

# Brands must balance digital innovation and trust to serve Africa's consumers - study

Businesses in Africa need to balance digital innovation and trust to appeal to the continent's consumers, who are prioritising brands with shared values and digital experiences that make them feel safe and secure.



Source: [Pexels](#)

This is according to a new report from Harvard Business Review Analytic Services in partnership with Mastercard, which explores the continent's current business landscape through the lens of an increasingly young population, and highlights trust as an important lever for customer loyalty, business sustainability and innovation.

## Retaining trust

Around 60% of Africa's population is younger than 25, and their embrace of a digital world that is purpose-driven and built on connection bodes well for businesses in a region that prioritises innovation. However, with economic activity increasing online, security and privacy are emerging as foundational not just for trust but also for innovation.

The report reveals that over 70% of businesses in Africa recognise that service reliability and availability are paramount. However, less than half (42%) realise the importance of data security and privacy to customers, especially as digital tools and experiences become ubiquitous. To safeguard the trust of consumers and earn a license to innovate in the future, businesses need to recognise that innovation requires flexibility and commitment.

Businesses are faced with the challenge of innovating to satisfy consumer demand for richer, more satisfying experiences while maintaining consumer trust. However, consumers in the region are also quicker than their global peers to punish businesses for adverse events by withdrawing their trust, which raises the stakes for businesses.



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The report notes that 80% of African consumers are eager to embrace digital benefits but will not buy from businesses or brands they don't trust. Businesses in the region understand the importance of trust for their own sustainability, with more than three-quarters saying trust improves customer loyalty and more than half saying it provides a competitive advantage.

"Africa has seen extraordinary digital transformation over the past decade, and with each new milestone in digital inclusion, Africa's young digital natives and early adopters present companies with an opportunity to reconsider their innovation priorities in line with the elements their consumers value.

"Trust is essential for innovation – it is the currency that underpins it. When consumers can trust businesses, it gives businesses the space and security to innovate, and that innovation can unlock prosperity across Africa for all Africans," says Amnah Ajmal, executive vice president for market development, Eastern Europe, Middle East and Africa at Mastercard.

## Data security and shared values

African consumers are more sensitive than their global peers to factors that damage trust in brands, and data security is a top concern. Around 60% of consumers in the region said incidents in which consumer data has been mismanaged would damage their trust.

Consumers in Africa have also underlined the importance of strong values, with 80% saying they prioritised buying from businesses that act on causes they care about, a far higher proportion than the global average of 63%. This includes the environment, supporting small businesses, women's economic empowerment, disaster relief and aid.

The report further explores how businesses in the region are digitising their processes and embedding innovation while ensuring that they continue to meet their customers' and stakeholders' expectations for reliable, secure systems and maintain their trust, through best practices such as:

- Build security into products and be transparent when issues arise. Customers expect secure, reliable, appropriate systems they can trust to keep their personal data safe.
- Communicate the company's vision and values. Consumers in Africa prioritize buying from brands that support their values.
- Make innovation part of the company culture. A considered 360-degree approach to innovation will benefit large companies with legacy infrastructure and set processes.
- Partner with like-minded companies to boost innovation. The report lifts out the fintech partnerships of South-African-

based Standard Bank and MTN's collaboration to make cross-border transactions a reality.

Access the [full report here](#).

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