

Ethiopia

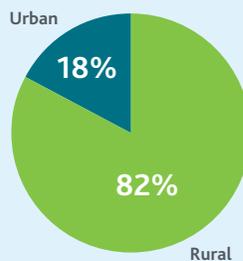


The streets of Addis Ababa are bustling with the delicious smells of cooking breakfast, and the sounds of people. As the center of commerce and social interaction, the street is where much of life takes place. On his way to work, Abede stops at a vendor for dulet—a traditional Ethiopian dish—and coffee. His job is in banking, which is currently a small field in Ethiopia. Only about 50 percent of those surveyed currently hold bank accounts, but Abede is hopeful that with expanding globalization, it will spread.

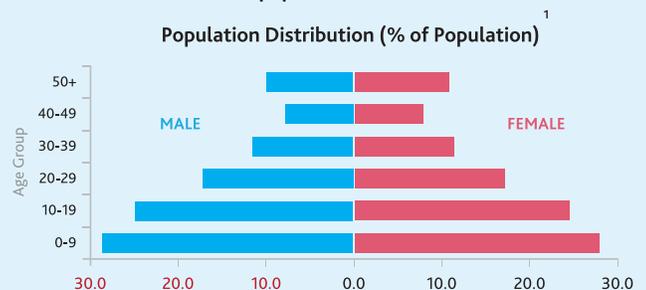
Country Profile

Ethiopia follows Nigeria as the second most populous nation in Africa, with 83 million people¹ and two major ethnic groups that account for close to 60 percent of the population². The population growth rate is two percent annually¹. Although the majority of the population is rural, the urban population is growing twice as fast as the rural³.

The majority of Ethiopia's population is rural³



Over half of Ethiopia's population is under 20



People like Abede—young, university educated and relatively wealthy, account for roughly one-sixth of respondents surveyed (17%) but control 28 percent of the income. Among those surveyed:

- The monthly household income is 4400 ETB (approx \$250 USD)
- There is a color television in almost eight of 10 houses, but only one in three own a refrigerator
- Fifty percent of the heads of households are employed in unskilled or semi-skilled work

Three major consumer segments account for close to 60 percent of Ethiopian survey respondents: Trendy Aspirants, Evolving Juniors and Balanced Seniors:

- People like Abede are Trendy Aspirants. Affluent and willing to pay more for quality, they represent 17 percent of those surveyed and offer a very good opportunity for launching or growing brands.
- Evolving Juniors (25%) are predominantly students in peri-urban areas. This group likes spending time with friends. Affordability and availability is the best way to reach them
- Balanced Seniors (16%) are traditional, family-oriented and religious. They value affordability and are open to recommendation.





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Ethiopia



Nielsen identified seven consumer segments based on a face to face survey of 5,000 respondents across Nigeria, Ethiopia, Uganda, Kenya, Tanzania, Zambia and DRC. Variables used were: attitudes, age, socio-economic class, education level, and mobile and media usage. The family theme reverberates strongly across all groups, as does affordability and trusting the same brand. However, segments vary in terms of other purchase drivers and media consumption.

Evolving Juniors	25%	15-19 years, middle to lower SEC, peri-urban	Mostly students. Social and want to enjoy time with friends. Traditional and family-oriented. Value affordability. Average consumption of TV, radio and mobiles.
Trendy Aspirants	17%	15-29 years, single, largely male, middle SEC, urban	Educated up to secondary school and above. Modern in terms of fashion, technology, and willingness to try new products.
Balanced Seniors	16%	20-45 years, married with children, across all SEC	Studied secondary school and above. Traditional, family-oriented and religious. Buy based on affordability and recommendation.
Wannabe Bachelors	13%	20-34 years, male, middle to low SEC, single, peri-urban	Educated up to secondary school. Mix of blue collar and supervisor level jobs. Influenced by good packaging and advertising.
Struggling Traditionals	12%	30-45 years, married with children, lower SEC, periurban	Low levels of education - secondary school and below. Rooted in family, traditions and religion. Prime concerns are affordability and availability. Not brand conscious.
Female Conservatives	10%	15-29 years, married, lower SEC, peri-urban	Studied up to secondary level. Traditions and family values are important. Not brand conscious. Keen to keep up with fashion and try new products.
Progressive Affluents	7%	30-45 years, married with children, higher SEC, urban	Well educated, and employed in managerial jobs. Willing to try new things and pay for quality. Family is important but also tends to be very individualistic. High on media use.

Buy

Consumers tend to shop at open markets and kiosks more often than other channels; supermarkets are popular with Trendy Aspirants and Progressive Affluents. In addition to the unorganized retail landscape, companies will have to navigate government-imposed price controls, which were a top concern among retailers interviewed in the study.

Food and grocery account for almost 40 percent of monthly spending. Consumers tend to be habitual in the brands they buy and affordability is the largest purchase driver. Trendy Aspirants like Abede, and Progressive Affluents are more likely to try new products. Category penetration is much lower in Ethiopia compared other countries surveyed, providing an opportunity to introduce consumers to new categories, especially energy drinks, where interest to try is very high.

Watch

Among those we surveyed, TV and radio are the most popular media (92% and 80% penetration, respectively). Dramas, sports and news are top programming content across both platforms. Ethiopian Television (ETV) is popular across all cities in Ethiopia, while radio is more regional in nature with each city having its own set of popular stations.

Print media and Internet are not prevalent, which may be explained by the low literacy rate (30%)⁴. Nearly all Progressive Affluents read print and surf the Internet, while Trendy Aspirants are also much more likely to utilize these media than the rest of consumers. And while over 70 percent of those surveyed own a cell phone, it is typically used only for basic services, like text messaging.

Opportunity

In recent years, Ethiopia has emerged as one of the fastest growing economies in Africa with 10 percent GDP growth in 2010⁵.

When launching new products in Ethiopia, spend time understanding not only Trendy Aspirants like Abede, but also the culture, people and traditions of all groups in Ethiopia. A media campaign that focuses on national TV will achieve critical exposure. Compared to other countries surveyed, CPG category penetration and consumer incomes are lower in Ethiopia. Low-cost products will help meet budget needs and introduce consumers to newer categories. Most importantly, demonstrate clear value to all citizens—those with money and those without—to attract and keep potential customers.

1 The World Bank: Africa Development Indicators: United Nations Population Division. 2009. World Population Prospects: The 2008 Revision. New York, United Nations, Department of Economic and Social Affairs (advanced Excel tables). Available at <http://esa.un.org/unpd/wpp2008/index.htm>. (2) Census reports and other statistical publications from national statistical offices, (3) Eurostat: Demographic Statistics, (4) Secretariat of the Pacific Community: Statistics and Demography Programme, (5) U.S. Census Bureau: International Database, and (6) World bank estimates based on the data from the sources above, household surveys conducted by national agencies, Macro International, the U.S. Centers for Disease Control and Prevention, and refugees statistics from the United Nations High Commissioner for Refugees

2 <https://www.cia.gov/library/publications/the-world-factbook/geos/et.html>

3 The World Bank: Africa Development Indicators: World Bank Staff estimates based on United Nations, World Urbanization Prospects.

4 The World Bank: Africa Development Indicators: United Nations Educational, Scientific, and Cultural Organization (UNESCO) Institute for Statistics

5 The World Bank: Africa Development Indicators: World Bank national accounts data, and OECD National

All numbers quoted, unless specifically cited, are from the Emerging Market Insights Survey, 2011 conducted in Ethiopia (Addis Ababa, Dire Dawa, Hawasa, Nazareth). The African average comprises of scores across Nigeria, Ethiopia, Uganda, Kenya, Tanzania, Zambia, and DRC.

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