

According to the [2021 Global Retail Development Index](#) published by Kearney, Africa will emerge in the next years as the major retail hotspot on the world scenario. The Continent will progressively shift away from traditional models (represented by the galaxy of small, mostly family-owned retail, including informal businesses, that are current involved in the distribution of products to final consumers), evolving towards modern retail solutions, including large-scale distribution stores and e-commerce, that will offer lucrative investment opportunities to those that will enter into this business, especially in those countries with faster economic growth (economic growth generates more consumption) and a growing middle class, such as Morocco, Egypt, Ghana and Cote d'Ivoire.

This will happen thanks to a series of factors that characterize the African economy, which are expected to transform Africa in the fastest-growing, richest, and most sophisticated market in the world. These factors include: 1) the explosive growth of young, urban, and digitally savvy consumers; 2) the increasing mobile phone penetration; 3) the creation of digital payment and shopping networks; 4) favorable governmental regulations and spending initiatives; and 5) significant investment by both foreign and domestic companies.

In Africa, modern retailing is currently dominated by regional players, primarily South Africa (which enjoys about 90 percent share among the region's top 15 retailers, with players like Shoprite, Mr Price, and Pick n Pay), and a few international players like Carrefour, that is progressively increasing its investments in the continent.

E-commerce, on the other hand, currently accounts for only about 1 percent of the total African retail market, but with strong expectations of growth, bolstered by rising smartphone/Internet penetration coupled with the world's youngest population and an emerging urban middle class. South Africa, Nigeria, and Kenya currently dominate the e-commerce landscape although digital marketplaces in Ghana and Morocco are rapidly expanding.

On the other hand, grocery retailing, is witnessing rapid, scaled digitalization driven by vibrant technologies and start-up industries. Examples include the Uganda's Safeboda (a bike hailing platform which delivers food and beverage, grocery, and pharmacy products), Ghana's Big Samps Market (which utilizes social media platforms such as WhatsApp to take orders from customers and source and deliver groceries), the Nigerian start-ups Omnibiz and Alerzo (which are digitalizing consumer goods and grocery supply chains); and Nigeria's Opay, a mobile money solutions provider offering new payment options.

