THIRSTING FOR THE AFRICAN MARKET

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ABSTRACT

The overall per capita consumption of alcohol in the African continent remains low though rates in some countries are among the highest in the world. Africa, therefore, is one of several untapped markets in the world that have attracted attention from the alcohol industry in recent times. This paper reviews the prospects for global alcohol companies in the continent, examining the value of the African market to the industry as well as a range of political, social and economic factors which are associated with the growth of the market for commercial alcoholic beverages. To highlight and illustrate the activities of the industry, two case studies are presented focusing on marketing and promotional activities of key industry players in South Africa and Nigeria. The paper concludes with a call to African governments and the alcohol industry to become more aware of the public health and social dangers posed by alcohol consumption and to respond through prevention efforts aimed at limiting the exposure of young people to alcohol advertising and promotion.

KEY WORDS: alcohol marketing, promotion, Africa

INTRODUCTION

Why would global alcohol companies be interested in African markets? What are their prospects there? What form does or will their presence likely take in African nations? What implications does a growing global presence of alcohol companies in African markets hold for the continent, in terms of economics, development and public health? This article will address these questions, looking first at the overall situation for alcohol companies in Africa, and then exploring case examples of what alcohol producers have actually done, both at the company and at the country and brand level.

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What makes Africa interesting to alcohol companies

Many Africans abstain from alcohol but those who drink, drink a lot. This is most true in sub-Saharan Africa, since many of the North African countries are largely Muslim. According to the World Health Organization’s *Global Status Report on Alcohol 2004*, several sub-Saharan African countries – Uganda, Nigeria, Swaziland and Burundi – rank among the 30 countries with the highest levels of per capita alcohol consumption in the world (World Health Organization, 2004). Although as much as half of consumption in Africa is of “unrecorded” alcohol, such as home production or production of traditional beverages such as sorghum beer or palm wines (Rehm, Rehm et al., 2003), the “recorded” segment of the market is the portion of greatest interest to global alcohol companies, because this is the segment that generally includes their commercially-available, industrially-produced beverages. From 1970 to 1980, consumption of these beverages – recorded per capita alcohol consumption – grew rapidly in Africa. As Figure 1 shows, in the 1970s the trajectory of recorded alcohol production in the African region (SSA) was similar to that of Southeast Asia and Oceania (OAI) and China (CHI): consumption rose steadily, and looked to be about to do the same into the 1980s. With a large population that appeared ready to shift over to commercially-produced beverage, and a middle class in its infancy likely to adopt westernized beverages (Eide, Acuda et al., 1998), Africa lay in the sites of alcohol producers in search of expanding markets to make up for the declining consumption in the “mature” markets of Europe and North America.

![Recorded Adult (15+) Per Capita Alcohol Consumption by World Bank Region, 1961-1999](image)

**Figure 1.** Recorded Adult (15+) Per Capita Alcohol Consumption by World Bank Region, 1961-1999

*Source:* WHO Global Alcohol Database, unpublished data
However, rather than continuing to increase, like China, or flattening or increasing slightly, like Southeast Asia and Oceania, consumption in Africa in 1980 began to fall, and fell steadily right up until 1999. This trend certainly did not eliminate the global alcohol industry’s interest in sub-Saharan Africa, but it did mitigate it, as two case studies below will show. But first, what happened to create this trend in Africa? The effects of the global recession of the 1980s were amplified by three key factors: military conflicts, corruption and HIV. These three have combined to depress dramatically economic growth rates in the region. This is critical, because, other factors being equal (e.g. absent the influence of abstemious religions such as Islam) recorded alcohol consumption tends to rise with economic growth (Room, Jernigan et al., 2002).

What happened in the African alcohol market

Military conflicts. In the past 30 years, there have been military conflicts in Algeria, Angola, Burundi, Chad, Cote d’Ivoire, Democratic Republic of Congo, Djibouti, Eritrea, Ethiopia, Guinea-Bissau, Liberia, Libya, Mauritania, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sierra Leone, Somalia, South Africa, Sudan, Togo, Uganda and Zimbabwe. Instability on the continent continues to this day. Some of these conflicts have been over natural resources; others may have resulted from an unusually high by global standards level of ethno-linguistic fractionalization. These conflicts have transcended national boundaries, to such an extent that “there are substantial indications that African boundaries are no longer sacred, and that intervention in states like Congo, with its wealth of natural resources and its implications for geopolitical security, may be drawing Africa into an extended military contest over boundaries” (McMichael, 2000, p. 228).

Corruption. The “informal” economy in Africa is often considered to be rural, based in indigenous production of agricultural goods, barter and so on. In fact, however, there are complex “informal” networks that facilitate large amounts of economic activity in the region. Castells (1998, 178) has argued that these networks are in fact “…an essential feature of the new global economy….Complex financial schemes and international trade networks link up the criminal economy to the formal economy.” This economy can be crucial to survival, as Hecht and Simone (1994, p. 21) argue:

...government policies [in Nigeria and Benin] in the areas of tariffs, banking laws, currency values, and import regulations confound official trade....Meanwhile, the border is the site of rampant smuggling, where unregistered markets provide a livelihood for many of the people living between Lagos and Cotonou/Porto Novo. The illicit exchange is crucial to the economies of both countries....Such illicit activities further impede effective governance and economic development but, for the moment, they set up an informal regional economic integration by default...

Thirty years of conflicts, with periods of open war alternating with uncertain peace, have fed this complex array of networks. In atmospheres of strife and political uncertainty, with “formal” lines of supply and commerce interrupted as thousands of people are displaced and physical and economic structures and infrastructures destroyed, the ability to “get it done” triumphs, and this ability breeds and encourages this “extra-state”
organization of commercial activity. War zones further encourage the development and proliferation of these networks, for they often provide the only reliable access to necessities as well as luxury goods for the bulk of the population. Nordstrom (2004, p. 98) quotes a “businessman’s” description of such trade in Southern Africa:

On one of the “uncharted” cargo runs you can find a veritable global supermarket. Look at a typical run for today: (German-made) cars and lorries stolen in the capital city and neighboring countries, (French- and Japanese-made) industrial equipment for their factories and (Russian-made) weapons for the militias guarding their interests, some (United States-made) computers and (Chinese-made) electronic equipment both for their own use and to sell or barter, and luxury items like (European) alcohol, (American) cigarettes, (western and Indian) videos, and (globally produced) clothing and foodstuffs.

For Nordstrom (2004, pp. 191-192), the term “war” itself has become associated “…not only with military actions, but with questionable if not illegal industry, land takeovers, and international wildcatting…based in international business concerns that can be legal, indeterminately legal, or downright illegal – but that yield quick, and often vast, profits, commonly in the context of political instability.” While Nordstrom argues that these networks may be the most reliable motors of economic growth in war-torn areas like sub-Saharan Africa, the lack of rational economic institutions and a clear ladder for social mobility has contributed to increasing income inequality both within countries and across the continent, with the result that “the people who would have to implement the legal, social and economic reforms that could potentially turn Africa around do not seem to suffer much from the current situation” (Artadi and Sala-i-Martin 2003, p. 4) and thus may have little motivation for change. However, this does not promote the development of larger markets for the products of global alcohol producers. The rich can be counted on to consume such luxury products, but the numbers of the rich shrink as income disparities grow.

**HIV.** By 2005, 2.4 million people had died from AIDS in Sub-Saharan Africa, and 25.8 million people – adults and children – were living with HIV. In ten countries – Botswana, Central African Republic, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia and United Republic of Tanzania – more than one in ten adults was infected. In three countries – Kenya, Uganda and Zimbabwe – prevalence appeared to be declining, although this could be the result of a “grievous equilibrium,” in which roughly equal numbers of people are dying and being newly infected (UNAIDS/WHO, 2005).

The impact of this epidemic on the continent of Africa is incalculable. According to the United Nations Development Programme (UNDP), by the period 1995-2000, in the 35 highly-affected countries in Africa, life expectancy at birth stood at 48.3 years, 6.5 years less than it would have been in the absence of AIDS. In some of the worst-affected countries, close to half of children who lose a parent to HIV/AIDS drop out of school. Households that lose a breadwinner have seen their incomes drop by as much as 80 percent, and in one country, the proportion of people living below the poverty line has increased at least five percent as a result of HIV/AIDS. The labor force in sub-Saharan Africa is projected to be between 10 and 30 percent smaller by 2020, and
reduced food production is already being reported in some areas (United Nations Development Program, 2001).

Effects on economic development.
The impact of these and other factors on the economic development of sub-Saharan Africa has been clear. By 2001, per capita gross domestic product in sub-Saharan African was 200 dollars less than it had been in 1974. Growth rates in this region were zero between 1980 and 1985, less than 0.5% in the second half of that decade, negative 1.5% in the first half of the 1990s, and by 2002 had edged just slightly over 1%. The rest of the world was growing over this entire period at an annual rate of close to 2% (Artadi and Sala-i-Martin, 2003).

Artadi and Sala-i-Martin term Africa’s growth performance “the largest economic disaster of the XXth century” (2003, p. 18). In the midst of this disaster, how did global alcohol producers function, and what can we learn about this for alcohol problems in sub-Saharan Africa should the region begin to recover? Two case studies will help address these questions. An examination of the largest global alcohol producer in the region, South African Breweries (now SABMiller), will provide insight into the first question, while a look at global producers – Heineken and Guinness/Diageo – in the Nigerian market will help to answer the second.

CASE STUDY: SOUTH AFRICAN BREWERIES/SABMILLER

By the early 1990s, the global brewers had divided the world up into geographic spheres of influence. Carlsberg and Heineken were dominant in Asia, Anheuser-Busch dominated North America, a handful of Latin American breweries held monopoly or oligopoly positions in most countries in that region, and South African Breweries dominated sub-Saharan Africa. Eastern Europe and China were emerging battlefields, with the major global brewers actively seeking investments and jockeying for dominance.

South African Breweries at this time was poised to expand into the rest of Africa. In 1994, SAB’s chief executive Meyer Kahn predicted that a major source of future business for the company would be

…sub-Saharan Africa, which has 400 million people. Most are very poor, with incomes a third of blacks here [in South Africa]. So we reckon this 400 million has the purchasing power of 100 million low-income South Africans. That’s an enormous export market for our beer and soft drinks....Talk about potential. In South Africa, with 40 million people, we sell 23 million barrels of beer annually. In Tanzania, with 30 million, the brewing capacity was a mere 500,000 barrels [prior to SAB’s entry in 1994]....We know more about Africa’s developing consumer markets than anybody. The guys at Budweiser in St. Louis probably don’t even know where Tanzania is (Edgerton 1994, p. 110).

But this market was not to be the motor of SAB’s growth. The company had survived the economic slowdown of the 1980s by concentrating and expanding its holdings in South Africa itself, diversifying into retail, hotels, packaging and a variety of other industries. By the end of the apartheid era in 1994, South African Breweries (SAB) was South Africa’s largest non-mining conglomerate and largest consumer goods company. But the end of the capital controls and sanctions that had accompanied apartheid, along with the negative factors for African economies described above, sent
SAB elsewhere for its growth.

SAB had grown into the position of the dominant brewer in the region by virtue of its long history of brewing in the region, and the consolidation of its near-monopoly position in its home market over the years. SAB or companies owned by it were responsible for the creation of Zimbabwe’s clear and opaque beer industries. SAB founded Rhodesian Breweries in 1910 in Salisbury (Harare). In 1951, “Rhobrew” established a brewery in Zambia. In 1952, the company added a brewery in Bulawayo in southern Zimbabwe. In 1956, after an excise tax increase by the South African government cut consumption and imperiled the survival of its two largest competitors, SAB consolidated control over 90 percent of the South African market by acquiring the competitors, the Ohlsson’s and Chandlers Union Breweries groups.

Strong alliances with other major multinational brewers shored up SAB’s regional dominance in the 1960s. In 1964 SAB received a license to brew Guinness Stout in South Africa, the first such license ever granted by Guinness outside of Ireland. In 1965, SAB received the local license to brew Amstel (now part of Heineken). In 1966, the company acquired the sub-Saharan license to brew Carling Black Label. In 1973, the company built breweries in Botswana and Angola. In 1976, SAB bought Swaziland Breweries. In 1979, following a bruising battle for beer drinkers between another South African brewing group and SAB, the South African liquor industry was restructured at the government’s behest. SAB agreed to purchase the other group’s beer interests, ending up with nearly 99 percent of the domestic “clear beer” market. It cut its investment in wines and spirits, and that same year made its first foray into fruit juices, by purchasing 49 percent of Appletiser from its Italian founder; in 1982, Coca-cola sold the rest of the company to SAB.

Meanwhile, the company continued to expand its foreign holdings. In 1980, at the request of the Botswana government, SAB acquired control of a second brewery there. In 1981, it purchased controlling interests in Lesotho Brewing Company and Malutu Mountain Brewery. In 1986, SAB moved into dominance in fruit juices through a joint venture with Ceres Fruit Juices. In 1988, after an abortive attempt at expansion into the U.S. (the company brought the languishing regional brew Rolling Rock to national prominence in the late 1980s, then quickly sold out to a Canadian brewer in fear that the brand would be destroyed if its association with South Africa became known), the company acquired brewing interests in the Canary Islands, as well as an investment in fruit juices in the UK.

In 1990, the company embarked on a major expansion in South Africa, planning megabreweries at three sites. In 1991, Heineken granted the company a license to brew Heineken Lager. In 1994, as a result of the new democratization of South Africa, the company was invited to revitalize the beer industry in Tanzania, and to re-enter the beer markets of Zambia, Mozambique and Angola.

By 1994, SAB was selling approximately 99 percent of the clear (European-style malt-based) beer drunk in South Africa, and its subsidiary Traditional Beer Investments (TBI) accounted for about 10 percent of opaque (or sorghum-based) beer sales. Under apartheid, with South African capital limited by sanctions from traveling to or investing in many other countries, complex systems of cross-ownership, holding companies and so on developed, such that (as of 1995) four giant holding companies controlled more than half of
the shares on the Johannesburg Stock Exchange. This concentration was partly the result of the historical development of capital in South Africa, in which resources concentrated in the hands of the few at the start and, in the absence of anti-trust legislation such as broke up the huge trusts in the United States beginning in the late 19th century, remained in those hands (O’Meara, 1983). It was then further reinforced by economic isolation resulting from international sanctions under apartheid, and restrictive exchange policies adopted by the apartheid-era government to prevent capital flight.

A member of the Anglo-American group of companies in 1994, following the fall of apartheid South African Breweries (which later became SABMiller) embarked on a series of refocusings and restructurings, ultimately defining beverages as its core business, and divesting itself of its other activities. In the process, the company went on a buying and alliance-building spree that transformed it from the dominant player in southern African brewing with a few small interests outside the region, to the third largest brewer in the world with the majority of its turnover coming from its interests outside of southern Africa.

This move outside of the company’s regional base began with the end of the apartheid era in sight in the early 1990s after the unbanning of opposition parties and release of political prisoners in 1990. In 1993, SAB acquired Hungary’s largest brewery in what the company called in a promotional brochure a “beachhead move” into central Europe. That same year, it took joint control of China’s second largest brewery with China Resources, a privatization arm of the Chinese government. In 1994, the company estimated overseas production at 10 million hectoliters. In its annual report for that year, it claimed total company output of 34 million hectoliters, which at the time made it the 5th largest brewer in the world. Fourteen percent of these came from its international holdings.

SAB protected its base and near-monopoly position in South Africa, but taking advantage of capital raised by divestiture of “non-core” activities, as well as funds raised on international capital markets particularly after it moved its primary listing to the London Stock Exchange and joined the FTSE 100 in 1999, within ten years it was a transformed company. By 2001, 42% of its turnover came from international operations. By 2005, activities in Europe and the Americas alone would account for 57% of its turnover, according to figures published in the company’s annual report for that year. The re-named SABMiller largest single shareholder was Altria, the successor to the American cigarette company Philip Morris, with 36% of ownership and 24.9% of voting shares. SABMiller held the position of second largest brewer in the U.S., in India and in South America. Via direct ownership or joint ventures, it counted among its holdings 47 breweries in China and India, 18 breweries in Europe, 26 breweries in the Americas, and 21 breweries in Africa.

What might SABMiller have done differently had circumstances been more favorable in Africa? Certainly the company maintained its interest in controlling and expanding its markets in sub-Saharan Africa, and certainly it had an appetite for aggressive expansion in promising markets. Close examination of the activities of the company and its allies in a single southern African country – Zimbabwe – in the mid-1990s showed that SAB was willing and able to bring the full complement of modern marketing technologies to bear on its southern African base markets. Couponing and
sweepstakes, grafting of beer brands onto cultural and historical symbols and holidays, sports sponsorships, as well as advertising on radio, television, billboards, in cinemas, and on mobile cinema vehicles in rural areas where there were no cinemas were all part of its marketing mix (Jernigan, 2001).

However, the fact of the matter was that growth lay elsewhere, and Zimbabwe is a good example of why this was the case. Erratic policies on the part of the Mugabe government interfered with SAB’s ability to control and grow the market, and these policies worsened after the turn of the millennium, resulting in runaway inflation, a disastrous land reform program, and rampant political unrest. In the midst of this upheaval came the HIV epidemic, to the extent that by 2004 one in five pregnant women were infected. The forced displacement of several hundred thousand Zimbabweans in 2005 as result of political policies and instability threatened to make matters even worse (UNAIDS/WHO 2005). Thus elsewhere is where SAB elected to shift the majority of its attention and resources. In 1999, it raised 300 million pounds on international capital markets to fund its expansion. This money did not go back into Africa – it went rather to eastern Europe, to China and India, and to North and South America.

While Nigeria is home to more people living with HIV than any other country in the world, with the exception of South Africa and India, the prevalence of HIV among pregnant women in that country is far lower, appearing to have leveled off at around 4 percent (UNAIDS/WHO 2005). Although the country has certainly not been without internal civil strife and corruption, it has enjoyed political stability relative to many of its neighbors over the past three decades. Examination of what global alcohol producers have done in this more stable environment provides a glimpse of what might happen elsewhere in Africa, should countries recover from current political and health challenges and economic growth begin to take off.

**CASE STUDY: ALCOHOL MARKETING AND PROMOTION IN NIGERIA**

Though traditional drinks like burukutu, palm wine, pito and ogogoro remain popular in rural areas and among the urban poor, commercial beer is the favorite drink of Nigerians in all parts of the country (Gureje, 1999; Obot, 1993). There are no production figures for traditional drinks and the level of their use in the country is not accounted for in data on consumption. However, government statistics show that production and consumption of commercial beer and other western beverages increased significantly between the early 1970s to about the middle 1980s (WHO, 1999). The declines observed from around 1988 were due to worsening economic conditions and government policies (particularly a ban on imported malt barley), which affected the productive capacities of many of the breweries established in the early 1970s (Obot, 2000).

Attempts in recent years by the Federal government to revive the economy with the introduction of liberal trade policies have had the effect of increasing availability of foreign-produced alcoholic beverages and a resurgence of local production of beer, in particular. Beer is the most often consumed beverage in the past year and past month when compared to other types of alcoholic drinks, according to survey data (Obot et al., 2001). The popularity of beer cuts across all social and economic
groups, but there seems to be substantial consumption of wine and expensive liquor among people in the higher socio-economic groups, and traditional beverages among the poor and residents of rural areas. In this context, it is understandable that most of the activities of the alcohol industry in Nigeria are concentrated in the production and marketing of beer.

The first commercial brewery was established in the country in 1945. Now known as Nigeria Brewing (NB) Plc, today the company has six brewing sites scattered across the country and produces three lager brands (Star, Gulder, Heineken) and one stout (Legend). Not long after production began at the first commercial brewery, a company was formed to import Guinness extra stout into the country from Ireland. The popularity of this brand led to the establishment of a Guinness brewery in Lagos in 1962. It is noteworthy that this was the first Guinness brewery outside the United Kingdom and only the third in the world. A mark of its success in Nigeria lies in the fact that today it has three breweries in the country and, apart from its flagship stout product, also produces a popular lager brand – Harp lager beer.

These two companies – NB Plc and Guinness Nigeria – are the two largest capitalized companies in the Nigerian stock exchange. With 6.2% of the total market capitalization of the stock exchange, NB Plc leads the list of 188 companies. It is more than two and a half times the size of Guinness Nigeria (Nevin, 2004). Their products, especially Star beer and Guinness extra stout, are staple products in the Nigerian market. Both companies often boast of their significant contributions to the economy, in particular, through the taxes they pay into government coffers. Neither is truly Nigerian: NB is controlled by Heineken with a 54.2% ownership share, while Guinness Nigeria is part of Diageo, the world’s largest spirits marketer as well as the brand owner of Guinness. The companies’ size enabled them to weather the economic storms of the 1980s which forced the closure of many smaller Nigerian breweries, and today they dominate Nigeria’s beer industry. They are, however, fierce competitors, and this is exemplified in the unique and ingenious ways they have developed of marketing and promoting some of the country’s most popular alcoholic beverages. Many of these activities are oriented towards young people. They include sponsorship of the following events and programmes (Obot & Ibanga, 2002):

- National Annual Essay Competition for young people;
- Fashion shows and beauty contests on campus, for example Miss and Mr. Campus;
- Sports events, including interfaculty football matches, national university games, etc.;
- Musical segments of radio programmes. For example, the prime music time on radios in many parts of the country is between 8 and 10 p.m. This has become the alcohol (and tobacco) time on some Nigerian radio stations. It is not unusual on some days for the time devoted to advertising these products to be almost as long as time devoted to music, and one message can be repeated back to back three or more times;
- Personality ‘Showcase’: a Nigerian who has succeeded in his field is showcased in an event and his success story is, therefore, associated with drinking a
particular beverage;
- Radio call-in shows, in which questions are asked about a particular brand of beverage and right answers attract prizes. Both Guinness and Bacchus Tonic Wine have engaged in this form of promotion through ‘public enlightenment’;
- Performance by foreign musical stars. In recent years, under the sponsorship of Legend brand, *Naughty by Nature* has performed to sold out crowds of youth in different parts of the country and *Shaggy* has toured the country for Star;
- End of year carnival at the beach or park where alcohol is the centre of attraction.

Other promotional activities have included:
- Lottery-type free drinks, cash or souvenirs won by consumers if they purchase a specially marked bottle of beer;
- ‘Buy five and get one free’ promotions;
- Discounted drinks especially when new brands are introduced;
- Sponsored articles, often in the form of advertorials;
- Newspaper articles touting the health benefits of beer. For example, readers are informed that beer is rich in antioxidants which help in warding-off cancer. Hence it is a ‘health tonic’ when consumed in moderation;
- "Treasure hunt" in which prizes are awarded for the "discovery" of a new-look bottle;
- Seminars on brewing and the role of the brewing industry in Nigeria’s economic growth which often give free admission to members of the public;
- Donation of space to organizations to advertise their events. This is in the form of payment for the advertisement. In return the brewer places at the bottom of the announcement a short statement like: Space donated by [the brewer];
- In-bar promotion for customers through discounted drinks;
- Fun fare: For the period covering 20-23 December 2001, Heineken organized a party in 23 locations around the country. Major attractions at these fun fares were music, karaoke, food, lucky dip draws, prizes and ‘lots of Heineken to enjoy.’ For Easter 2002, parties in 14 locations were announced in colourful double-paged advertisements in a major daily newspaper. The parties were held in places like night clubs, plazas, a university senior staff club, and a bus stop, and, again, the attractions included music, prizes and ‘lots of Heineken to enjoy.’

Most of the promotional activities listed above are targeted at particular sectors of the Nigerian society. In recent years, the alcohol industry has also expanded mass media advertising that is aimed at the general public. The mass media for advertising have been radio and television, billboards, newspapers and magazines.

**Nigerian Brewery: Star and Legend**

Nigerian Breweries produces Star beer, the most popular lager in the country. When it changed the design of Star’s bottle in 2001, it made Star one of the most visible structures in selected Nigerian cities, by displaying in strategic urban locations a bottle of Star so large that it could be seen from miles away.
From a sales point of view, the new bottle strategy seems to have been effective, although in one city negative reactions to the display led to a dismantling of the bottle. According to the company, sales went up when the bottle was introduced. “The introduction of the new bottle brought a sudden revival in consumer interest for Star” making it Nigeria’s favorite beer and, according to the marketing director of the company, “Star is now the beer of pleasure, fun, leisure and shared drinking” (The News, 2001). Long-term, NB wants to dominate the Nigerian beer sector like SABMiller dominates South Africa. NB currently has 80% of the lager segment of the brewing industry but wants 98%.

It is also challenging Guinness’ thirty years of dominance of the stout category with its own stout called Legend. NB re-launched the brand in 2001 with the theme: ‘Torch of inspiration’ using an Olympics torch logo, in a continued effort to appeal to the youthful segment of the market. The campaign by the brewers of Legend to reposition the brand was estimated to cost the company N120 million (about USD$1 million). This amount was spent on prizes for competitions; gifts like CD players, T-shirts, pens, caps and mugs, and free drinks. Legend’s promotional materials emphasize its superior characteristics, which seem to go far beyond a simple beverage: it is the “modern and youthful beverage,” a “fun stout” and “goes down well with the body,” with has no hangover effect, fortified with essential vitamins, “energetic, independent and dependable,” and with a profile of “strength and character, strong commitment, courage and leadership drive” (Ikoro, 2001).

In Legend’s 2002 campaign, known as the ‘Cool breeze promotion,’ the company promised to distribute 2.4 million prizes of different types. The Hotspot Scheme was one of its most imaginative marketing strategies. Like Coca-Cola and British American Tobacco, NB Plc planned to open up to 500 hotspots or Legend consumption centers around the country to bring the drink closer to the people.

Guinness and the legend of “Michael Power”

Despite NB’s dominance of the beer market, Guinness has held onto the lead position in stout. Nigeria is the third largest market in the world for Guinness, after Ireland and the United Kingdom, according to Advertising Age (Britt, 2003). In the year ending June 30, 2003, Guinness grew in Africa by 10%, at the same time that worldwide consumption grew by only 2%, and in Ireland fell by 4% (Howard, 2003). According to David Armstrong, commercial director for Diageo Africa, this growth has been driven by a single campaign: Michael Power.

Michael Power (not his real name) is one of the most well-known figures in Nigeria. On billboards, radio and television, he has become the leading salesman for Guinness extra stout. Not much is known about him. His real identity is a closely-kept secret at the headquarters of Guinness Nigeria. What little is known about him is that he is an actor, a model, of African descent and lives in the U.S. What is certain is that Michael Power is a creation of Guinness. The nom de guerre was chosen to enhance the long-standing image of Guinness extra stout, an image of strength and power, in all senses of the word. Even before Power added his charm to the marketing of the brew, Guinness was associated with strength and sexual virility. It is not surprising, therefore, that among the many lovers of the drink,
Guinness is called ‘black power’ or Viagra, among many other suggestive names.

Using Michael Power as the point man, the company embarked in 1999 on an intensive marketing campaign totally different from what the industry has ever seen. Instead of a straightforward sales pitch, Power was made the hero in a series of mini-adventures on radio and television, all of which were aimed at highlighting the “good qualities” of the beverage, namely: strength, friendliness, intelligence, responsibility, and reasonableness. In 2003, Guinness released a full-length feature film starring him, “Critical Assignment.” The film played across Africa, going into general distribution where movie theater chains existed, as in Kenya, but elsewhere playing in town halls or mobile cinemas, often giving people their first experience of watching a movie on a large screen. Diageo offered the film for free, and spent an estimated $42.4 million on the brand in Africa in 2003 (Howard, 2003). The film promotes clean water – a cause championed by the Diageo Foundation in Cameroon, Ghana, Kenya and Nigeria, top targets for the film (Britt, 2003). Guinness stout is also prominent in the film: characters drink from Guinness as they chat in a bar, and a Guinness truck is featured in one action scene. There is no study yet of the effectiveness of Power as a spokesman for Guinness but it is clear that he has been a big hit among young people in Nigeria and in other African countries where he has been used to promote the Guinness brand. Guinness has also launched a television channel in Africa – Guinness TV – which shows documentaries about great Africans who have triumphed over adversity, among them Nelson Mandela and sports heroes.

CONCLUSION: THE NEED FOR PUBLIC HEALTH-ORIENTED ALCOHOL POLICIES

By global standards, Africa is a young continent, and the HIV epidemic is making it even younger. For example, approximately 54% of Nigerians are below the age of 20 years, and a sizeable proportion of these young adults will seek to become part of the global economy. Hundreds of thousands graduate from universities and high schools each year and move to large urban areas to seek employment. While most do not find regular work, the industry can count on them to fill the stadium for a Shaggy concert or the plaza for an Easter party where beer is often offered free or at reduced prices and where brand loyalty is nurtured. It can count on them to be drawn to its free feature films and television programming, promoting its brands in the guise of profiles in courage.

Alcohol producers’ interest in Africa waned during the difficult years of the 1980s and 1990s. If Africa recovers, the industry will be poised to resume its growth there. Already there are signs of increased competition in the bellwether economy of South Africa, where Heineken and Diageo are apparently positioning themselves to take on SABMiller (EIU ViewsWire, 2003). The Nigerian case shows how innovative the companies can be, in a setting where few restraints exist on advertising, promotion or even availability of alcohol. Many of the industry’s strategies have strong appeal to young people. Yet Nigeria today has no enforceable legislation to control the production, marketing and consumption of alcoholic beverages in the country.

If the youth survive HIV, military conflicts, and the corruption endemic in many national economies, marketing
strategies more sophisticated and ubiquitous than those allowed in developed nations will present alcohol – particularly beer – to them as an emblem of success, a symbol of virility, the embodiment of courage and heroism. Without clear policies and a strong public health voice, there will be little mention of the dangers of early onset of drinking (now well established in the U.S. public health literature), the fact that alcohol’s toll on global disease and disability nearly matches that of tobacco, and other potential negative consequences of heavy alcohol use. The tragedies of the past three decades in Africa have limited the growth of alcohol markets and alcohol consumption there. The opportunity exists now to exercise the power of prevention, through actions by industry and governments to balance and limit the marketing and promotion of alcohol to young people.

REFERENCES


