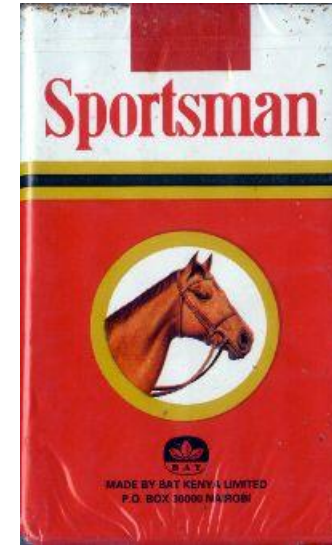


**WHY BIG BRANDS ARE
LOOSING MARKET
SHARE?**

WHY BIG BRAND ARE LOOSING MARKET SHARE?

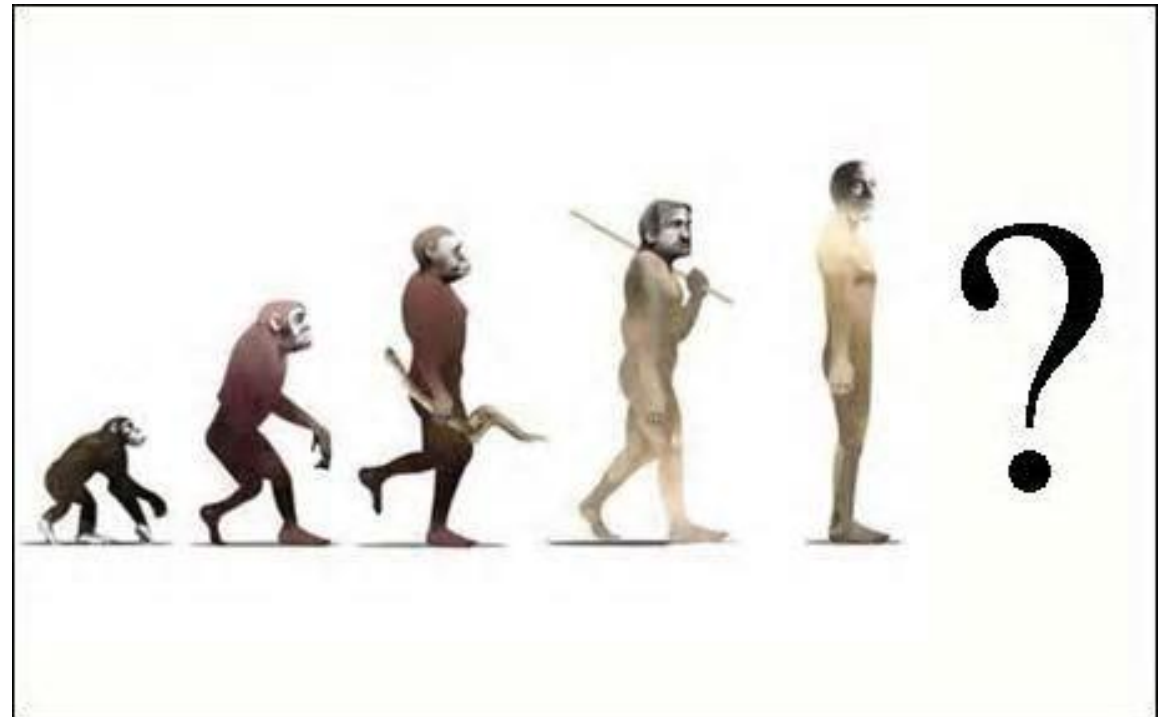
- Big, old, reputable brands are losing market share
- Product categories that for decades used to have just one dominant brand controlling 60-70 % of the market get fragmented
- New market entrants (both international and local) that nobody paid attention to quickly gain traction



WHAT HAPPENS TO THE KENYAN MARKET?

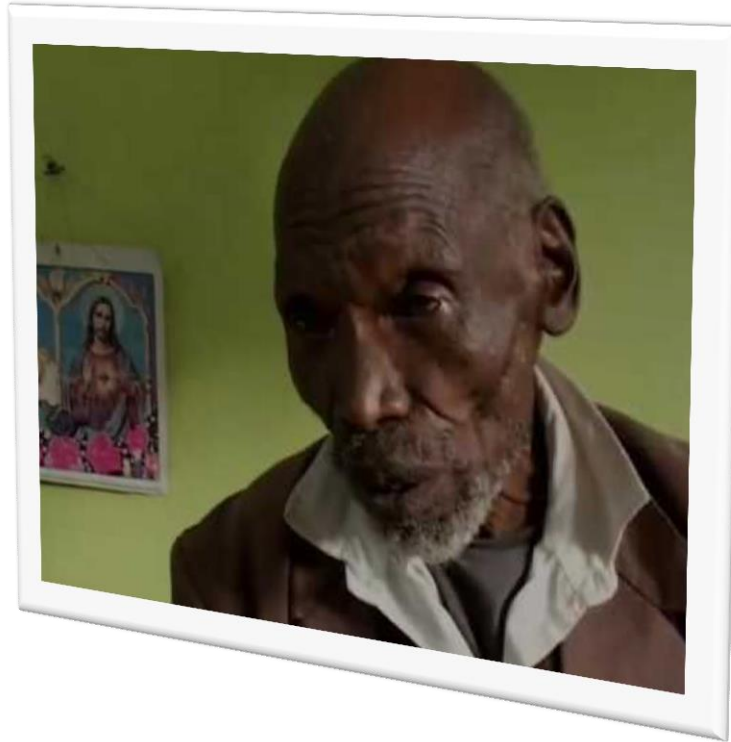
- Kenyan market is evolving:
 - It is growing ->more money
 - It is becoming more diverse -> more products and brands
 - It is getting more saturated -> growing competition

evolution



WHAT HAPPENS TO THE KENYAN CONSUMER?

1990s



2010s

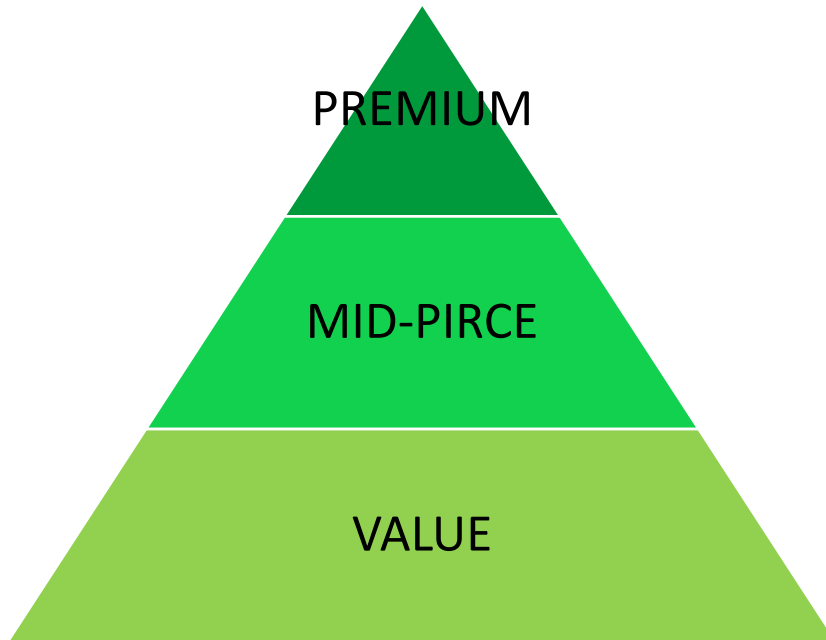


What happens with the Kenyan market is the reflection of the larger social-cultural transformation

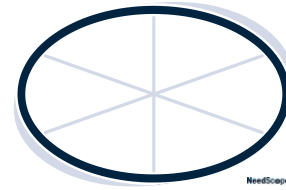
- **Consumer culture is getting more diverse -> more consumer segments**
- **Consumers develop new needs and become more demanding**

WHAT HAPPENS TO THE KENYAN CONSUMER?

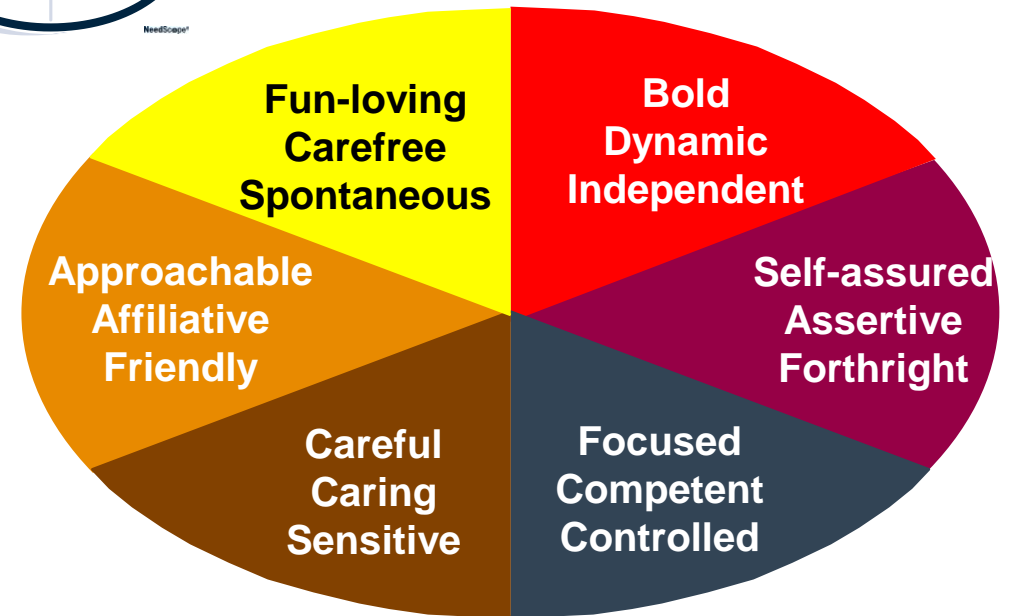
1990s



Few brands differentiated by price and functionality. Functional marketing



2010s



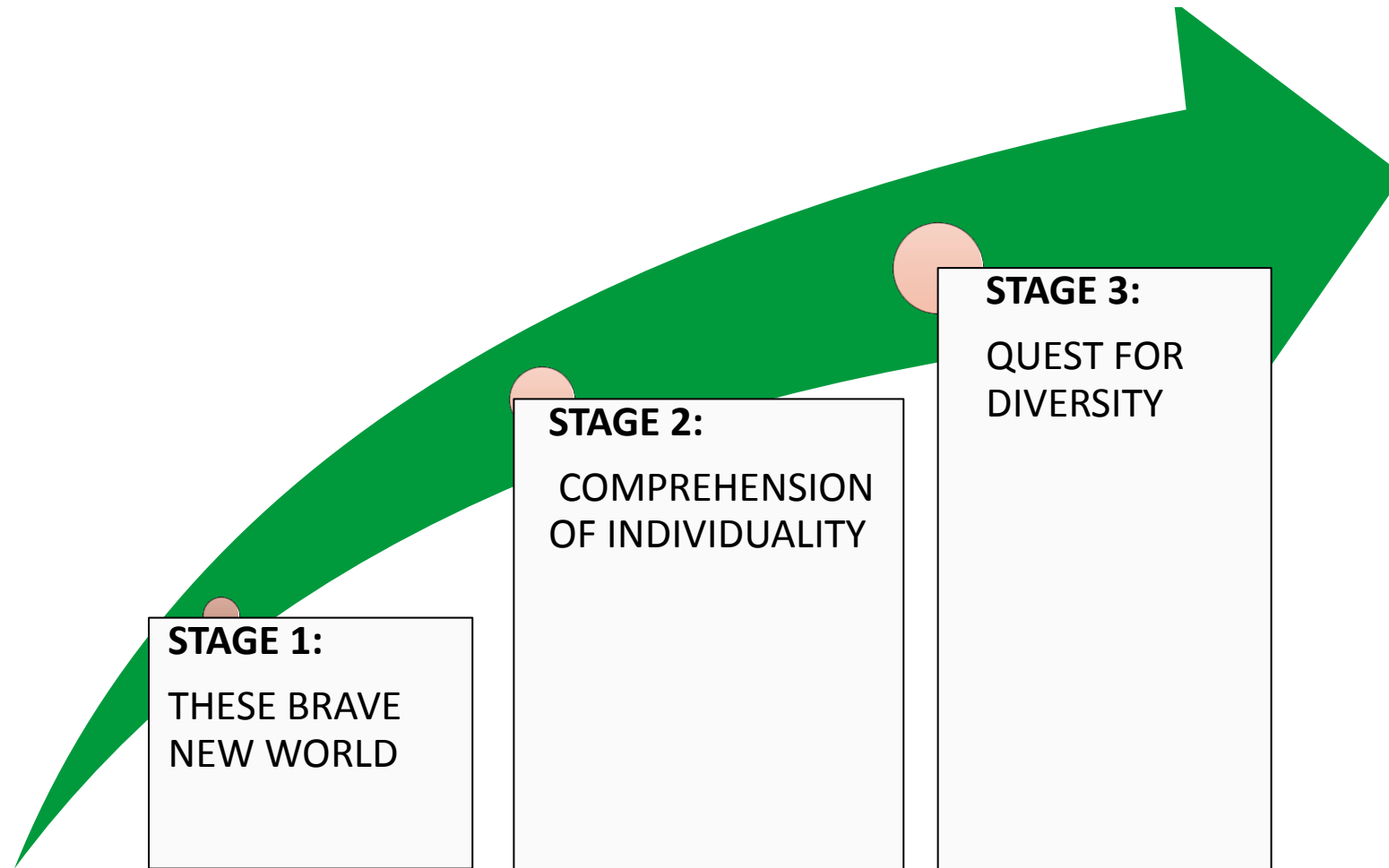
Many brands differentiated by their imagery. Emotional marketing

WHAT DOES IT MEAN FOR MARKETERS?

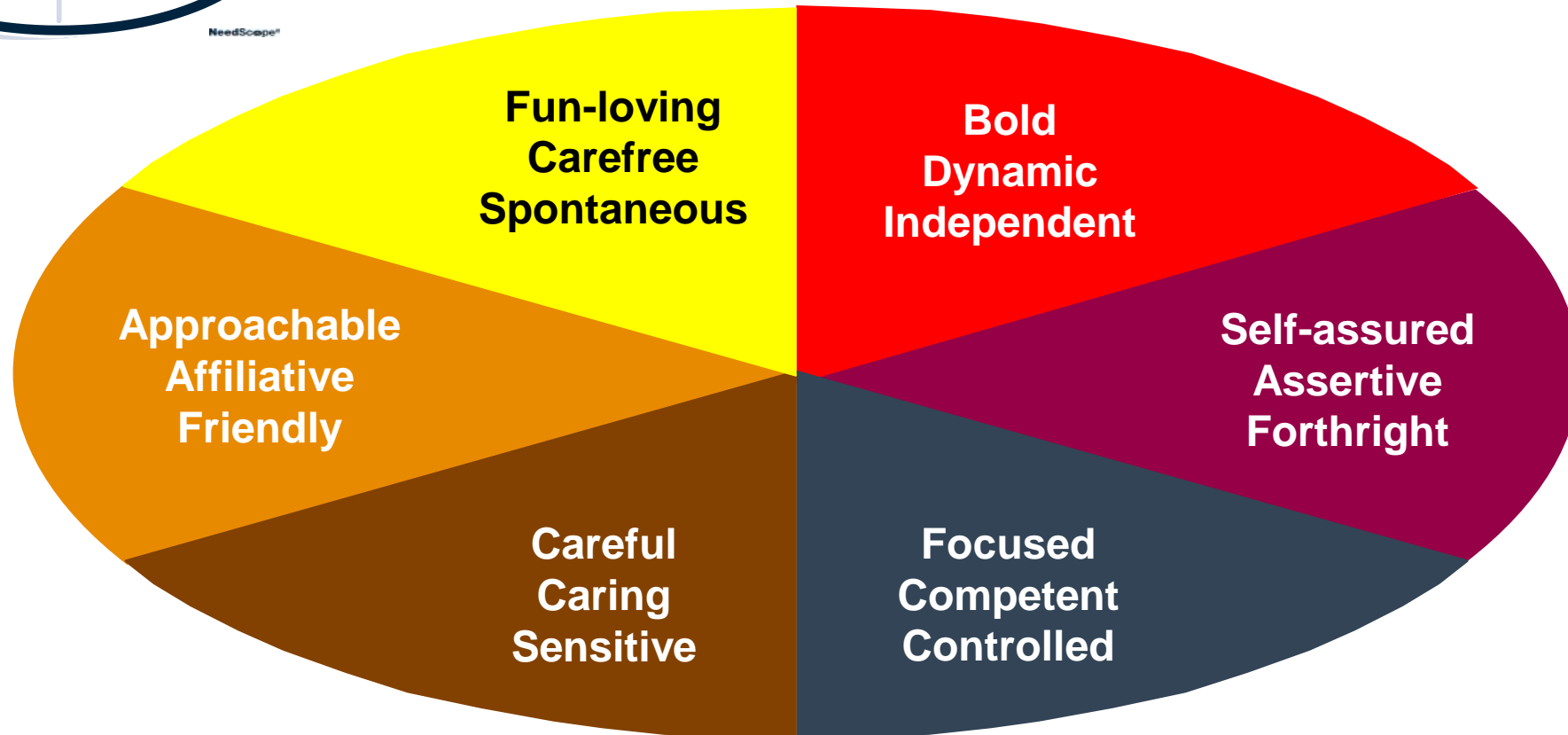


WHY IS THIS HAPPENING?

THREE STAGES OF CONSUMER NEEDS EVOLUTION



6 ARCHETYPAL HUMAN NEEDS



6 ARCHETYPAL HUMAN NEEDS

STAGE 1: THIS BRAVE NEW WORLD



SOCIAL-ECONOMIC DEVELOPMENT

Low. High level of wealth stratification –many are poor and very few are rich. The middle class is very small and concentrated in the capital city



NEEDS

«To be like all other people, not to be different from the mass»

«To show off, to demonstrate wealth and high social status»



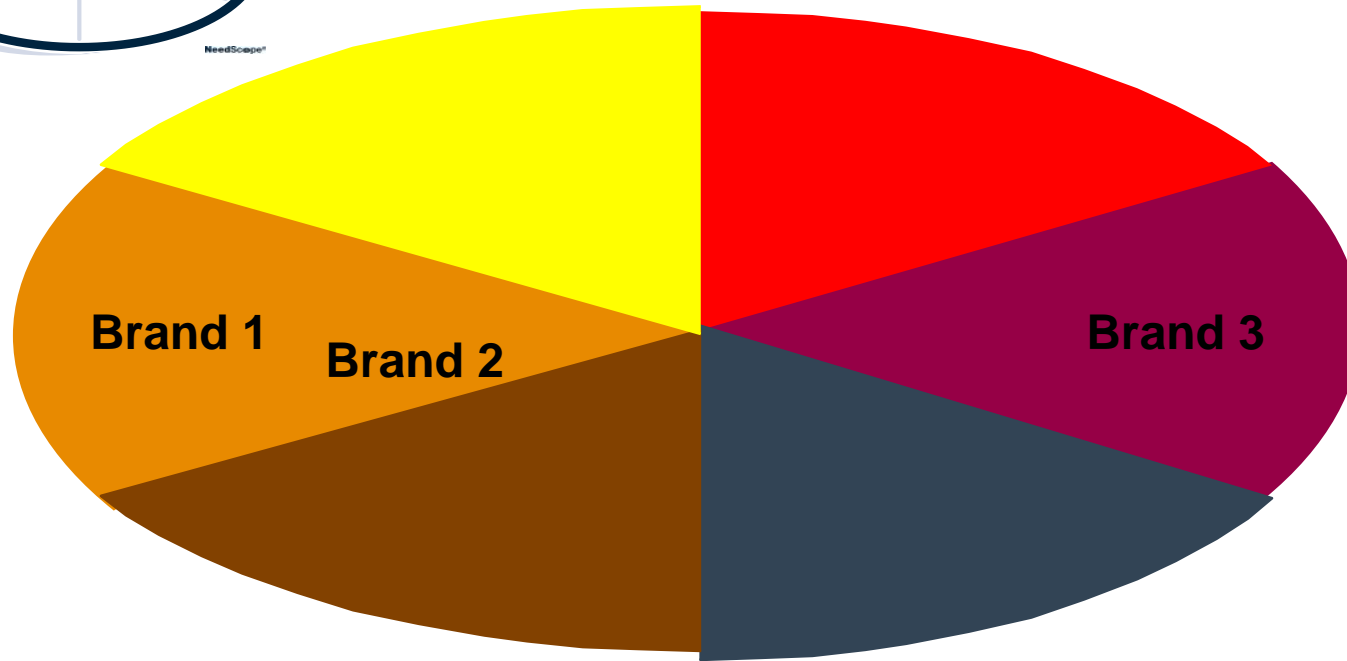
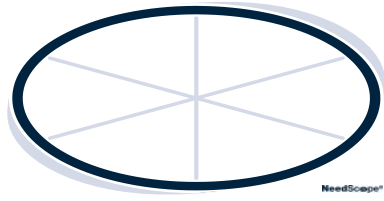
BRANDS

There are few brands that are differentiated by price only – “cheap stuff” for the mass and “expensive ones” for the elite

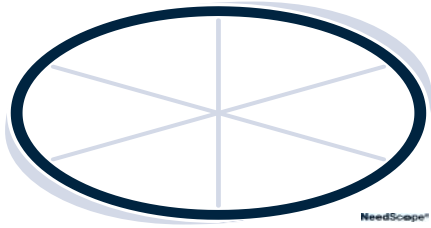
2-3 brands dominate up to 90% of the market



STAGE 1: TYPICAL PRODUCT CATEGORY STRUCTURE



STAGE 1: DRC CIGARETTE MARKET



STAGE 2: COMPREHENSION OF INDIVIDUALITY



SOCIAL-ECONOMIC DEVELOPMENT

Mid-level. There are still many poor and few rich people but the emerging middle class gradually starts setting the standards of consumer behavior



NEEDS

«To live calm, relaxing life with the family. To be able having a “mild”, “homey” character. Aversion of the mass, “noisy” events

«To demonstrate, energy, youthfulness, vigor. To channel aggression. Rejection of traditions”

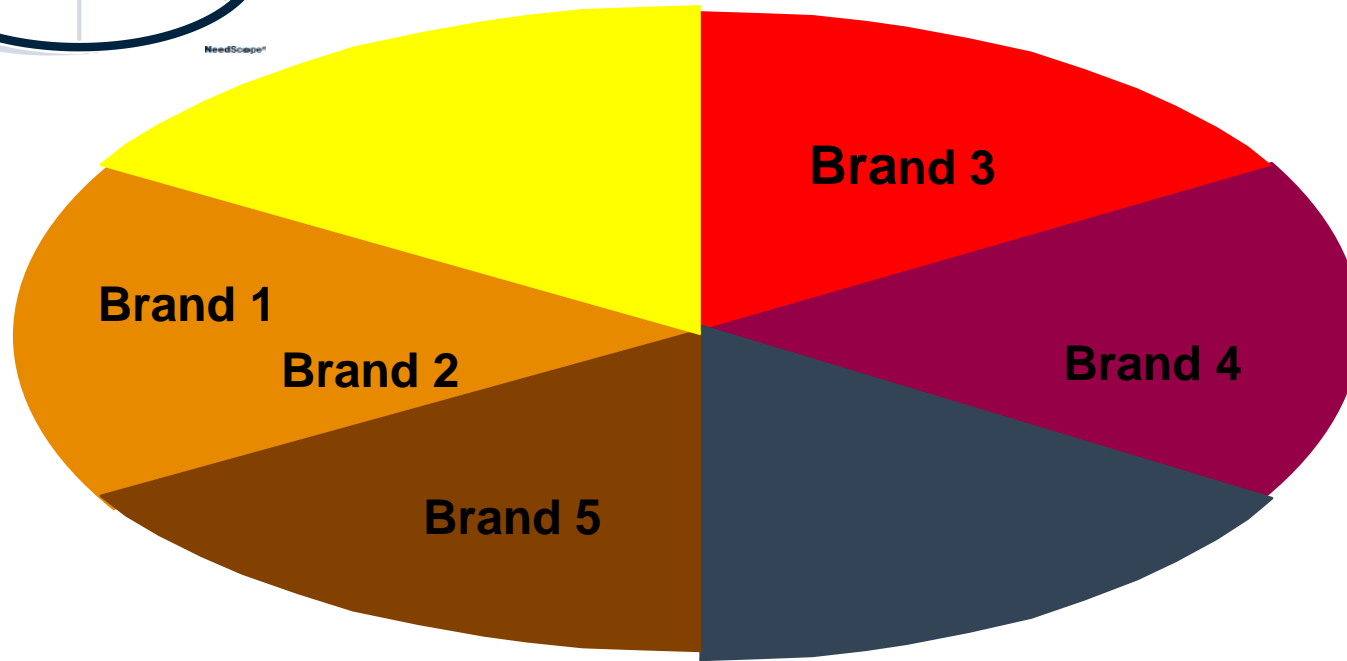
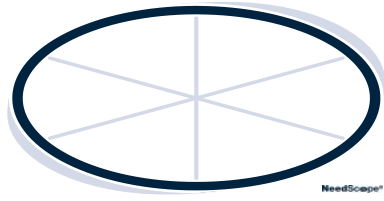


BRANDS

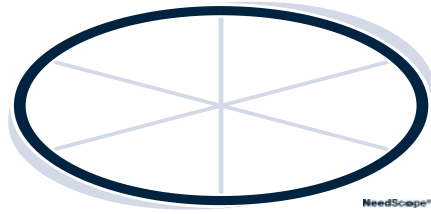
More brands emerge. They start differentiating not only by price but also by some nuances of their positioning. Brands start enabling consumers to create their own unique image which tells not only about social status but also about their values and character features.



STAGE 2: TYPICAL PRODUCT CATEGORY STRUCTURE



STAGE 2: KENYA BEER MARKET



STAGE 2

STAGE 3: QUEST FOR DIVERSITY



SOCIAL-ECONOMIC DEVELOPMENT

High. The gap between the rich and the poor narrows down. The majority of population belongs to the middle class



NEEDS

«Personal attractiveness» - I want to emphasize my sex-appeal. I want to be admired, to be desired.*

Individual style – to show one’s individuality and uniqueness. To emphasize one’s unique taste and life style

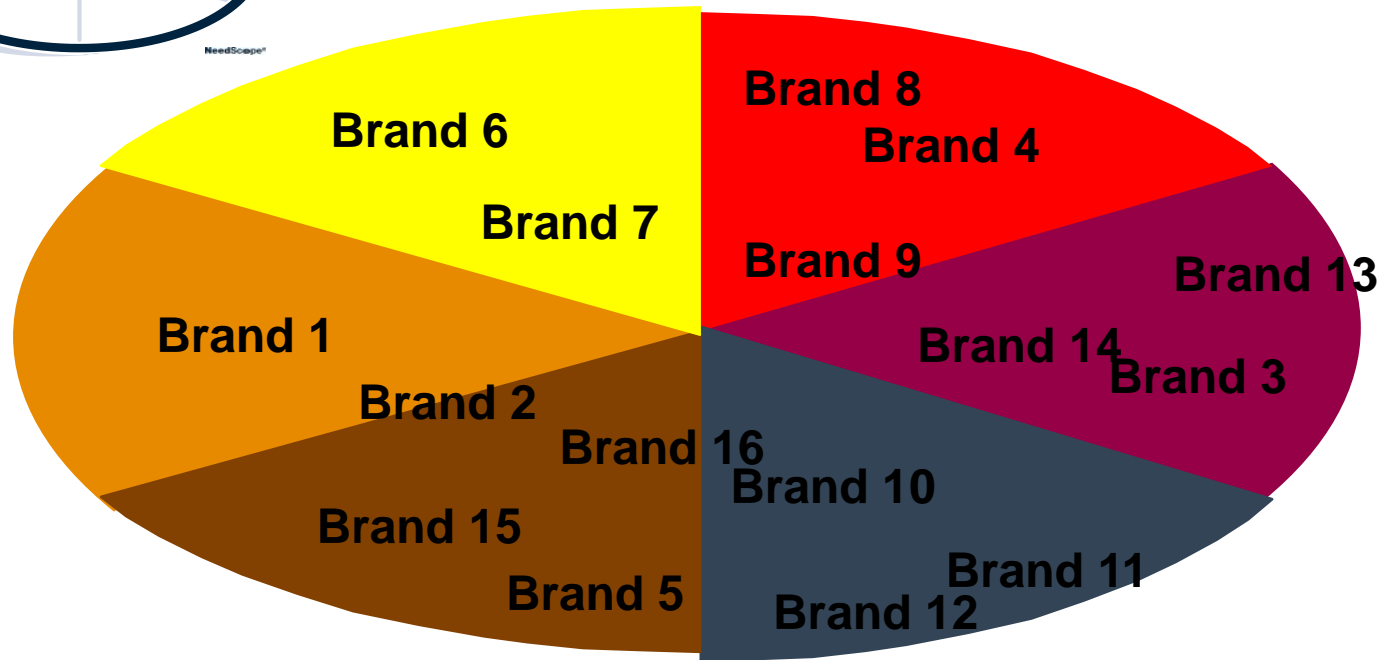
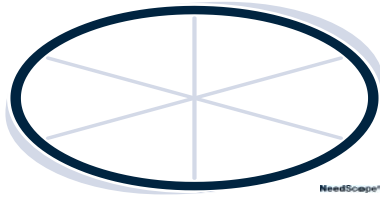


BRANDS

Variety of products and brands that can satisfy even the pickiest people. In the situation of severe competition, price differentiation is not enough anymore. Brands aspire to differentiate by creating a unique, emotionally appealing image. Big number of niche brands emerges



STAGE 3: TYPICAL PRODUCT CATEGORY STRUCTURE



STAGE 3: QUEST FOR DIVERSITY

WHAT DO THEY THINK ABOUT THIS SHOE?



- Shoes
- Durable, would last for 4-5 years
- Expensive price



- “Clacks”
- 2017 collection
- Creates an image of an “active” and “energetic” person

WHAT SHALL WE DO TO REMAIN RELEVANT TO THE CHANGING MARKET?

- **Understand your consumer segments and sub-segments**
- **Create new brands that would target specific consumer segments**
- **Create brand images/positioning that would be emotionally appealing to consumers**



WHAT ARE THE EXAMPLES OF SUCCESSFUL EMOTIONAL MARKETING?

