

## No logo, no future

**Fiona Gilmore and Rebecca Rumens reveal the real challenge in unbinding Africa. To break out of its poverty cycle, branding cannot wait**

In July 2005, G8 leaders from the world's richest nations agreed to an historic accord cancelling at least \$40bn (£22.4bn) of debt owed by the world's poorest countries. Eighteen nations – 14 of them in Africa – will receive 100% debt relief. A further nine are expected to qualify over the next 18 months, if targets for transparency and good governance are met.

The overarching message in the Commission for Africa's June 2005 report is that Africa should drive its own development. A country that trades can eventually do without aid. In fact, Christian Aid estimates that a 1% increase in trade in Africa would generate as much revenue as seven years of aid and debt relief at the level pledged by G8 leaders.

It states: "African governments must unleash the entrepreneurial spirit of Africa's people." The sort of trade that brings a country a sustainable income is not commodity-oriented, but market and brand-oriented, where innovation, not price, drives competition.

### Addressing brand issues

There is a lot of discussion among the donor community about the importance of investing in human capital and infrastructure, but less about the topics of brand and intellectual capital. Africa needs to address these issues too.

To create a sustainable competitive advantage, a country must move away from unfinished commodity production to become the owner of a rich mix of indigenous brands that meet the intellectual and emotional needs of domestic and foreign markets. The drivers for development must be introduced in tandem. Brand building cannot wait.

It is hard for commodity producers to protect margins because customers



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perceive few differences between supplier offerings. The market is driven by price. There is no differentiation, no added value, no innovation and no equity for producers to hold onto long term.

When primary producers hand over the finishing and branding to another country, they also hand over the bulk of the profits. But selling to domestic and foreign markets can be lucrative if suppliers focus on improving the quality of their output (in design, technological skills or service). The added value becomes a source of differentiation and the justification to hike up the price.

Differentiation helps create a loyal customer base. Profits increase, employees benefit from sustainable wages and producers gain immunity from market fluctuations. The message to developing nations is: no logo, no lasting equity; no lasting equity, no sustained profit; no sustained profit, no way of controlling your destiny.

### Developing brands

Many of the problems in Africa stem from a vicious circle of government ineptitude, corruption and short-term solutions. African nations urgently need the resources to fight disease and hunger and for building the infrastructure that will support trade expansion.

But what is the point of having the right infrastructure and policies if there is nothing to sell that can be differentiated from the output of other countries? Selling raw materials to rich brand owners is a quick fix that promises few benefits in the longer term.

To compete successfully on the global market, a country must develop its own brands. This strategy requires investment in education, training and the transfer of skills. Brands stimulate competitiveness, which in turn drives innovation and enterprise.

There is much to be gained from a strategy that empowers the individual. A country that has a reputation for high-quality, finished exports will be seen as



having capabilities in other areas, such as providing a well-managed tourism experience. People who live in countries that own brand names desired by other nations have a greater sense of national pride than citizens from countries bereft of their own flourishing brands.

### Full participation

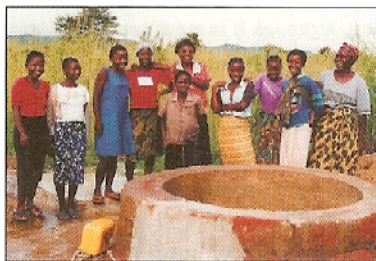
When we developed a brand for Zambia, we interviewed government ministers, schoolteachers, village chiefs, health workers, local artists and crafts people. These interviews inspire participation internally in realising the branding vision and uncovering key insights into challenges.

One initiative was the 'Branding Surgery' to aid the transfer of skills necessary to participate in market-oriented enterprise. This included seconding two members of the Wales Tourism Board to Zambia to teach tourism providers best practices. The benefits and methods of market enterprise can also be taught in schools.

One perception in Zambia was that the country was sinking under the influences from South Africa. While Zambia has indigenous artists and crafts people, the curios markets tell a different story, packed full of the same carved wooden masks and hippos that turn up in markets from South Africa to Botswana. "We are tired of imitations," said one Zambian tourism provider.

Part of our strategy for building intellectual and brand capital, therefore, is strengthening indigenous arts and culture. This is supported by a number of activities focused either on building infrastructure, such as the provision of dedicated spaces for artists, or on capacity building, such as introducing competitions to drive innovation and productivity in music, art, cookery, dance, or in schools, ensuring the talents of children are nurtured.

In China, a shift is taking place, where citizens who, in previous



A Water Aid project in Zambia: building a brand culture is vital too

years, have been part of a 'made-in' culture, are starting to embrace a brand culture. This is in recognition of the role brands play in building a sustainable global advantage. In Africa, the challenge for countries is the same: to become owners and exporters of their own indigenous brands.

It might be said that for the vast majority of Africans, initiating steps to stimulate enterprise, creativity, entrepreneurship – all the qualities that support a flourishing brand culture – sounds somewhat naive and idealistic in the face of the HIV/AIDS pandemic. Yet despite the awful impact of the AIDS tragedy, for many there remains a mood of optimism, and this is where product and service branding can help improve the quality of life for Africans.

Global brand leaders could also play a role in meeting the worldwide poverty challenge. In particular, the marked lack of resources and know-how in African countries to engage in market-oriented activities, such as processing, finishing and branding, could be reversed if every global brand leader dispatched a few bright employees to Africa to work for large and small enterprises, transferring marketing skills to the local team to help create new local brand jewels.

### Intellectual aid

The Commission on Africa report should prompt leaders of countries and brands to transfer over to enterprising individuals in Africa all the tools and techniques, resources and facilities that the West has used to create brand capital. This will mean Africa's poor can finally participate in the global economy and start to build a more prosperous future.

We must ask not only what our government can do to alleviate poverty in Africa, but ask what our employers or favourite brands can do. Let us give Africa the opportunity to trade lucratively with the global markets.