

Sub-Saharan middle class: R1.3tn per month and growing

Issued by [Ipsos](#)

22 May 2017

Groundbreaking study on the world's fastest-growing middle class

“Information about the middle-class population in sub-Saharan Africa has been scant and as the South African economy flatlines, many companies realise expanding further north is essential to growth. The African Lions study has brought a market which represents R1.3tn per month to life and will make a huge contribution towards the understanding of the consumer landscape of our continent,” says Nanzala Mwaura, Head of the African Lions team at Ipsos. The African Lions project is a UCT Unilever Institute of Strategic Marketing initiative, undertaken together with research partner Ipsos, and has uncovered a mass of invaluable information about a market that makes up more than 100 million people in sub-Saharan Africa – the urban middle class.

“It has been a massive undertaking,” states Paul Egan, Head of UCT Unilever Institute of Strategic Marketing, “and took us 18 months to complete.” It made use of Ipsos’s wide reach, involving 150 researchers, thousands of interviews and has yielded over 300 videos and 5,000 photographs from across Africa.

“We’ve looked at the size, the segments, and the varying definitions of the middle class within each city and have also come out with insights around an in-depth understanding of living conditions, livelihood strategies, aspirations, media consumption, buying patterns, brand relationships and much more,” continues Egan.

Who are the middle class?

Despite the controversial nature of the term, the middle class is generally accepted to apply to those who are not in poverty and have disposable income.



With populations growing fast, there is ever-growing competition for jobs. Unfortunately, job creation has not kept pace with urbanisation and population growth in most countries, resulting in only a third of the middle class having a full-time job. Thus, a key characteristic of middle class individuals across the continent is an entrepreneurial spirit. This is often described as ‘the hustle’ – but in the sense of the verb rather than the noun (i.e. fast moving).

Creative entrepreneurship manifests itself in terms of self-employment and business ownership. Indeed, setting up a business is widely considered the best path for achieving one’s goals. Most of the businesses are operating in the informal sector, which is still dominant across the sub-Saharan region. It is also common for members of the middle class to

diversify income streams by setting up multiple businesses. Furthermore, a relatively high proportion of people in full-time jobs are also running businesses on the side.

Supporting this dynamic is the mobile phone: 77% of the middle class own a smartphone and 83% are accessing the internet via their smartphones. 45% also access Facebook on a regular basis. The smartphone has become the tool of doing business and social media is an important way to promote small businesses and develop a network. As mobile money becomes more and more ubiquitous, the cellphone is also becoming the platform on which to transact and manage finances. With more people also transacting and saving via their mobile devices, more and more people are able to develop a credit record.

"Although there is a lot of commonality, it is important to note that Africa is not a country, therefore it is important for marketers to not assume that one size fits all," says Paul Egan.

The study comprised desk research, qualitative research and quantitative research in 10 major African cities, namely: Abidjan (Ivory Coast), Accra (Ghana), Addis Abeba (Ethiopia), Douala (Cameroon), Dar-es-Salaam (Tanzania), Kano and Lagos (Nigeria), Nairobi (Kenya), Luanda (Angola) and Lusaka (Zambia).

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