

Ninth Woolworths store opens doors in Namibia

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Woolworths (WHL) last week opened its ninth store in Namibia, as it forges ahead with its African expansion.



By 2020 nearly half of all Africans will live in cities and, as disposable incomes rise, consumer spending will grow to about \$1-trillion, spurring local retailers to expand their presence in Africa.

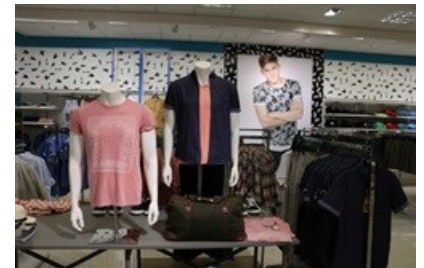
The 2,400m² Woolworths store located at The Grove mall in Windhoek offers clothing, general merchandise and beauty products. The store has the largest food market to date in Namibia at 480m².

In comparison to other sub-Saharan countries surveyed by research group Nielsen, it was easier to attract consumers in Namibia as they were better educated and connected through media.

"The affluent consumer segments in Namibia are brand loyal and willing to pay more for better and faster service. The low population density in rural areas can be a hindrance for making deep inroads into the country, but a fast-growing urban population in Namibia and a large, affluent consumer base offers a multitude of opportunities for potential investors. Also, the popularity of supermarkets can ease distribution challenges," US-based Nielsen said.

Woolworths' group director of retail operations, Paula Disberry, said that having traded in Namibia for a number of years, the customers were now familiar and loyal to the Woolworths brand. Woolworths now has more than 250 employees in the region, which the World Bank says is the seventh-most business friendly country in Africa.

The company's footprint outside SA extends to 64 stores in 11 countries - Botswana, Namibia, Lesotho, Swaziland, Ghana, Kenya, Tanzania, Uganda, Zambia, Mozambique and Mauritius.



Woolworths exited Nigeria last year saying it expected problems such as high rental costs and duties and complex supply-chain processes, but some factors deteriorated to an extent that the company had not foreseen.

"Nigerians are incredibly savvy as to what they want, when they want it, how they get it and what they pay for it - Woolies in terms of its recognition in Nigeria was probably zero, whereas the degree of recognition of international brands is much, much higher," Absa Investments analyst Chris Gilmour said last week.

"Their reason for coming out of Nigeria may have been a bit disingenuous, they may just have not had the degree of recognition they needed," Gilmour noted.

Source: AFP via I-Net Bridge