

# Wholesale & Retail LEADERSHIP CHAIR

## PRESS RELEASE

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### **SOUTH AFRICAN RETAILERS MUST DO THEIR HOMEWORK TO SUCCEED IN AFRICA**

A study into the expansion of South African retail activities in Africa suggests that to realise their full potential retailers need to understand their consumer better and form strategic partnerships within the countries they are operating in.

South African retailers already have stores in 16 countries across the continent. Among the most active are Shoprite, Pick n Pay, Mr Price, Pep and Woolworths. The study, which was based on interviews and a literature review, suggests that this trend will continue as Africa is set to experience rapid growth in the next 30 years. Other factors include:

- Strong economic growth in some African countries
- A growing middle class with disposable income and a taste for quality products offered in a modern retail environment
- Increasing urbanisation and technological advancement
- A saturated retail market at home in South Africa.

Nevertheless, South African retailers face numerous challenges when expanding into Africa, including political instability, disjointed regional and economic blocs, language and cultural barriers, infrastructural backlogs and a complex regulatory environment.

Dr Edward Dakora, principal researcher explains: "Our study found that it is not sufficient simply to supply quality products and service. South African retailers need to engage with local economies in host countries and really drill down into how they work. The three golden rules are: Learn more about your consumer; form strategic partnerships and keep an eye on international and local competition."

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