

TEN MEGA TRENDS TO WATCH IN THE NEXT DECADE by Boniface Ngahu

A trend is like the tide- you don't fight it because in any case you will lose. Yet many people choose to do the exact opposite -by sitting in their offices and ivory towers and developing products and solutions that they are convinced will take the market by storm. To a certain extent sometimes this approach works but to a larger extent, it's usually wrong. And every time an organization adopts the wrong marketing approach, the question that is top on people's minds is – how come their researchers did not catch it? The answer is they did not listen and watch their operating respective environments for signs, or trends as we call them. This was the subject of discussion during one of the MSRA bi-monthly Celebrity Talks given by Catherine Ngahu, Chairman of SBO Research, where she described some important trends that we all need to be cognizant of as they will shape the market for the next decade. The following are the mega-trends:



1. Integration

There's already an integration of knowledge basically arising from the convergence of technologies and industries. There is no longer room for operating in silos where each person thinks that he or she operates as a bull in a particular turf. Furthermore even previously clear boundaries between what one could do in respective industries are becoming a blur. So much so that opportunities for entrepreneurs are now emerging at the intersection of two or more seemingly converging industries. A clear example is the marriage of communication and finance to produce services like M-Kesho by Equity Bank and Safaricom. Another is the recent addition of one of KPLCs activities- data carrier and fibre optic cable infrastructure network operator. There is also a creation of what marketing professionals are now referring as meta-markets- an act of bringing together products or services that occupy the same focus in consumers' minds and generally describes a cluster of complementary products and services that are closely related in the minds of consumers, but are spread across diverse sets of industries e.g. the automobile meta-market consists of car manufacturers, new and used car dealers, auto accessories shops, financing companies, insurance companies, mechanics, spare part dealers, service shops, auto magazines, classified auto ads in newspapers and auto sites on the internet. So when buying a car, a buyer will interact with many parts of this meta-market. This trend will create an opportunity for meta-mediaries to assist buyers to move seamlessly through these groups although they are disconnected in the physical space.

2. Mobility and Convenience

Today, there is a rapid move towards mobile commerce, mobility and the convenience that comes with it. Everything is going mobile – mobile communication, mobile money, mobile media and even agency banking, driven primarily by the rising need for mobile devices and mobile solutions to all problems. Catherine, who is also the chairman of Kenya ICT Board, gave an example of the internet as a very good indicator of how people are seeking for solutions. Google estimates that almost 80 per cent of its mobile search queries are now coming from outside the US with Kenya showing a dramatic growth in mobile search traffic. Increasingly more people are doing business on their mobile phones than on their laptops because mobile search gives users instant, contextually relevant access to information anytime, anywhere. Discussions around the social entrepreneurship circles are now gravitating towards 'poverty reduction one mobile at a time'. The mobile phone is clearly the fishing rod in the 21st century with mobile penetration being linked to increased economic activity as demonstrated by the Jippe Curve. This is a very key indicator of how the mobile phone will play a central role in shaping the future of consumer interactions. Already UAP Insurance in partnership with Syngenta Foundation has introduced a novel way for crop farmers to obtain insured farm inputs and also access compensation payouts as long as they have a mobile phone and are registered with Safaricom's MPesa service. With such developments it is inevitable that as mobile phone penetration rises, mobile marketing will become an important part of the promotion mix.

3. Social Networks and Internet

One feature that stands out with the recent political upheavals in Tunisia and Egypt was the role played by the social networks, specifically Tweeter and Facebook. It was critical that the Egyptian government shut down the Internet for almost one week. Now, the word on the street is that, 'if you want to liberate somebody give him the Internet'. For marketers, the opportunity to join the bandwagon is clear and present. In the same thread, there will be a marked shift toward advertising in the alternative media, with digital, in-store and direct marketing taking more share of the investment from the newspapers, radio and television. Already shopping malls, supermarkets like Nakumatt and even waiting rooms and banking halls are awash with digital advertising screens. Indeed it is widely expected that the messaging in traditional media will be to direct consumers towards the Internet for more in-depth information. The fight for the eyeballs is just starting and it will be interesting to watch how it pans out.

4. The Rise and Rise of the Female Economy

The female economy will continue to gain more focus from industries as they increasingly realize the potential of women as a singular market. Catherine cited an article in the 2009 Harvard Business Review that predicted that the female economy will grow at an estimated rate of 40 per cent in five years, signaling a snow balling market that will however require careful approach. This is because women want to get products and services without feeling that they are being patronized or stereotyped. She also pointed that women control almost double the amount they earn as evidenced by her research which indicates they receive twice as much as they send in M-PESA. According to the Harvard Business Review, Globally women as a market represents a bigger opportunity than China and India combined. Women are so critical such that the International Women's Day is a public holiday in many countries like Uganda.

5. Men will Continue to Control Wealth

Catherine raised some eyebrows by also stating that although the rate at which women control wealth will grow exponentially, men will still control the bulk of the total. This follows the Forbes global reports on the world's wealthiest people which consistently show that only 2 per cent of self made billionaires are women and the odds are unlikely to change any time soon. She also highlighted the fact that of the 2 percent billionaires who are women about half created their wealth in association with a close male relative.

6. Generation Y

Generation Y, the youth born between 1979 and 1990 will quickly become a force to reckon with. They are now aged between 20 to 30 years old and by 2020 will be aged 30 – 40 years old. They were born around the time of the coup and they have witnessed multi-party elections, NARC government, post election violence, the coalition government, referendum and new constitution and represent the next generation of the employees and consumers who will definitely determine whether future businesses and political parties fail or succeed. She also noted that the youth expect to be entertained by brands which call for extra creativity in this decade. This decade is actually the teens decade which means that the world is going to move at transformative speed as we experience various changes that characterizes adolescence. Be warned.

7. Health and Wellness

Health spending has been increasing and people have adopted healthy living strategies including consumption of herbal products, organic/natural products, fitness services, nutritional advice etc. Health is also a key driver of happiness as recently revealed by the Coca-Cola happiness barometer survey.

8. Sustainability

People continue to show concern for sustainability of resources as they recognize that the world is threatened by climate change and depletion of resources. CSR, ethical marketing, governance and green marketing will remain important. Societal marketing responses to demonstrate organizational concern for sustainability will be key. Consumers, especially in tough times, are more likely to choose brands that do good things than brands that don't. CSR will play a central role in winning the hearts of consumers. They will be looking for brands that offer genuine, authentic promises. Window-dressing or superficial attempts to win the hearts of consumers will not work. Environment will be the biggest global opportunity in this decade followed by the female economy.

9. Back to Basics

People will continue to value the basics including food, security, togetherness and simple luxuries. Food (eating) was rated at 85% as a key source of happiness in the Coca-Cola Happiness Barometer which also found that people derive more pleasure from face-to-face interactions. In the past KBC salaams used to be described as 'nusu ya kuonana' the internet and mobile phones are just that –half of face to face interaction. A WHO Global Status Report on Alcohol and Health showed Kenyans as heaviest beer consumers in East Africa with 50% of drinkers drinking beer as opposed to our neighbours Uganda, Tanzania where 90% drink local brews. Recent observation suggests that the Maslow hierarchy of needs have flipped with basics getting to the top of the hierarchy. Bottom of the pyramid innovations will remain relevant for bringing simple luxuries to the mass market. Marketing basics – customer satisfaction and retention, relationship building, segmentation, brand loyalty and ROI will be critical.

10. The Black Swan

Ultimately however, it is not always possible to predict the future. As Al Ries and Jack Trout wrote in their book *The 22 Immutable Laws of Marketing* it is called the law of unpredictability. There will always be a Black Swan- new global or local events that will drive market behaviour which cannot be anticipated and the challenge for professionals is to recognize that there will always be unpredictable events with great implications for mankind. Catherine concluded her talk by recommending that we read *The Black Swan* and *Foiled by Randomness* by Nassim Taleb while stressing the fact that as researchers we tend to see the world as more explainable than it is.

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Mobile banking surges in Kenya

and other EMERGING MARKETS EMBRACE MOBILE FINANCE by TNSrms

- Over 50% of consumers in rapid growth economies* want to use mobile phones for greater access to financial services
- Mobile phones set to become the 'virtual debit card' in rapid growth markets where demand exceeds developed markets by 18%
- Kenya reports a 200% increase in mobile banking usage from 2010 to 2011

Global use of 'mobile finance' surged in the past year as the spread of new technology and mobile banking infrastructure drove a huge increase in take-up rates around the world, new research from TNS RMS revealed. Analysing the findings, Melissa Baker, TNS RMS East Africa CEO, noted: "Mobile finance technologies have the tremendous capacity to be transformational in rapid growth markets, empowering consumers by giving them greater access to financial services. The necessity, marked interest and the blossoming mobile finance infrastructure means that countries such as Kenya, Brazil and China have the right ingredients to drive mobile finance growth, not just in their own markets, but for Kenya, regionally as well."

South Africa's growth was slower at 28%, no doubt due to mobile banking infrastructure only recently arriving – but already there are multiple offerings and it is likely that growth will be much faster this year. The research has been released as part of TNS [Mobile Life](#), an annual report on mobile consumer usage, and reveals a wealth of opportunities for banks, retailers and mobile service providers to develop for existing and potential customers.

In the UK the proportion of people using mobile banking increased from 9.7% in 2010 to 20.4% in 2011, while in the USA the rates from 11.4% to 21.9%. In Sweden it was greater still: 8.1% to 20%. In South Africa, it went from 9.7% to 12.4%.

And while adoption rates increased, desire for mobile banking in areas where it is not widespread is strong, peaking in sub-Saharan Africa, where almost two-thirds (63%) of mobile owners expressed an interest in mobile banking.

Bob Burgyone, TNS RMS East Africa, Associate Director, Technology said: "A significant proportion of the world's population does not have access to banking services. Making mobile banking easy to access in these markets will not only help create a more sophisticated consumer marketplace and drive development of the banking sector, but also provides a huge opportunity for the mobile industry.

"Our insights from the [Mobile Life](#) study demonstrate that in more mature markets, mobile banking is simply a matter of convenience, and largely an extension of the PC online experience – allowing the same online convenience, while mobile; however in developing markets mobile may provide an entry point to banking for millions of 'unbanked' people, in countries where banking infrastructure is poor, and banking restrictions create barriers."

Emerging markets outpace the West in usage and demand for mobile wallet
Mobile money extends the concept by turning handsets into mobile wallets, capable of being loaded up with and storing money. As well as delivering new services in developed markets, mobile wallets can bring people without bank accounts (the unbanked) into the wider financial world and help drive economic and social development. The [Mobile Life](#) research shows that mobile wallet adoption has more than doubled across emerging markets, as they take advantage of the new opportunities it offers – a much higher take-up rate than in developed countries.

Kenya driving SubSaharan Africa mobile finance growth
The increased adoption and demand for mobile finance in Kenya present a huge opportunity for companies to reach new customers. The financial services that capture the highest interest in Kenya are paying bills (36%), getting money out of the bank (9%), and receiving wages (21% vis a vis a global average of 2%). Kenya's usage of mobile wallet is already a considerable 25% above the global average of 10%.

Kenyans embrace the use of international languages... by Synovate

Speaking in mother tongue in the presence of people who may not understand the language is rude according to most Kenyans. A survey conducted by Synovate just after the international mother language day which was marked on 21st February found that 88 per cent of Kenyans shared this view. More than two thirds (68 per cent) prefer to communicate in a language other than their mother tongue and only 32 per cent prefer communicating in their native tongue. This finding vindicates policy makers who have long pushed for the unification of Kenyans using English and Kiswahili the national language but it should worry linguists who are concerned at the rate at which indigenous languages are disappearing. The issue of language particularly in education and the workplace has been a contentious one ever since former colonies in Africa, Asia and South America gained their political independence. A UNESCO report titled: "Why and how Africa should invest in African languages and multilingual education" published in 2010 states that Africa is the only continent where the majority of children start school using a foreign language.

"Across Africa the idea persists that the international languages of wider communication (Arabic, English, French, Portuguese and Spanish) are the only means for upward economic mobility," says Adama Ouane, Director, UNESCO Institute for Lifelong Learning in the report. Pointing out that multilingualism is the norm everywhere UNESCO says that Africa's cultural diversity is an asset that must be preserved and protected. The number of languages spoken in Africa varies between 1,000 and 2,500 depending on different estimates and definitions. Monolingual states are non-existent and languages are spread across borders in a range of different constellations and combinations. The number of languages varies from between two and three in Burundi and Rwanda, to more than 400 in Nigeria. But often, rather than celebrating this cultural diversity, the existence of so many languages is seen as a communication barrier synonymous with ethnic conflict and tensions. UNESCO notes that colonial history, the emergence of globalisation, and the immediacy and rapprochement between people and communities have enabled certain selected languages to move centre-stage and maximise their potential to broker among numerous local languages. This has led to an increased status and prestige for the colonial metropolitan languages – and the suppression of African languages, especially in education - as the door to further learning and participation in development and knowledge creation. But this trend points to a wider trend of disappearing native languages and with them a wealth of knowledge about history, culture, the natural environment and the human brain. Every 14 days a language dies according to the National Geographic's Enduring Voices Project. By 2100, more than half of the more than 7,000 languages spoken on Earth - many of them not yet recorded - may disappear.

QUARTER 2&3 - 2011 JUNE/JULY/AUG CALENDAR OF ACTIVITIES TO PARTICIPATE CONTACT SECRETARIAT	
EVENT	MT. KENYA CLIMB MSRA MT. KENYA CLIMB
DATE	30 TH JUNE TO 3 RD JULY
VENUE	MT. KENYA
EVENT	BOWLING TOURNAMENT MSRA BOWLING TOURNAMENT
DATE	7 TH JULY 2011
VENUE	VILLAGE MARKET
TIMING	4.30PM
EVENT	CELEBRITY TALK MSRA CELEBRITY TALK
DATE	JULY/ AUGUST; DATE TO BE CONFIRMED
VENUE	JACARANDA HOTEL
EVENT	GRADUATION MSRA ADVANCED AND BASIC TRAINING GRADUATION
DATE	AUGUST; DATE TO BE CONFIRMED
VENUE	JACARANDA HOTEL

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