

Addressing the information gap in Nigeria's durable and consumer electronics retail market

Issued by GfK – An NIQ Company

6 Jul 2023

With the largest population in Africa, including a sizeable if pressurised middle class, Nigeria is an attractive market for consumer electronic and durables brands. Yet only a handful of companies from the rest of the world have succeeded when they've entered this complex but dynamic market. One of the major challenges organisations face as they enter Nigeria is a lack of reliable consumer insights and market data - in turn, leading to suboptimal sales, marketing and merchandising strategies.



Growth from Knowledge

That's according to Ozarh Kajee, business development director: Market Intelligence at GfK Africa. "With a population of around 220 million and Africa's largest economy, Nigeria is a market that brands can't afford to ignore," says Kajee. "Yet many of the brands that have entered the country with ambitious growth plans, have subsequently downgraded their presence or exited the market. Only those with go-to-market models based on deep insight into the local landscape have succeeded."

A lack of reliable market data hinders success

One of the major issues that companies face is that there's a lack of reliable, structured, up-to-date information about Nigeria's diverse retail market. "It's hard for companies to source insight into market dynamics across a vast country with a complicated retail environment," says Kajee. "Companies cannot easily get answers to questions such as which brands are stocked and where; which are recommended by staff; and which channels to market are the most efficient and effective ways to reach the customer."

Kajee adds: "What's more, the Nigerian market has changed considerably since the start of the Covid-19 crisis in 2020. Trends such as accelerated adoption of e-commerce, higher inflation, and a volatile exchange rate have all dramatically reshaped the structure of the middle class, how retail channels operate and the behaviour of the Nigerian consumer. Many companies are still basing their strategies on research and insights that date back to before the pandemic."



Ozarh Kajee, business development director:
Market Intelligence at GfK Africa

Businesses need access to robust market insights to recognise sales opportunities and optimise their strategies and tactics for promotional planning, pricing, sales opportunities across channels and

categories, says Kajee. Yet in Nigeria's case, it's difficult to stay on top of developments, digest data, detect the signals from the noise, and make the right decisions.

Data and analytics: the key to success

GfK has kicked off a new research programme in Nigeria with the goal of closing some of these information gaps and casting more light on a poorly understood market. The GfK Retail Landscape survey is underway, gathering information on around 13,000 technical and durable goods stores across the nine major cities in Nigeria. Data will be validated through street-by-street observations and store manager interviews.

GfK will also apply its Share of Recommendation quantitative framework to identify brand recommendation levels and measure performance on key drivers of recommendation by measuring which brands shoppers request, and which brands the retailers recommend. This will help brands to understand why store representatives recommend some brands over others, how they compare to their competitors, and what consumers are shopping for.

Says Kajee: "The right data and analytics are key to driving successful channel, marketing, and merchandising strategies. Our experience in Africa and robust methodologies mean we can offer a structured view of what the latest developments in the Nigerian technical goods market are, equipping brands with the insights they need to win in a complicated and volatile market."

For more information on the GfK Retail Landscape survey, please contact Ozarh Kajee [via this link](#), or complete the [GfK contact form](#).

- " **South African retailers have arrived at an e-commerce crossroads** 24 Apr 2024
- " **A convergence of retail and e-commerce ideas at a must-attend event** 25 Mar 2024
- " **South Africans prioritise value for money in festive season spending** 19 Dec 2023
- " **Black Friday 2023: Retailers and manufacturers will need to be agile to navigate a volatile landscape** 19 Oct 2023
- " **Omnichannel strategies: One size does not fit all in South African retail** 19 Sep 2023



GfK – An NIQ Company

Reliably delivering #GrowthfromKnowledge to our clients. Empower bold actions for sustainable growth.

[Profile](#) | [News](#) | [Contact](#) | [Twitter](#) | [RSS Feed](#)

For more, visit: <https://www.bizcommunity.com>