

# Under African skies: Discovering gold in the Rainbow Nations

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**A** mobile phone rings. Friends meet at the local watering hole to watch their country's football stars do battle on the satellite channel that "offers so much more". The heroes appear, wearing a strip emblazoned with the red and white logo of a real cola drink. The friends raise their glasses - a pint of the less preferred beer toasting future triumphs.

A new day has dawned in Africa.

Africa often conjures up preconceived images in the developed world. Ravaged by civil wars, health crises, corrupt politicians and poverty, Africa is often disregarded as a potential market by international corporations and businesses. However, with a population of 1.2 billion spanning 56 developing countries, can any business afford to ignore this potential gold mine?

Africa is an appealing emerging market. Aside from its large population, increased economic development is raising income levels and the spread of technology on the continent has resulted in ever-increasing exposure to television, radio and the internet. Despite its perceived defects, the African continent has an immeasurable capacity for growth and accordingly offers extensive and potentially lucrative business opportunities. Foreign investment also provides the much-needed injection of capital to support third-world growth and development.

There is, of course, no escaping the numerous challenges presented by the formidable African market: it remains a third-world territory and marketing strategies need to be as divergent as their target markets.

Transforming an idea or project scheme into a workable reality presents an uphill battle, particularly where the necessary skills are lacking. Many African countries have inefficient infrastructures, complicating timely goods distribution. Electricity and water supplies - taken for granted in the first world - are disrupted or even non-existent in many African countries.

Numerous African governments demand compliance with rigorous requirements, often involving considerable 'red tape'. Interestingly, the opposite is true in some countries, where unrestricted and free systems of business prevail and an ethos of 'anything goes' is prevalent. Furthermore, Africa is renowned for lengthy time delays.

There are several critical factors to bear in mind when launching a new product or service in Africa:

- Consider the timing of the market entry. What major changes are taking place within the particular country or community? What have the most successful recent new products or innovations in the country been? By taking these factors into account, one may be better poised to anticipate future stumbling blocks and devise appropriate strategies.
- Consider the brand positioning and target market. Remember that it is virtually impossible to please everyone at all times. Focus on and understand the norms and values of your particular market and anticipate their needs.
- Pay careful attention to the means of advertising and promotion employed. Bear in mind that a large percentage of your target market may be illiterate, so consider the possibility of utilising radio or television advertisements instead of print. It may be pointless to spend large amounts

of time and money erecting illuminated signage in regions where the electricity supply is, at best, sporadic.

- The subtleties of religion, culture, humour and language are often overlooked. This may have a direct and fatal impact on the success of your brand. Many words, acceptable, witty or clever in one language, may well cause offence or simply be ridiculous in another. By way of an international example, the 'Nova' car never really enjoyed much success in Spain, perhaps because 'no va' in Spanish means 'won't go'!
- Shopping malls are a rarity in Africa. Informal vendor trading and so-called 'spaza' shops provide the majority of rural Africans with their basic essentials. It is critical to understand these marketing channels and adapt accordingly.
- Often, locals view the introduction of international brands into African markets as an attempt at re-colonisation. As a result, many Africans are fervently patriotic to local brands. In such instances, consider developing a local brand for the local market. Unilever has successfully implemented this strategy worldwide. A further example is Nestlé, which produces 200 variations of its Nescafé coffee to satisfy the varying tastes of specific markets. Local brands instill national pride, as evidence shows that consumers often favour a homegrown product.
- It has been said that great brands play on emotions and a brand that touches consumers' hearts will enjoy consumer loyalty. Recently, Coca Cola was associated with the African concept of *seriti*, or community respect, after depicting a young boy growing up to be a respected community member by selling Coca Cola. The more consumers relate to a brand, the



more successful it is likely to be.

Clearly, there are many variables to be taken into account when contemplating the African market. Any strategy requires the ability to adapt international best practice to accommodate the diverse African markets. Many corporations that have tried to go it alone and tap into the African market have failed, primarily due to an inability to adapt to cultural and linguistic nuances. To this end, the best approach is to partner with an African company who is able to advise on such peculiarities and assist in the entire process.

As with any market, companies must ensure the adequate protection of their intellectual property. Normally, this entails securing registration of core brands as trademarks in the various countries of interest.

A brand is not restricted to a product name or logo, or a company name. Many additional components may qualify for protection, such as colours, shapes, pay-off lines and the overall 'get-up' of a particular product. Although trade mark protection is vital, other forms of intellectual property may also require protection, such as patents, designs and copyright. Naturally, the laws of individual countries determine the specific procedure needed to secure intellectual property protection. Local expertise is once again critical to ensure that one's intellectual property is correctly and adequately protected.

In South Africa, intellectual property

protection is as sophisticated as anywhere in the world. There are, however, grey areas throughout Africa and it is here that local knowledge and expertise is essential. African intellectual property systems have various peculiarities. When filing an application for registration of a trade mark in Angola, a Portuguese power of attorney must be filed, together with the company's certificate of incorporation, also in Portuguese. The Lesotho registry is not computerised and all processes are handled manually: it is impossible to conduct any form of trademark search there. Lengthy delays are common: a proprietor wishing to register a trademark in Ghana will inevitably have to wait four to six years, provided things run smoothly, before it is registered.

Although trademarks are territorial by nature, there are two main systems in Africa which allow simultaneous registration in numerous countries. The first of these is the African Regional Industrial Property Organisation (ARIPO) which establishes a filing system under which an applicant may file a single application in any of the contracting states, designating the countries in which protection is sought. ARIPO extends to 16 African countries. The Organisation Africaine de la Propriété Intellectuelle (OAPI) enjoys a membership of fifteen states. In terms of the governing agreement, the OAPI is responsible for the examination, publication and registration of trademarks in accordance with a common procedure. Provided that a trademark is registered with the OAPI, it will enjoy the

same rights in each of the member states.

The International Trade Mark System (Madrid System), administered by WIPO, provides a cost-effective and efficient way of protecting trade marks in up to 78 countries by filling a single application, in a single language, with a single set of fees. Two treaties govern this system: the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to the Madrid Agreement. Owners of International Registrations will also be able to file requests for country extensions as new contracting parties join the System. Currently there are 78 contracting parties or member states, including 12 African countries. South Africa has ratified the Madrid Protocol in principle, but will more than likely not accede to it within the next 12 to 18 months. One of the reasons for the expected delay is the need for proper consideration to be given to the amendment of our national trade mark legislation before accession.

Africa has enormous potential, offering exciting and challenging markets to foreign businesses with an entrepreneurial spirit. There are many pitfalls to be wary of, but the rewards are substantial. However, those wishing to capitalise on these rewards should act swiftly. As, Muzi Kuzwayo, author and emerging market expert, states, "By the time the book is written on Africa everyone will have a copy and the opportunity will be lost." ■

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