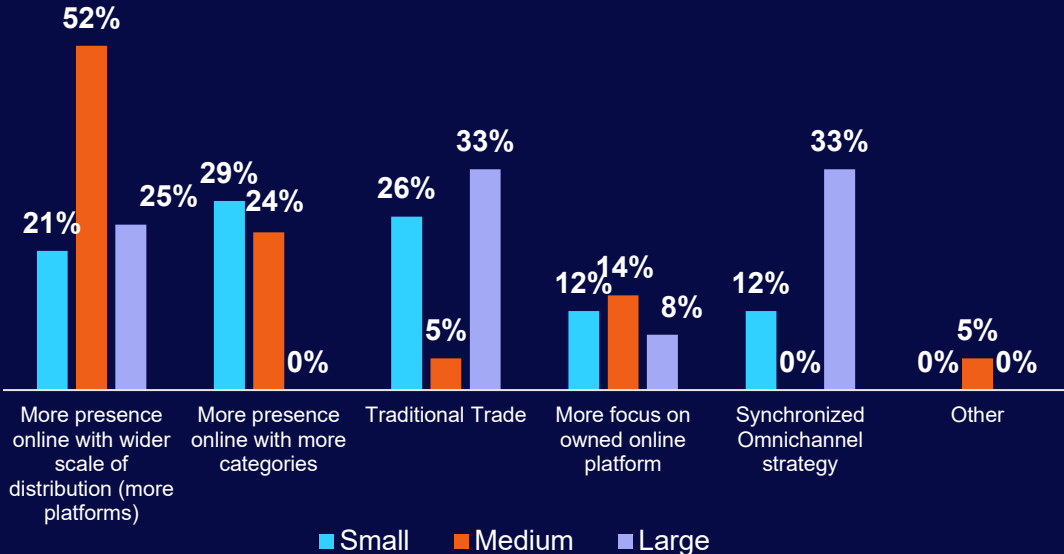
All Africa



By size

All businesses value an online presence, which necessitates a combined approach for the future

[See how NIQ can help you across all platforms.](#)



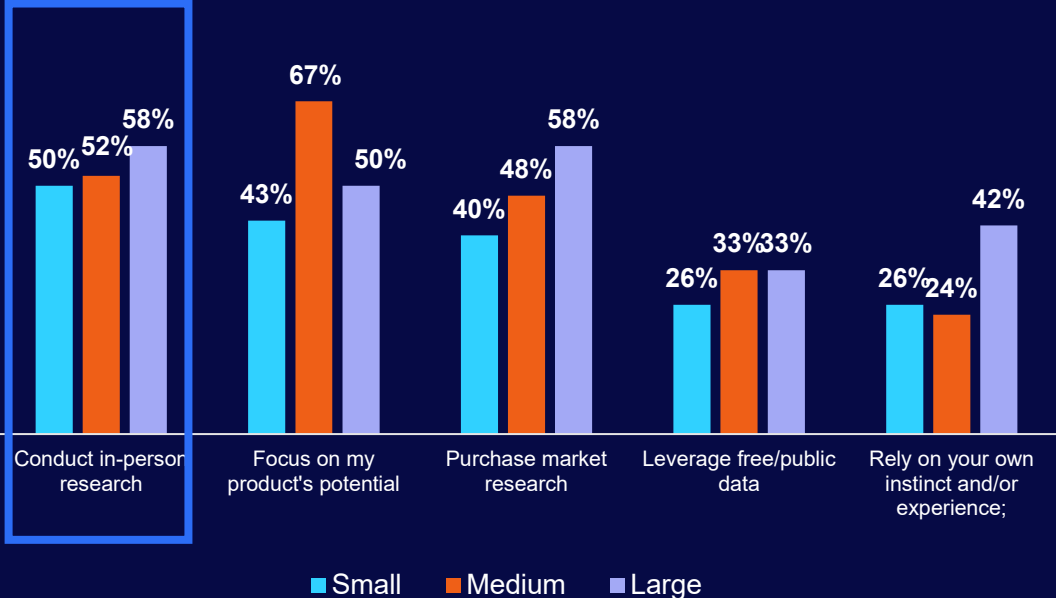
In-person research is best for negotiating with retailers, yet Medium-Sized Businesses prioritize product potential over Small and Large companies

Please specify what tools you use when negotiating with retailers.

All companies

- #1 Conduct in-person research (52%)
- #2 Focus on my product's potential (51%)
- #3 Purchase market research (45%)

By size



NIQ can support your decisions with trusted data. [Know how!](#)

Product, Pricing and Promotion

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African companies see this value in their products:

36%

Affordable/low price vs. global average of 13%

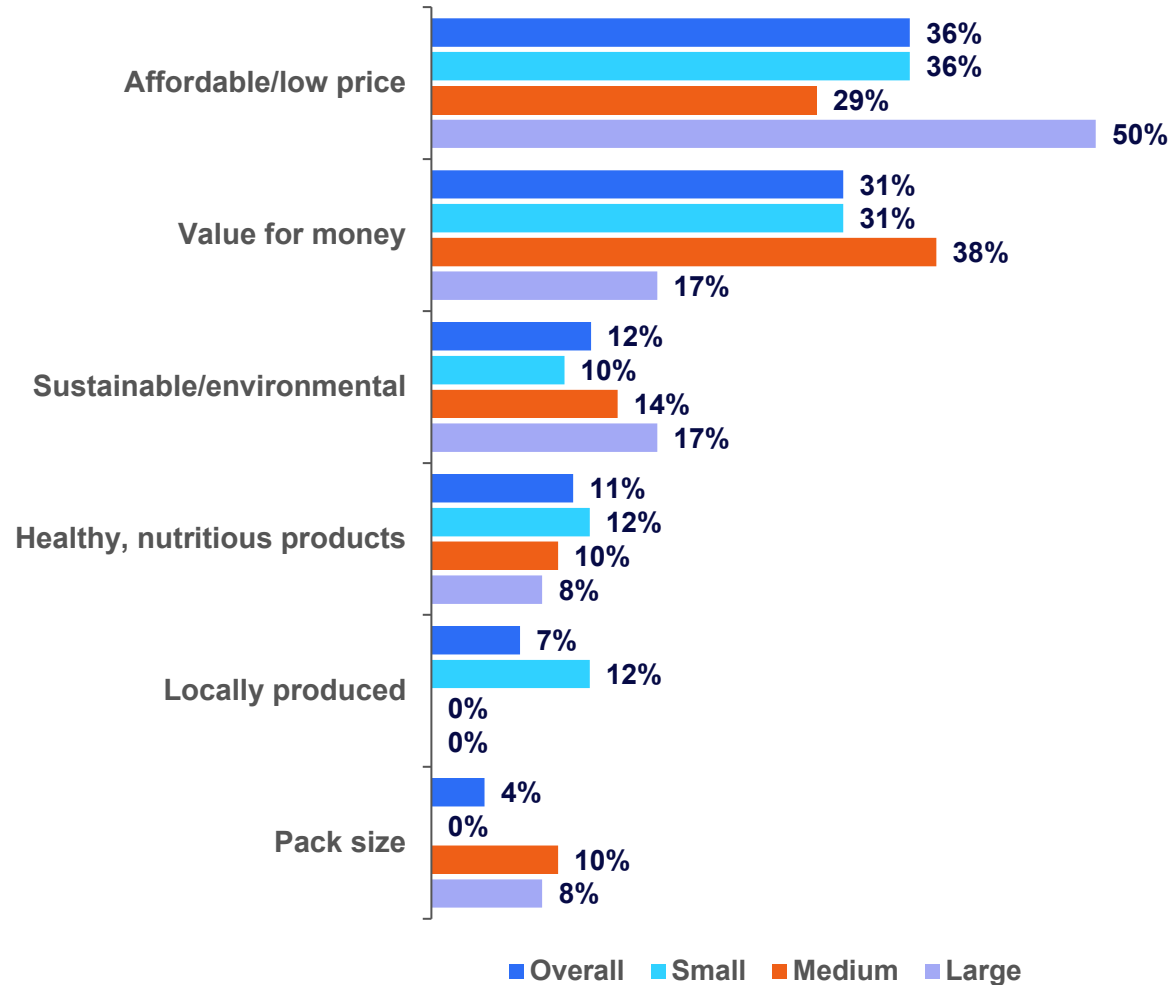
31%

Value for Money vs. global average of 46%

12%

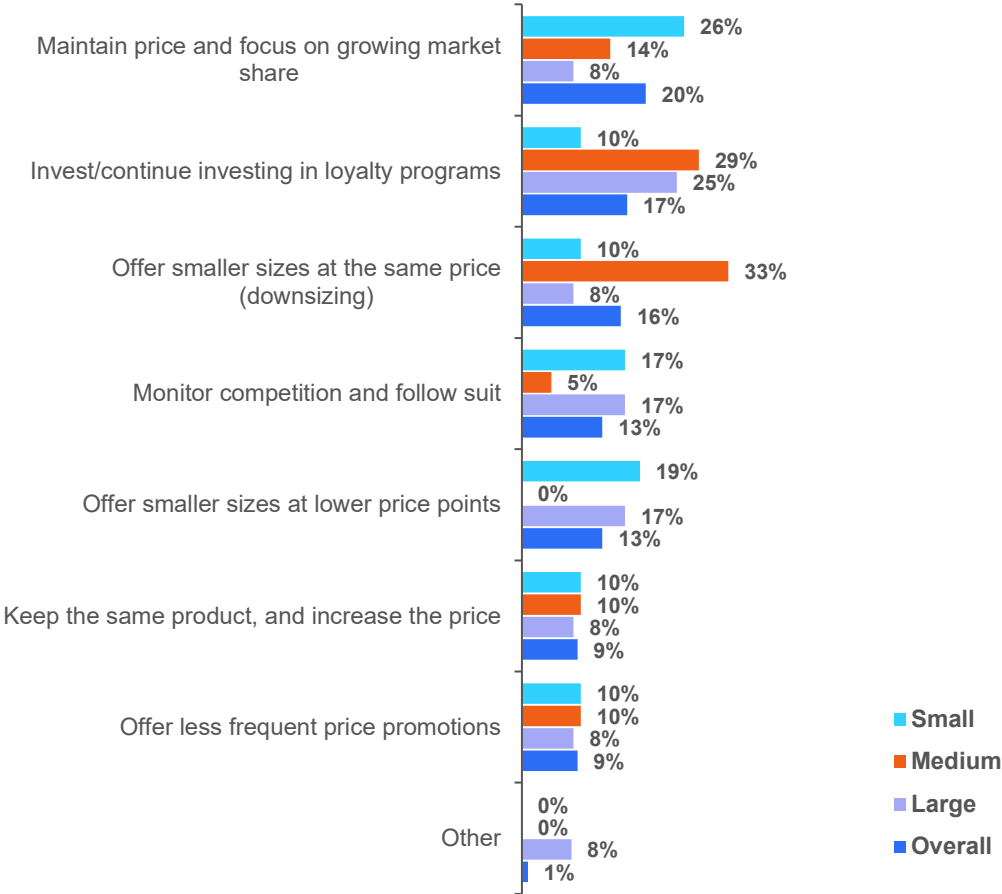
Sustainable/environmental vs. global average of 12%

What is the key value your product offers to your customers?



SMBs and Large companies hold prices and focus on growing market share

What **pricing and promotional strategies** is your business most likely to follow in the next 12 months?



Small Businesses tend to hold their prices to grow market share and invest in loyalty programs, indicating a focus on customer retention and expansion. Medium companies, on the other hand, are more likely to increase prices, leveraging their established market presence.



26%

of Small, 14% of Medium, and 20% of Large companies will keep their prices and focus on growing market share

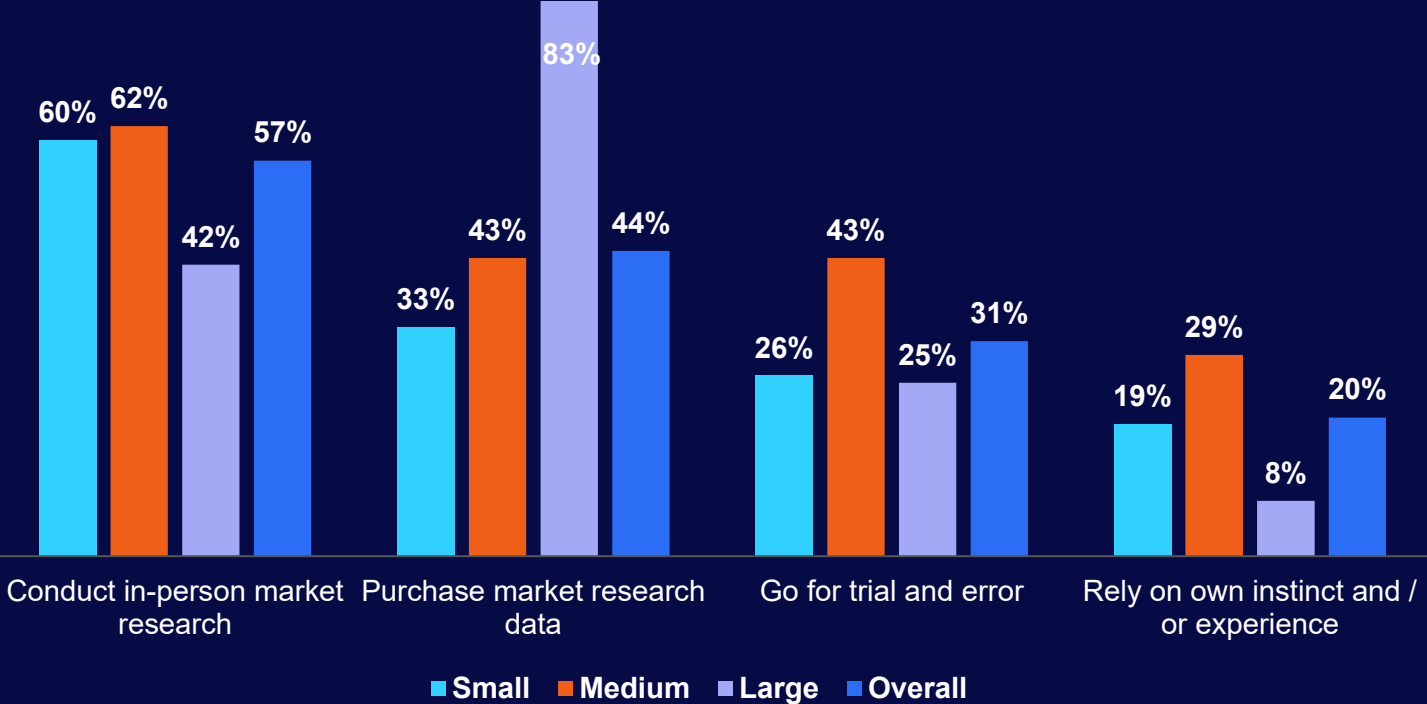


33%

of Medium companies will keep the same price, and decrease the size of the product (vs 10% of Small and 8% of Large)

Large companies are more likely to purchase market data to aid in decision-making about prices

Please specify what tools you use to reposition your price range.



44%

of African enterprises choose to buy market data vs. 45% in the global average.

NielsenIQ empowers SMBs with tailored data and insights. [Find out how.](#)

Organizations in Africa recognize the positive impact of data and insights on business decisions

How much have data and insights contributed to your business success?

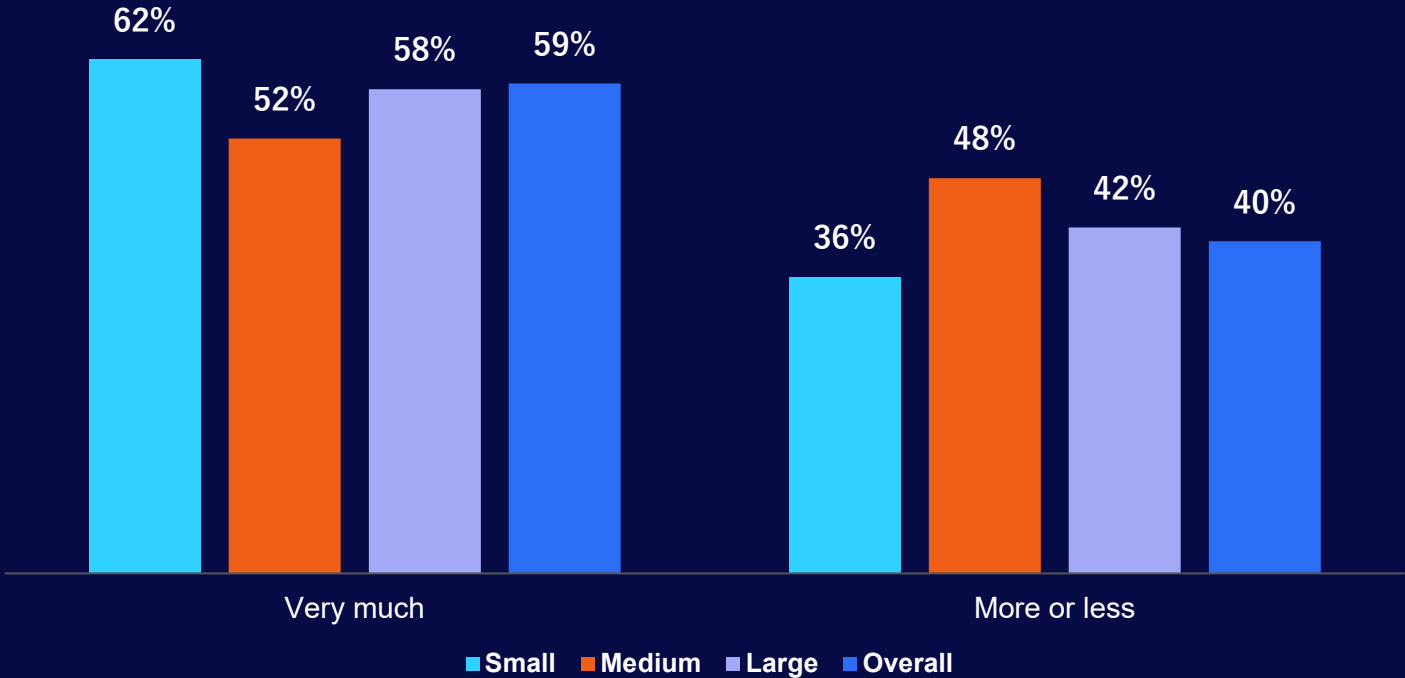
62%

of Small companies say that data and insights contributed very much to their success (against 52% of Medium and 58% of Large companies)



The answers that you need come in the data

Which in turn can build the map to growing your business.
[Contact NielsenIQ](#) to know how!



99%

of survey respondents recognize the importance of data in their decisions. What about you?

NielsenIQ for SMBs offers affordable, easy access to data and insights, giving your business a comprehensive view of the market, consumers, and competitors. Ready to grow?



LET'S TALK!

Thank you.

For more information, please check out.

NielsenIQ official website: nielseniq.com
Small and Medium-sized Businesses webpage
Contact us

