

Africa's demand for services growing

Growing sophistication in African markets outside SA is creating demand for specialist consultants that bring together clients and communications agencies.



For years, the unsophisticated nature of these markets was matched by the informal way clients and agencies got together. However, Independent Agency Search (IAS) director Johanna McDowell says that since her company acted outside SA for the first time in 2006, in Botswana, the demand for intermediaries has grown.

Besides bringing people together, these companies measure and help improve the marketing and communications process. Robin Mailer, of the Yardstick consultancy, says that despite differences between SA and other markets, African agencies are keen to work with intermediaries.

Yardstick sees good prospects in financial services, retail and fast-moving consumer goods. "These are the ones expanding the quickest and need the most analysis," says Mailer. He lists Namibia, Zambia, Kenya, Angola, Nigeria and Ghana as markets showing the biggest demand for intermediary services.

McDowell says IAS is building its knowledge of agencies around the continent. "There is a combination of SA-based agencies with affiliates or subsidiaries, and independent local agencies. Our job is to know the quality and status of these agencies."

Obstacles

The biggest obstacle to launching brands in African markets is often the shortage of adequate transport infrastructure and telecommunication networks. She adds that the lack of advertising regulatory bodies means SA procurement rules may not apply elsewhere.

John Little, Africa regional managing partner at The Observatory International, says his consultancy is considering opportunities in Nigeria and Kenya.

In the past, the group has run Nigerian projects out of its London head office, while Johannesburg has managed Pan African ones. Little says: "Our principal consultants have extensive knowledge of the agency scene in most significant

African markets."

However, he suggests existing demand does not yet justify the launch of another office in Africa. "Our services are relatively new and, therefore, little known," he says. "We are perfectly comfortable running search projects in other African markets out of Johannesburg.

"There is still an educational job to be done and cost is another issue. We employ only senior consultants who handle our projects from end to end. This comes at a cost, which most marketers are not used to paying."

Source: Financial Mail via I-Net Bridge

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