

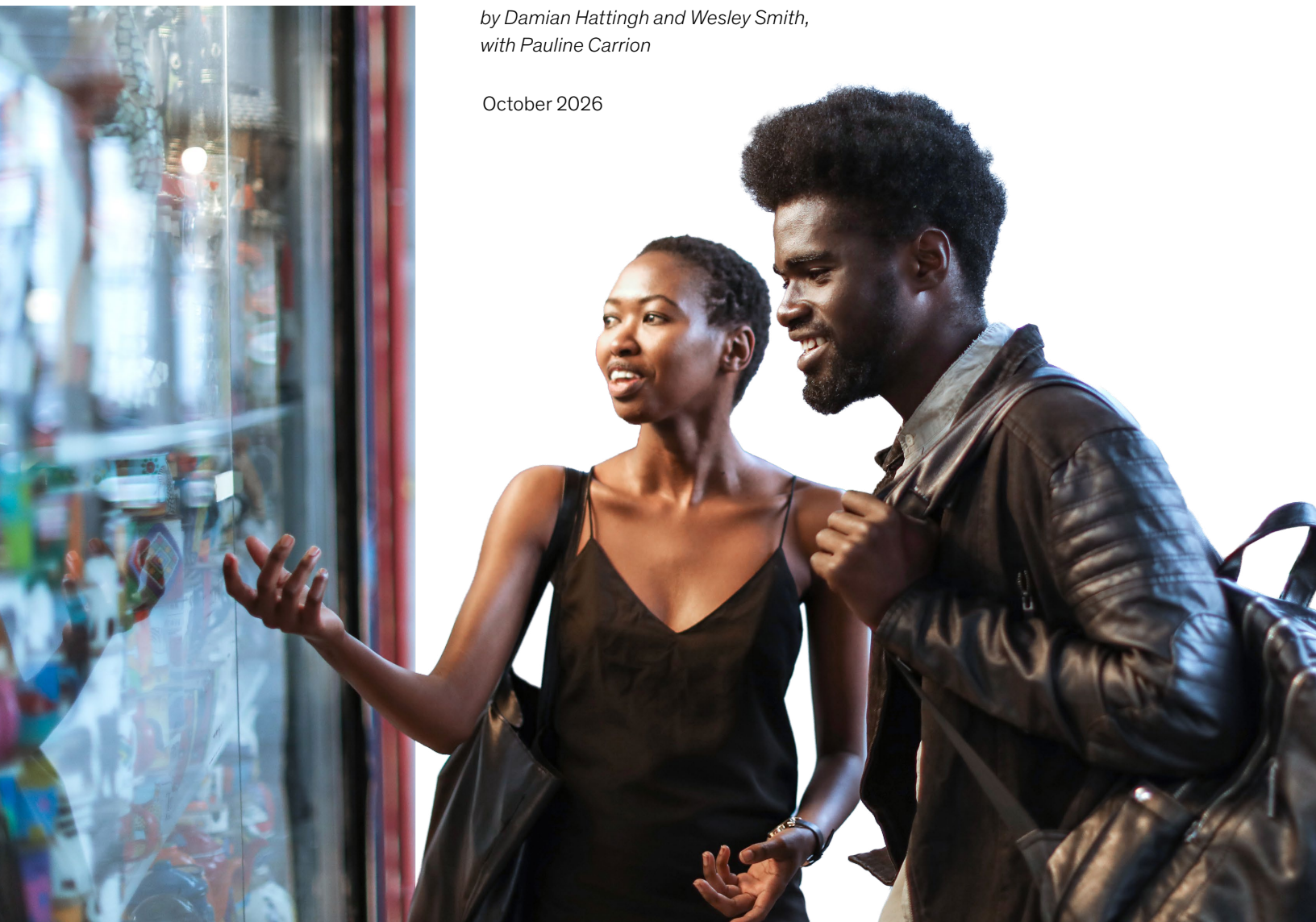
Consumer Practice

State of Consumer Africa 2026: Meeting the pragmatic shopper

Household budgets in Africa are tight and channels increasingly fragmented. Four trends are redefining how consumers discover, decide, and spend, and how consumer-facing companies can respond.

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Africa is cementing its role as a growth market for local businesses and a new consumer-recruitment engine for global multinationals.¹ For consumer-facing companies across fast-moving consumer goods (FMCG), retail, banking, and telecommunications, however, capturing that opportunity means navigating a diverse, shifting, and highly localized consumer landscape, as economic conditions tighten. Inflation, currency swings, and broader cost-of-living pressures have squeezed household spending across much of the continent.² Yet, our 2026 State of Consumer Africa research shows that shoppers continue to prioritize value for money rather than simply defaulting to the cheapest options on the shelf (see sidebar, “About this research”). Instead of cutting spending across the board, consumers are making targeted trade-offs—trimming discretionary purchases while protecting spend on trusted brands and items that offer clear value (particularly in health and wellness) and convenience. At the same time, major demographic and digital shifts are reshaping the continent. Gen Z is entering the workforce in large numbers, and digital payments are rapidly becoming the preferred payment method for everyday goods—even as informal trade remains at the heart of how millions of Africans shop.³

This article identifies four broad trends shaping the African consumer landscape. Drawing on research across Egypt, Kenya, Morocco, Nigeria, and South Africa, as well as on our client work, we explore how pragmatic consumers in these markets discover products and choose where to spend their money, and what market leaders can do to meet them where they are.

About this research

The McKinsey State of Consumer Africa Survey examined spending behavior, value perception, and evolving channel preferences of 9,036 consumers across five anchor markets: Egypt (n = 1,013), Kenya (n = 1,007), Morocco (n = 1,010), Nigeria (n = 5,013), and South Africa (n = 1,014). These findings combine consumer survey data, market benchmarks, and executive interviews to assess shifts in consumption patterns and their implications for consumer-facing companies across FMCG, retail, financial services, and telecommunications.

¹ Expert interviews.

² Saad Quayyum et al., *Regional economic outlook: Sub-Saharan Africa—Hard-won gains under pressure*, International Monetary Fund, April 2026.

³ Oluwakemi Akintola, “Marketing to Gen Z and Alpha: The future of African consumer demographics,” *Marketing Analytics Africa*, February 5, 2025; Mpho Sadiki, “Africa’s payments revolution: Modernizing infrastructure to unleash growth,” *Forbes Africa*, November 25, 2025.

Four trends shaping Africa's consumer landscape

While consumer behavior and preferences across the five surveyed markets are distinct, our analysis identifies four common trends that are shaping where demand is emerging and how companies can position themselves to capture the opportunities (Exhibit 1).

Exhibit 1

Four trends are shaping the African consumer landscape.

Trends shaping the African consumer landscape, with supporting survey and market evidence

1	2	3	4
The pragmatic consumer: A new value equation is emerging	"Now" or never: Consumer and demand pools are evolving	One size does not fit all: Channel and route to market provide a competitive edge	Tech acceleration: Digital commerce infrastructure is maturing
Consumers are solving the value equation in different ways • 46% actively search for best promotions and 73% stock up during sales; 37% still pay extra for high-quality foods¹	Gen Z is reshaping demand • Gen Z is more curious, identity-driven, and instant-gratification led: 49% experiment with new foods and 60% shop spontaneously at least weekly¹	Fragmented geographies reward hyperlocal strategies and adapted routes to market • Large-city consumption is already ~1.8× national averages¹	Digital payments are opening a world of opportunity • Account-to-account (A2A) transfers are driving the transition to digital payments: In Nigeria, A2A transfers rose from 25% to 44%, and from 18% to 20% in South Africa²
Health, freshness, and African or local style matter • +66 percentage point (pp) rise in net intent to focus on healthy eating¹	Relevance and cultural fit are being prioritized • Local brand share has stayed broadly stable ±3 pp fluctuation; brands that localize product, price, packaging, and cultural cues do best³	Matching store formats with evolving shopper routines • 73% of consumers make urgent grocery trips at least weekly; urgent, top-up, and deal-led trips account for 44% of monthly grocery spend¹	Commerce's next leap forward will be shaped by gen AI • Gen AI could unlock \$61 billion–\$103 billion of value across Africa, including \$6.6 billion–\$10.4 billion in retail⁴
Sachetization spreading beyond fast-moving consumer goods • Smaller, more flexible commitments are matching fragmented cash flows, spreading into microloans, investing, insurance, and media¹	Shared models are expanding access • Community pooling is moving from informal practice to scalable infrastructure, with group-buying platforms unlocking wholesale access¹	Targeted e-commerce strategies can reduce friction and unlock scale • E-grocery accounts for under 6% of total grocery sales, with adoption held back by cost, freshness, and trust concerns¹⁵	

¹McKinsey State of Consumer Africa Survey 2025 (n = 9036); countries included Egypt, Kenya, Morocco, Nigeria, and South Africa; sample to match general population 18+ years. ²Global payments report 2025: The past, present and future of consumer payments, Worldpay; Global payments report 2026: Commerce in constant motion, Worldpay; McKinsey global payments report 2026 (n = 63,441), 42 markets across 5 regions. ³Euromonitor data at 2025 fixed exchange rates. ⁴Mayowa Kuyoro, Umar Bagus, Anass Benshir, and Ziyad Bobat, "Leading, not lagging: Africa's gen AI opportunity," McKinsey, May 12, 2025. ⁵McKinsey analysis of data from Euromonitor, ECDB, and Statista.

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Trend 1: The pragmatic consumer: A new value equation is emerging

African shoppers are redefining value by making calculated trade-offs to stretch their budget—reallocating spend toward clear quality signals, health benefits, and smaller, more flexible financial commitments.

African shoppers are deal seekers, but will pay a premium where they perceive value

Macroeconomic volatility, currency depreciation, and sustained inflation continue to put pressure on disposable incomes across Africa, with price increases consistently outpacing wage growth. Because many essential consumer categories rely heavily on imports, this has further inflated prices, making daily affordability a challenge for households across the continent. Nigeria has felt this squeeze most acutely: In 2024, inflation peaked at 33 percent, while disposable income grew by just 4.5 percent.⁴

When looking for savings, African shoppers are active deal seekers. Across the surveyed markets, 46 percent say they plan to research promotions (compared with 37 percent in Europe), while 73 percent report stocking up during sales and 41 percent chose retailers based primarily on price over the preceding 12 months.⁵ At the same time, value seeking extends beyond simply choosing the cheapest item. In markets where basic product standards are not always guaranteed, consumers frequently pay a premium to ensure product safety, reliability, convenience, or quality. For instance, 37 percent consistently say they will pay extra for high-quality foods—2.5 times the European average of 15 percent—while 36 percent shop across multiple stores to find the best quality (compared to 20 percent in Europe) (Exhibit 2).

African households are also reallocating funds between categories to prioritize specific needs and preferences: stated intent to buy more alcohol and snacks dropped by 58 and 35 percentage points, respectively, while intent to buy fresh produce rose by 31 percentage points.⁶ This shift reflects a broader global pattern, in which more than a third of consumers trade down in certain categories to support higher spending in others.⁷

To succeed in this environment, companies can build portfolios across the full price spectrum, combining ultra-accessible entry products that maintain essential quality cues with targeted midmarket and premium options. By applying design-to-value (DTV) principles to product design, they can move beyond basic cost cutting and evaluate every feature, ingredient, and packaging choice against consumers' willingness to pay.

⁴ McKinsey analysis based on Trading Economics and Oxford Economics data.

⁵ McKinsey State of Consumer Africa Survey 2025. Question: "Think about 2025. Are you planning to do more, less, or about the same of the following?" Net intent represents the share of consumers who plan to do more of the activity minus the share of consumers who plan to do less of it; Question: "Now, think about how the way you shopped for groceries changed in the last 2–3 months compared to January 2024. How much do the following statements apply or do not apply to you? Compared to January 2024..." % of respondents choosing "definitely applies to me" and "probably applies to me"; Question: "Please indicate how frequently or not frequently you find yourself doing the following when it comes to getting food," % of respondents choosing "often applies to me" and "always applies to me."

⁶ McKinsey State of Consumer Africa Survey 2025. Question: "Think about the following categories you would normally buy in a grocery retailer. How much do you shop this category in 2025?" Net intent to splurge/spend more represents the share of consumers who plan to splurge/spend more on the category minus the share of consumers who plan to spend less on it.

⁷ *State of the consumer 2026: When tech acceleration and cost pressures collide*, McKinsey, June 22, 2026.

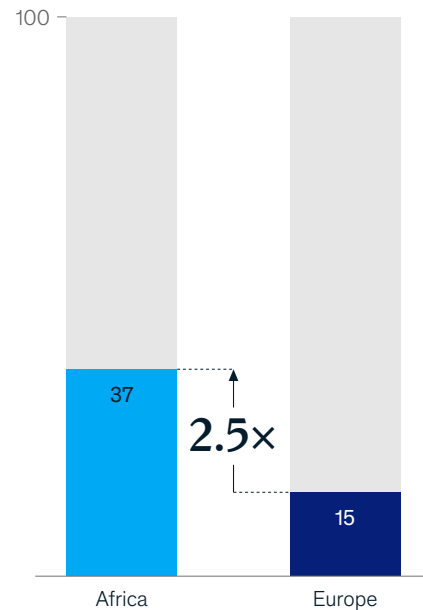
Exhibit 2

African consumers indicate that quality is worth paying for and are actively searching for it.

Consumers prioritizing quality, Africa versus Europe,¹ % of respondents

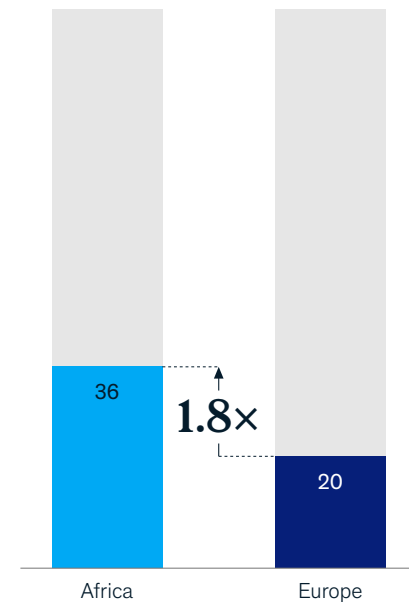
Paying extra for quality

Consumers who say they are willing to pay extra for quality



Searching extra for quality

Consumers who say they are willing to shop around multiple stores to find the highest quality



¹Question: "Please indicate how frequently or not frequently do you find yourself doing the following when it comes to getting food?" % of respondents choosing "very often" and "always."

Source: McKinsey State of Consumer Africa Survey 2025 (n = 9036); countries included Egypt, Kenya, Morocco, Nigeria, and South Africa; sample to match general population 18+ years; *The state of grocery retail Europe 2026: Margins under pressure, models in motion*, McKinsey, Apr 21, 2026v

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Visible health cues and local ingredients are priorities

Healthy eating and nutrition are increasingly important to African consumers who want products that appear genuinely fresh, natural, and trustworthy at prices they can afford. Between 2024 and 2025, intent to purchase health-focused items rose by 66 percentage points—far outstripping rates seen in Europe.⁸ Rather than seeking formal organic certifications, however, shoppers judge healthiness through visible, practical traits such as produce freshness, product color, and clear ingredient lists.⁹

⁸ McKinsey State of Consumer Africa Survey 2025; *The state of grocery retail Europe 2026: Margins under pressure, models in motion*, McKinsey, April 21, 2026.

⁹ McKinsey State of Consumer Africa Survey 2025; expert interviews.

At the same time, consumers' willingness to pay a premium for healthy choices is also growing, rising by 44 percentage points in Nigeria and six percentage points in South Africa, reflecting the latter's more mature health and wellness sector. In Kenya, shoppers strongly favor familiar ingredients, often viewing “zero sugar” products as less healthy than regular options, a reminder that health perceptions are deeply localized.

These shifts suggest that retailers can build trust by formulating products with familiar, locally preferred ingredients, and by highlighting freshness, simplicity, and safety directly on packaging. Additionally, design-to-value (DTV) principles can integrate these health and quality signals into entry-level price points, keeping trusted products within reach of a range of budgets. Beyond retail, the same principles could be applied by telco and financial services operators to bundle affordable health tech services, micro-insurance, or telemedicine access directly into their core packages to expand market reach.

Sachetization is spreading beyond FMCG

As households manage variable daily incomes and tight budgets, sachetization is evolving from an FMCG packaging tactic—offering goods in small units at a low price—into a broader commercial strategy across financial, telecommunications, and media sectors. For instance, investment platforms such as Bamboo, Rise, Ndovu, and EasyEquities now offer fractional stock purchases starting from as little as one dollar, while banking products like M-Shwari in Kenya package credit into short-term microloans.¹⁰ In insurance, providers like AXA Mansard in Nigeria offer flexible quarterly or biannual payment schedules instead of requiring full annual premiums up front, while streaming platforms are unbundling traditional packages into lower-cost, mobile-only plans focused on specific content.¹¹

Since fixed long-term subscriptions can deter new customers, companies across telco, healthcare, insurance, and finance sectors can seek to match commitment sizes directly to daily or weekly cash flow. This requires rethinking how offerings are structured, sold, and paid for, exploring pay-as-you-go ecosystems, microloans, and modular tiers. When thoughtfully designed, these lower commitment options can expand participation, reduce drop-off rates, and better match how consumers actually earn and manage their money.

Trend 2: “Now” or never: Consumer and demand pools are evolving

Demographic shifts and evolving social structures are reshaping whom companies serve. As Gen Z enters the market, shopping motivations are shifting, while brand recognition is no longer sufficient to ensure local market share, and community resource pooling is evolving into a formal commercial channel in its own right.

Gen Z is reshaping demand

Africa's consumer population is increasingly shaped by Gen Z—those aged 14 to 29—who accounted for 303 million people in 2025. By 2030, that figure is projected to reach 469 million, representing more than half of the continent's working-age population.¹²

¹⁰ Company websites.

¹¹ Company websites.

¹² McKinsey analysis based on data from *World population prospects 2024: Summary of results*, UN Department of Economic and Social Affairs, 2024 (medium variant scenario used for forecasted years); Oluwakemi Akintola, “Marketing to Gen Z and Alpha: The future of African consumer demographics,” *Marketing Analytics Africa*, February 5, 2025; Gen Z are those born between 1997 and 2012, working-age are those aged 18–65.

Gen Z approaches both in-store and online retail with distinct motivations that differ from those of previous generations, spending heavily on experiences alongside physical goods, and prioritizing social occasions, digital content, and self-care.¹³ Forty-nine percent frequently experiment with new foods and recipes, compared to 39 percent of millennials—a habit that peaks at 62 percent of Gen Z consumers in Egypt and 39 percent in Nigeria. Gen Z is also roughly 1.5 times more likely than millennials to spend on beauty (29 percent versus 20 percent) and 1.3 times more likely to spend on wellness products (32 percent versus 24 percent).

Brand relevance is increasingly earned through speed, convenience, and novelty. For example, 60 percent of Gen Z report shopping spontaneously at least weekly (compared with 53 percent of millennials and 46 percent of Gen X) and 15 percent use instant-delivery channels daily—1.5 times the rate of millennials, who are the next most digitally savvy generation.

Consumer goods companies can respond to these shifts by accelerating innovation cycles, refreshing assortments more frequently, developing single-serve and on-the-go formats, and dedicating more shelf space to high-interest categories like beauty and wellness. Financial institutions also have an opportunity to capture this youth market by offering microsavings and instant credit products, while telcos can expand on-demand entertainment packages supported by digital infrastructure.

Relevance and cultural fit are being prioritized

Globally, almost half of consumers actively prioritize local brands.¹⁴ In Africa, however, purchasing choices are less likely to be motivated by a product's geographic origin than by how well it is localized to fit the culture, language, and behaviors of each market, alongside affordability and product quality.¹⁵

Within the packaged food and beverage sector, market share between local and international brands has remained relatively stable over the past decade, fluctuating within a narrow three-percentage-point range, with exceptions confined to niche categories like pet care or hot drinks (Exhibit 3). For multinational brands, recognition alone is rarely enough to secure local market share; success generally depends on tailoring products, pricing, marketing, and distribution to local cultural norms.

At the same time, domestic players risk losing ground if they rely solely on local heritage or low prices, without delivering consistent quality and trust. Rather than competing purely on price, local players can focus on building stronger brand identities and hyperlocal digital ecosystems and partnerships, which often matter just as much as core product features.

Shared models are expanding access

Where individual purchasing power is constrained, African communities have a long history of pooling their resources. While much of this activity remains informal, the scale of these traditional mechanisms—such as South Africa's more than \$3 billion stokvel economy—demonstrates how deeply ingrained shared resource models are in daily life.¹⁶ Technology platforms are now formalizing these traditional mechanisms into scalable commercial channels, a shift observed across multiple sectors.

¹³ McKinsey State of Consumer Africa Survey 2025. Question: "Please indicate how frequently or not frequently do you find yourself doing the following when it comes to getting food?" % of respondents choosing "often" or "very often"; Question: "Now, think about the following categories you would normally buy in a grocery retailer. How would you shop this category in 2025? Please select all that apply"; Question: "In the last 3 months, how frequently did you find yourself doing the following (online or in a store)," % of respondents choosing "at least weekly."

¹⁴ "McKinsey on Consumer and Retail Podcast: How today's consumers are spending their time and money," October 16, 2025.

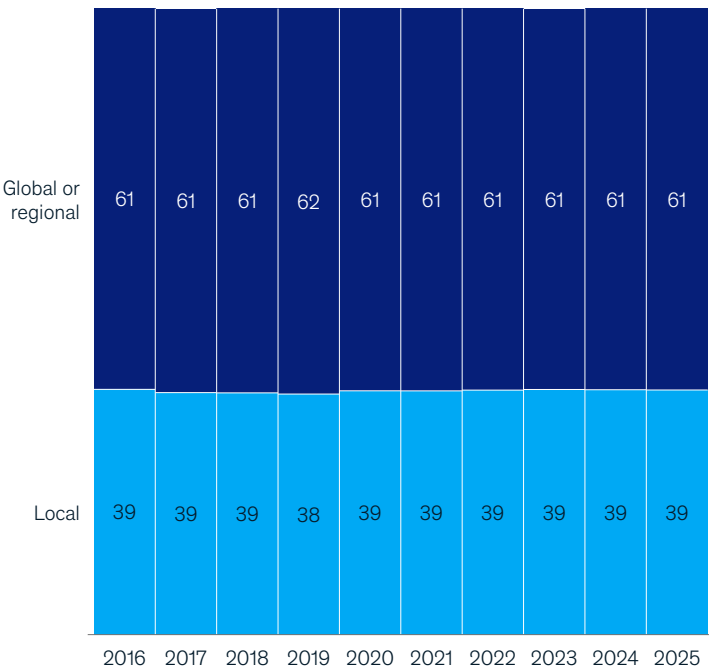
¹⁵ McKinsey of Consumer Africa Survey 2025.

¹⁶ "Stokvels remain the untapped 'human banks' of South Africa," Ipsos, March 13, 2024.

Exhibit 3

Market share of local brands has remained relatively stable across markets over the past ten years.

Retail value of fast-moving consumer goods across Africa,¹ by brand origin, % of total



¹Goods include only drinks, food and nutrition, beauty and personal care, consumer health, tissue and hygiene, and pet care. Countries included Egypt, Kenya, Morocco, Nigeria, and South Africa.
Source: Euromonitor data at 2025 fixed exchange rates

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In retail, for example, Kenya’s Tushop aggregates grocery orders to unlock wholesale prices for consumer pools, while Nigeria’s PricePally connects shoppers directly with suppliers. In financial services, PiggyVest’s Target Savings feature crossed six million users and paid out 1.3 trillion naira in 2025 (up 56 percent from 2024).¹⁷

To tap into this momentum, consumer-facing companies can design offerings around community nodes rather than focusing only on individual shoppers. Aggregating demand improves product access and reduces distribution costs, creating savings that can be passed back to consumers. FMCG brands can align distribution with digitized group-buying platforms, banks can structure products for savings syndicates, and telco operators can offer shared connectivity packages designed for group usage.

¹⁷ Company websites; Chimgozirim Nwokoma, “PiggyVest reports ₦1.3 trillion in payouts and over 6 million users in 2025,” Techpoint Africa, January 3, 2026.

Trend 3: One size does not fit all: Channel and route to market provide a competitive edge

How Africans discover, shop for, and receive goods is evolving, making route-to-market and footprint design central to regional success. Markets are micro-segmented, traditional grocery formats are often mismatched to shopping missions, and e-commerce expansion faces specific friction points.

Fragmented geographies reward hyperlocal strategies and adapted routes to market

The African consumer landscape is defined by geographic micro-segmentation with distinct preferences, buying occasions, channel choices, and price sensitivities across dense high-income cities, sprawling suburban belts, and rural pockets.

Africa's urban population is on track to add nearly one billion people by 2050, reaching roughly 1.5 billion.¹⁸ While urban per-capita consumption is already 1.8 times national averages, consumer behavior shifts sharply at city boundaries.¹⁹ In urban centers, 40 percent of shoppers pay extra for quality (compared to 29 percent in suburbs), 51 percent use instant-delivery channels (compared to 34 percent in suburban areas), and willingness to pay more for healthier options is double that of suburban peers (34 percent versus 19 percent) (Exhibit 4). Regional differences are equally pronounced; in Nigeria, for example, consumer appetite for health-focused products varies widely between northern and southern states.²⁰

Fulfilling these varied demands requires pairing physical distribution with digital discovery. Physical supply chains often combine direct delivery in dense urban centers with wholesaler networks across higher-cost, lower-density rural routes.²¹ Meanwhile, product discovery increasingly relies on digital social platforms, alongside creator recommendations and community networks.²²

Because national averages can mask where true profitability sits, companies can consider building granular growth maps that evaluate demand, profitability, channel structures, competitive intensity, and cost to serve at the city or district level. Operationally, noncompeting businesses—such as consumer goods companies, telco operators, and retail banks—can explore shared distribution networks, joint agent footprints, and rural B2B hubs to manage logistics costs in hard-to-reach areas. Brands can also integrate social commerce and creator networks directly into their channel mix.

Matching store formats with evolving shopper routines

Africa's grocery retail sector is forging a path distinct from the linear supermarket-to-hypermarket-to-discounters evolution seen in Western countries.²³ Formal retail penetration varies sharply by country—led by South Africa at 60 to 70 percent formal or modern trade, followed by Egypt (30–40 percent), Morocco (25–30 percent), and Kenya (25–35 percent).²⁴ Nigeria sits at the other extreme with 90 to 95 percent traditional trade, though regional chains like Market Square and FoodCo have established a steady presence.²⁵ Across these markets, commercial success increasingly relies on matching retail formats to distinct shopper missions, household budgets, and geographies.

¹⁸ McKinsey analysis based on data from Oxford Economics and *World population prospects 2022: Summary of results*, UN Department of Economic and Social Affairs (medium variant scenario used for forecasted years).

¹⁹ McKinsey analysis based on Oxford Economics data.

²⁰ McKinsey State of Consumer Africa Survey 2025.

²¹ Expert interviews.

²² "How African consumers discover brands in 2026: A cross-market data study," Marketing Analytics Africa, April 28, 2026.

²³ Expert interviews.

²⁴ McKinsey analysis of Euromonitor data at constant prices and 2025 fixed exchange rates.

²⁵ McKinsey analysis based on Euromonitor data at constant prices and 2025 fixed exchange rates; company websites.

Exhibit 4

Consumer behaviors and expectations vary depending on urbanization, exposure to trends, and income.

Attitudes toward shopping, net intent of consumers, 2025, % of respondents

Low  High

		Urban	Suburban	Rural
Premium	I frequently pay extra for higher-quality foods ¹	40	29	26
	Net intention to buy high-quality or premium foods ²	43	24	22
Channels	I use instant grocery delivery at least weekly ³	51	34	27
	Net intention to use instant delivery of groceries channels ⁴	34	21	8
Habits	I frequently cook from scratch ¹	63	69	62
	I frequently stock up on promotions ¹	36	29	26
	Net intention to pay a higher price for healthier products ²	34	19	7
	I frequently buy items spontaneously (now) ¹	52	44	41
	I frequently stock up for an extended period (bulk shopping) ¹	37	24	32

¹Question: "Please indicate how frequently or not frequently do you find yourself doing the following when it comes to getting food?" % of respondents choosing "very often" and "always."

²Question: "Think about 2025. Are you planning to do more, less, or about the same of the following? I plan to..."

³Question: "Overall, how frequently do you shop for food the following way?" % of respondents choosing "at least weekly" re instant grocery delivery. Excludes Nigeria.

⁴Question: "In the next 12 months, do you expect to shop more, less, or the same the following way?" % of respondents choosing "the same" and "more" re instant delivery of groceries channels. Excludes Nigeria.

Source: McKinsey State of Consumer Africa Survey 2025 (n = 9036); countries included Egypt, Kenya, Morocco, Nigeria, and South Africa; sample to match general population 18+ years

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Consumer habits reflect a mission-driven approach, often shaped by proximity, cash availability, daily budgets, and short-term needs. Nearly three in four shoppers (73 percent) make urgent trips at least weekly to top up items they have run out of or meet an immediate need, while store-hopping rose from 34 percent in 2024 to 38 percent in 2025 as shoppers seek better prices or quality across outlets.²⁶ In total, these top-up missions account for 44 percent of monthly grocery spend.

Income levels play a role in shaping these shopping patterns. Higher-income households are more inclined to buy in bulk (35 percent), though a substantial proportion of middle-income spend (33 percent) and lower-income spend (28 percent) is also directed toward bulk buying. Daily top-up missions, on the other hand, represent 18 percent of spend for lower-income consumers, 15 percent for middle-income earners, and

²⁶ McKinsey State of Consumer Africa Survey 2025; Top 3 drivers for choosing the applicable shopping mission: Question: "Thinking about the following types of shopping occasions, what makes you choose a retailer for that occasion (promotion, location, price, range, or quality)?" Question: "How satisfied are you with how the following drivers deliver against your expectations?" % of respondents choosing "somewhat satisfied" and "very satisfied."

13 percent for high-income households, as daily cash flow constraints and limited storage encourage smaller, more frequent shopping trips.²⁷ Shoppers prioritize specific drivers depending on the occasion—for example, promotion for bulk buying and the lowest price for top-ups—but across these factors, satisfaction levels remain low, suggesting that a one-size-fits-all store concept risks underserving these distinct shopper missions and needs.²⁸

Regional realities further shape how these shopping missions play out on the ground. In South Africa, frequent top-up trips favor conveniently located outlets, whether supermarkets or smaller convenience stores, while established retailers are expanding value formats to meet demand for quality at accessible price points.²⁹ Balancing margins, however, remains a challenge. In Kenya, supermarkets account for 75 percent of formal grocery sales, with chains like Naivas expanding in major cities, though traditional outlets remain essential in peri-urban and secondary markets.³⁰

In North Africa, discounters like BIM and Kazyon are expanding rapidly in both Morocco and Egypt, combining affordability and proximity with essential product ranges.³¹ This is prompting Moroccan retailers to explore targeted premium offerings alongside value models.³² Nigeria presents a stark contrast: High distribution costs and logistics complexity preserve traditional trade's dominance, leading retailers to partner with traditional trade networks through digital B2B tools, wholesale channels, and tailored price-pack strategies.³³

Moving forward, companies can transition from broad regional strategies to tailored local playbooks, matching formats, packaging, pricing, digital features, and distribution to specific shopping missions and local realities. Digital tools and modern trade can unlock growth across these markets by treating traditional trade networks as partners rather than competitors, similar to the approaches taken by Atacadão in Morocco and Shoprite in South Africa.³⁴

Targeted e-commerce strategies can reduce friction and unlock scale

African e-grocery sales currently account for about 3 to 5 percent of the total market, compared with mature markets such as the United States (approximately 10 percent) and the United Kingdom (roughly 12 percent)—a gap that suggests potential for growth.³⁵ The core demand driver is convenience, led by the desire to save time and reduce effort.³⁶ As online and offline offerings diverge, consumers are increasingly turning to digital platforms—from formal websites and mobile apps to messaging platforms like WhatsApp—to meet specific shopping needs.

²⁷ McKinsey State of Consumer Africa Survey 2025; Question: "Thinking about the following types of shopping occasions, what makes you choose a retailer for that occasion?" Options included "promotion," "location," "price," "range," and "quality."

²⁸ McKinsey State of Consumer Africa Survey 2025; Question: "Thinking about the following types of shopping occasions, what makes you choose a retailer for that occasion (promotion, location, price, range, or quality)?"

²⁹ McKinsey State of Consumer Africa Survey 2025; McKinsey analysis of Euromonitor data at constant prices and 2025 fixed exchange rates.

³⁰ McKinsey analysis of Euromonitor data at constant prices and 2025 fixed exchange rates; Eric Ombok, "Kenya's biggest retailer eyes 80% more stores on robust demand," Bloomberg, November 11, 2025.

³¹ McKinsey analysis based on company websites.

³² McKinsey analysis based on company websites; expert interviews.

³³ Expert interviews.

³⁴ Expert interviews.

³⁵ McKinsey analysis based on Euromonitor, ECDB, and Statista data.

³⁶ McKinsey State of Consumer Africa Survey 2025. Question: "Why do you shop for groceries online? Select up to 3 responses."

Additionally, the number of consumers open to testing online grocery services is rising quickly, with Morocco showing the lowest current online shopping habits but among the highest future intent, indicating significant untapped potential.³⁷ Gen X (43 percent) and millennials (44 percent) express higher interest in online shopping than Gen Z (36 percent), a dynamic that partly reflects Gen Z's existing reliance on digital commerce.

Converting this interest into regular habits faces practical hurdles. More than 30 percent of shoppers who stopped buying online cite high delivery fees and price markups, while 18 percent raise concerns regarding the freshness of produce, stock availability, or order delivery errors. Twenty-eight percent express a clear preference for in-person shopping due to tactile shopping habits and concerns over online payment security.³⁸

Building scale requires digital models designed to extend physical store networks rather than replicate them. Retailers can look at shrinking delivery zones, improving order fulfillment economics, and building trust to convert first-time trials into repeat usage. Meanwhile, telco operators and financial services providers can support channel growth by streamlining account setup, improving payment reliability, and ensuring transparent pricing to make regular digital shopping easier.

Trend 4: Tech acceleration: Digital commerce infrastructure is maturing

As digital infrastructure in Africa matures, mobile money and digital payments are displacing cash as the primary payment method, while generative AI offers an opportunity to reduce operational complexity. Capturing this potential, however, will likely rely on disciplined execution rather than technology alone.

Digital payments are opening a world of opportunity

Surging digital adoption in sub-Saharan Africa means accepting multiple payment methods at checkout is now a baseline requirement. With roughly one mobile money account for every two to three people in the region,³⁹ payment preferences are diversifying for both online and in-person transactions. Cash's share of online transaction value dropped from 32 percent to 11 percent between 2019 and 2025 in Nigeria and from 13 percent to 6 percent in South Africa (Exhibit 5). Online account-to-account (A2A) transfers drove much of this transition, rising to 44 percent of online value in Nigeria, from 25 percent; in South Africa, they rose to 20 percent, from 18 percent. A2A transfers are also expanding in physical retail through QR codes and real-time bank transfers enabled by platforms such as Access Bank's Hydrogen, Safaricom's M-PESA, Flutterwave, and Fawry.⁴⁰

Incumbent banks, telco operators, fintechs, and global companies are all competing to anchor themselves within this payment ecosystem. Companies that integrate mobile wallets, real-time bank transfers, and cash fallbacks where necessary can improve checkout conversion and purchasing frequency, while banks, fintechs, and telcos can support this by building merchant gateways that embed bank transfers and mobile money directly at physical points of sale, linking digital and physical commerce into a single mobile-led transaction layer.

³⁷ McKinsey State of Consumer Africa Survey 2025. Question: "You mentioned that you currently don't shop online for groceries. How likely are you to start shopping for groceries online in the future?" % of respondents choosing "somewhat likely" and "very likely."

³⁸ McKinsey State of Consumer Africa Survey 2025. Question: "What prevents you from buying groceries online more frequently?"

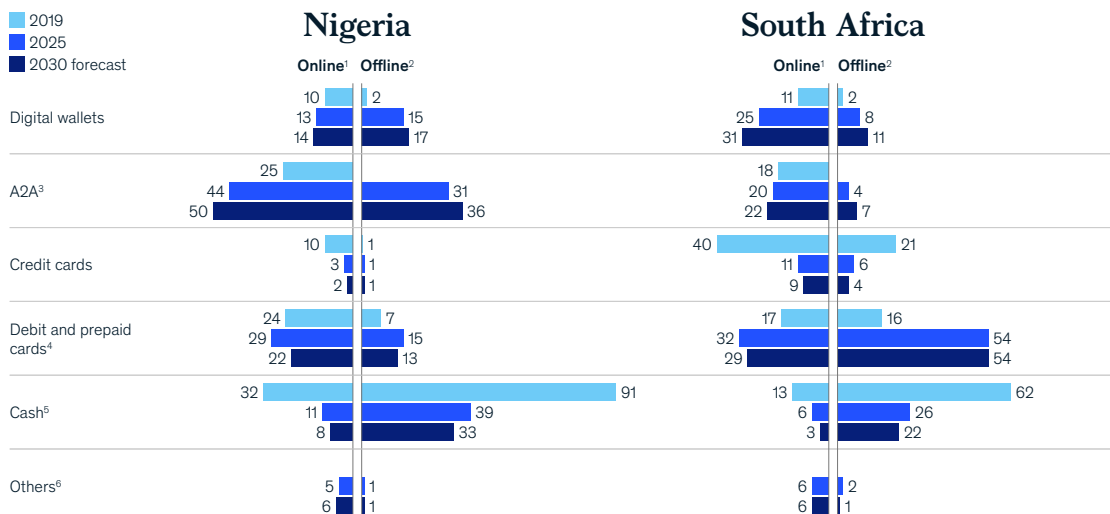
³⁹ GSMA mobile trends 2026: Opportunity in an era of upheaval, GSMA Intelligence, March 2026.

⁴⁰ Company websites.

Exhibit 5

Payment preferences are diversifying, making multirail checkout the new standard.

Payment methods, share of online¹ and offline² transaction value, Nigeria and South Africa, 2019–30 forecast, %



Note: Figures may not sum to 100%, because of rounding. Others, and A2A for offline transactions, were not reported for 2019.

¹Online transactions refer to purchases of goods and services made online by consumers from businesses via the internet. Scope excludes B2B, person-to-government, purchases or installment payments of motor vehicles, real estate, rent, investments, tuition, utilities and other bill or loan payments. ²Offline transactions refer to all person-to-business transactions that occur at a physical point of sale (POS), including traditional in-store transactions as well as face-to-face commerce, regardless of where it takes place. ³Account-to-account (A2A) refers to digital payments made directly from one party to another, independent of card network rails, including bank transfers (push payments) and direct debits (pull payments), and that often take place over real-time payment rails. ⁴Data from Worldpay Global payments report 2025, as categories not reported in the 2026 report. ⁵Cash payments for offline transactions include the use of physical bank notes, coins and checks. Cash payments for online transactions aggregates cash on delivery, and prepaid and postpaid voucher services. ⁶Others include "buy now, pay later" (BNPL); prepaid cards and crypto in e-commerce; prepaid cards and BNPL at POS.

Source: Global payments report 2025: The past, present and future of consumer payments, Worldpay; Global payments report 2026: Commerce in constant motion, Worldpay; McKinsey global payments report 2026 (n = 63,441), 42 markets across 5 regions

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Commerce's next leap forward will be shaped by gen AI

Gen AI offers a practical way to bypass legacy infrastructure, helping consumer-facing businesses serve complex, fragmented markets at a lower cost while accelerating service delivery. In data-sparse operating environments, these tools enable organizations to translate unstructured information into clear, actionable insights. More than 40 percent of African institutions are already experimenting with or deploying generative AI. Across the continent, this technology represents a potential \$61 billion to \$103 billion in economic value.⁴¹ Consumer-facing sectors hold a large share of this opportunity, led by retail (\$6.6 billion to \$10.4 billion), telecommunications (\$6.0 billion to \$9.6 billion), consumer-packaged goods (CPG; \$5.4 billion to \$8.9 billion), and banking (\$4.7 billion to \$7.9 billion).

Early adopters are turning this potential into tangible operational wins. AI shopping assistants can cut order completion time and effort by more than 50 percent, while AI models in CPG can translate messy inputs—such as WhatsApp messages and handwritten receipts—and formal sales data into real-time interactive tools to lead shoppers toward the exact product that fits their needs. Banks and telco operators are deploying hyperpersonalized communication, automated credit drafting, and agent support tools to resolve inquiries faster.⁴²

⁴¹ Mayowa Kuyoro, Umar Bagus, Anass Benshir, and Ziyaad Bobat, "Leading, not lagging: Africa's gen AI opportunity," McKinsey, May 12, 2025.

⁴² "LLM to ROI: How to scale gen AI in retail," McKinsey, August 5, 2024.

To capture this value, organizations can treat AI as a core capability that lowers operational complexity. Scaling these initiatives effectively involves aligning talent, data governance, cloud infrastructure, risk guardrails, and user adoption strategies from the outset. By doing so, CPG companies can optimize local assortments, support regional languages, streamline logistics, and prompt automated reorders. Retailers might explore automated pricing and conversational shopping features, while banks and telco providers can leverage AI for mobile-first support and dynamic credit scoring for informal-sector customers.

Implications for consumer-facing companies: What market leaders can do differently

African consumer markets are developing distinctive characteristics, as consumer pragmatism, rapid urbanization, demographic shifts, and digital adoption intersect with real income constraints and infrastructural friction. Six practical takeaways can help define the playbook for consumer-facing companies operating in these complex and fast-growing markets.

1. **Target micro-growth pockets and embrace granularity:** Deploying data-driven, hyperlocal strategies that map demand at the city or district level can ensure companies meet the unique and varied needs of their customers, rather than implementing a generic one-size-fits-all approach.
2. **Engineer a resilient value structure:** Combining simplified product architecture with DTV principles allows consumer-facing companies to introduce accessible entry-level products that strip out nonessential features, while preserving the quality signals shoppers care about most and developing targeted premium options for shoppers willing and able to pay more.
3. **Compete by shopper mission, not channel:** Focusing on specific shopping missions—such as deepening support for informal trade while building a seamless, multimode digital presence across social and conversational platforms—allows companies to cater to diverse shopping needs. Integrating payment methods, credit options, and loyalty features across all touchpoints can help further reduce friction.
4. **Deploy AI to manage operational complexity and increase speed:** Embedding AI directly into daily workflows to convert unstructured inputs into clean sales data, optimize logistics, and automate customer support in local languages can streamline operations. Consumer-facing companies can also leverage AI for mobile-first support channels and dynamic credit scoring for informal-sector customers.
5. **Deliver accessible reassurance:** Embedding clear health, safety, and quality signals into both product design and mainstream communications can build brand identity for companies. Fulfilling orders reliably, staying culturally relevant, and protecting customer data helps reinforce this foundation.
6. **Build shared ecosystems to lower distribution costs:** Forming strategic shared-infrastructure partnerships with telco operators, banks, B2B wholesalers, agent networks, and community platforms enables companies to reduce logistics costs and complexity in serving hard-to-reach areas and deepen penetration.

Ultimately, meeting African consumers where they are will require a hyperlocalized and tech-backed approach. There is no one Africa. The companies that outperform will be those that adapt their models to local priorities and demographic realities: showing up in environments where consumers already are, designing offerings that meet their definition of value, and finding ways to improve economies of scale. The challenges in these markets are complex, but the prize, for those companies that get it right, is significant.

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