

Spotlighting African And Middle Eastern Consumers

Contributed by Euromonitor International
Friday, 16 December 2011
Last Updated Monday, 19 December 2011

AfricaConsumers Which consumer trends are manifesting themselves in the Middle East and Africa?

This bulletin focuses on efforts to provide housing for Saudi Arabia's youthful population, Egyptian complaints regarding the cost of making the pilgrimage to Mecca (the Hajj), SAB Miller's launch of a beer brewed from cassava in Southern Africa, low-tech solutions to provide African consumers with better access to social networking and the growing importance of single women as a consumer group in South Africa.

AFRICAN CONSUMERS

Rise of South Africa's "bachelorettes"

A study conducted by research agency Carat SA during autumn 2011 has found that affluent, single women, which it dubbed "bachelorettes," have become a significant consumer segment in South Africa. 73% of women aged between 18 and 44 years were found to be single, with 66% of them working. Among the singletons, 51% agreed with the contention that career was more important than starting a family.

These women are independent, mostly unwilling to compromise on their lifestyles, and are responsible for a substantial portion of the purchasing decisions made in South Africa, according to Delia van Staden, head of Carat SA's Insights unit. She added that they are focused on success and realise the importance of planning for the future, rather than waiting for frogs to turn into princes or knights in shining armour. She works hard now so that she can enjoy success later.

African consumer optimism stands in stark contrast to developed economy gloom

A survey conducted on behalf of the BBC World Service by polling company Globescan during autumn 2011 has found that consumers in Africa tend to be much more optimistic than their peers in developed economies. In Nigeria, more than 70% of respondents were optimistic about their future prospects. The results were strongly upbeat in Kenya and Egypt as well. In contrast, the percentage of people expecting good times in Japan, the UK and France were all in single figures.

Writing in the London-based Guardian newspaper, Nigerian journalist Bim Adewunmi argued that the key to this optimism is "a spirit of entrepreneurship" people seem bewildered if you admit a lack of ambition. Nigerians want to go places and believe "rightly or wrongly" that they can. That drive and ambition fuels their optimism; they're working towards happiness, so they're happy.

Low-tech solutions for social networking in Africa

A variety of software developers are working on innovative, low-tech solutions to broaden internet access in Africa. Facebook for Every Phone, formerly known as Snaptu, is a very thin Java client that runs on more than 2,500 basic handsets. According to Lior Tal, business development manager at Facebook, "A person can register, find friends, and ramp up on Facebook even if they don't have a smartphone or easy access to a PC-based internet connection." Similar Java-based apps are being developed by the likes of ForgetMeNot Africa, whose Message Optimiser converts internet messages into the SMS format and vice-versa.

Speaking at the Africa Com conference, which took place in Cape Town during November 2011, he said:

"We see massive potential to get people in Africa connected through this mobile application, as well as our other mobile products. We believe everyone should be able to access Facebook easily, regardless of where they are or what device they're using."

According to International Telecoms Union data, 45.2% of adults in Africa have a mobile phone, but just 2.5% have mobile broadband access. However, smartphone sales have taken off in some of the continent's more affluent markets, rising from US\$86 million (in 2011 prices) to US\$610 million in South Africa between 2007 and 2010, to stand at around half the level of feature phone sales (just under US\$1.3 billion during the same year).

Cassava beer "an affordable alternative to homebrew?"

In southern Africa, Brewer SABMiller has launched Impala, the first commercial beer made from cassava or breadfruit. Brewed in Mozambique, the company claims that it is 30% cheaper than mainstream lager, making it a more affordable alternative to homebrews. Homebrew spirits, fermented from cassava and other root tubers, are popular throughout Africa because they are cheap, but they can be lethal. The beer's low price is partly due to the fact that the brewer is getting a tax break from the Mozambique government to buy cassava from small local farmers.

According to Gerry van den Houten, SABMiller's technical director, "It's a lager with a slightly sour note. It has a much lower gluten content than normal beer." Its economics are also unusual: Van den Houten said: "Cassava is the biggest

crop in Africa but the least commercialised. It can lie in the ground for a long time, but when you harvest it, you've got to use it in 24 hours.â€•

Balloons as a cure for the Monday morning blues in Kenya

Early one Monday morning during early November 2011, American artist Yazmany Arboleda gave away thousands of yellow balloons to bewildered looking Nairobi commuters on their way to work. Saying that he wanted to counter their post-weekend blues, Arboleda and a team of helpers handed out the balloons to workers arriving by matatu taxis in central Nairobi.

According to the artist:

"The big idea is to insert the iconography of celebration... [into] the habitual nature of working life. We're celebrating them as they go to work and explaining that art is not just a photograph or a sculpture or a painting - it is this choreographed set of balloons as they spread throughout the city." He said the balloons handed out in Nairobi were a living sculpture, part of his worldwide installation called "Monday Morning."

MIDDLE EASTERN CONSUMERS

Saudi housing shortage beginning to ease?

Speaking at the Middle Eastern Housing Summit, which was held in Riyadh during October 2011, real estate analyst John Harris said: "Until recently, most big developments in Saudi Arabia were targeting the top 10% percent of households. What has changed now is that the government's Ministry of Housing has been createdâ€¦ Now they actually have substantial companies building 1,000-2,000 units at a time, so we are seeing more supply there."

Housing is a highly sensitive issue in Saudi Arabia. Earlier this year, a short film aiming to highlight the impact of Saudi Arabia's housing crisis on young adults unable to afford homes became a viral hit on YouTube. It sought to address the issue through the eyes of young protagonist Mohammad Al Qah'tani, who finds himself unable to marry his fiancÃ©e because he cannot afford a house for them to live in. The median age of the population in the country stood at just 24.6 years in 2010, up from 23.2 years during 2005.

Earlier this year, Saudi Arabia's King Abdullah announced social spending programmes worth around \$130 billion, which included the construction of 500,000 new homes at a cost of \$66.7 billion. Real estate service company Jones Lang LaSalle has estimated that the annual demand for housing in Saudi Arabia to be between 150,000 and 200,000 units.

Egyptians grumble at the cost of Hajj tourism packages

The Hajj, the Islamic pilgrimage season, commenced on November the 5th during 2011. A religious duty that is supposed to be carried out at least once in their lifetime by every able-bodied Muslim who can afford to do so, this pilgrimage to Mecca in Saudi Arabia is the largest event of its kind in the world. Egypt received 80,000 Hajj visas from the Saudi Embassy this year, and 50,000 went to Hajj tourist agencies, forcing many Egyptian pilgrims to use these companies. The remaining 30,000 tickets were allocated by lottery.

Tourist Hajj packages provided by Egyptian companies tend to cost between EGP40,000 (US\$6,700) and 100,000 per person depending on the package, most of which include four or five star hotels and flights, both international and internal. Many Egyptian pilgrims complain that these prices are excessive and have called on the government to intervene.

However, Osama Fouad, head of travel agency Al Hanove, argued that these prices were justified. He said: "We offer an open buffet, served by five star cooks who come along with us from Egypt; we offer our own bathrooms; and the resting tents have lazy-boys for people to rest." In 2009, 72,000 Egyptian pilgrims spent EGP1.9 billion on Hajj-related expenditure, according to Egyptian government data.

Survey sheds light on eating habits in the UAE

A survey of eating and leisure habits in the UAE conducted by American research firm Zakra Interactive in autumn 2011 has found that 76% respondents ate breakfast every day, while 64% consumed three meals a day. The respondent base of the survey consisted of 49% Arab nationalities, including 22% Emiratis. Expats constituted the remaining 51%.

48% said they ate fried foods at least twice a week, while 50% ate confectionary at least twice a week. 57% said they examined the ingredients of food products before buying them. The survey also found that 21% of respondents did no exercise at all, with a majority relying on television or the internet to relieve stress. Walking was the most popular activity among those who did exercise. 38% said they brought work home at least twice a week. According to Euromonitor International data, over two thirds of the population of the UAE was either overweight or obese in 2010.

Homophobia fuelling higher rates of HIV/Aids infection in Islamic countries

A report published during August 2011 in the journal PLoS Medicine by researchers from the Qatar branch of Weill

Cornell Medical College has found that the rate of HIV/Aids infection is rising in many Islamic countries, driven by men having sex with other men in secret due to homophobia, religious intolerance and fear of being jailed or executed. The report found that many hide their homosexuality or bisexuality from their wives, exposing them to infection.

Risky sexual behaviour was found to be particularly prevalent among lorry drivers and street children. The study, which was conducted during 2010 and 2011, drew on dozens of smaller studies in Arabic, French and English. The lowest rates of condom use were found in Egypt, while they were highest in Sudan, Oman and Lebanon.

Republished with permission from Euromonitor Market Research Blog, originally posted on 14 December 2011