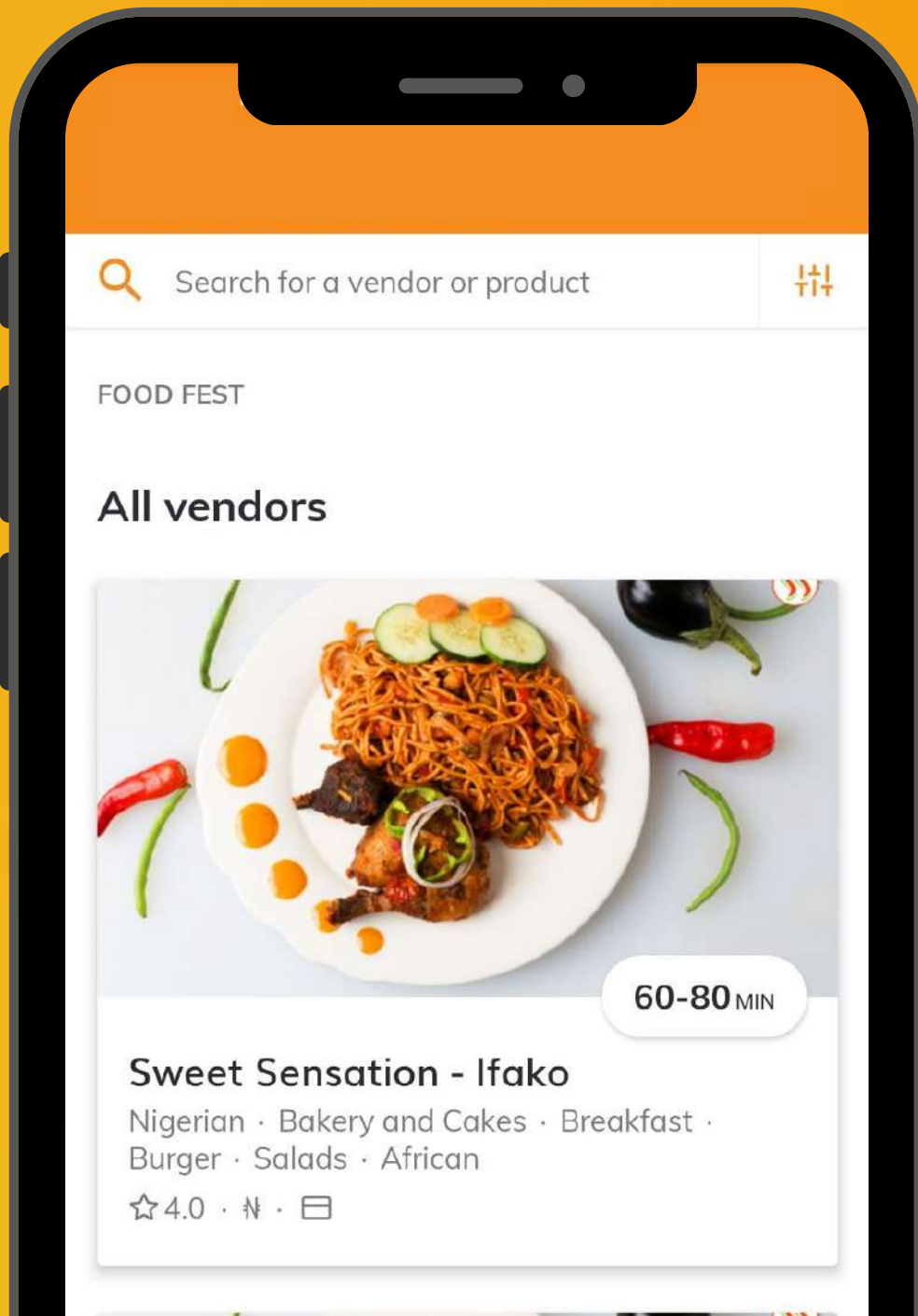




# NIGERIA

## FOOD INDEX 2020



## ONLINE FOOD & BEVERAGE DELIVERY IN NIGERIA

**Nigeria's agricultural sector experienced a major boom in 2019**; it was among the non oil sectors that contributed 90.23% to the country's GDP. The food and grocery retail market had total revenues of \$44.9bn, representing a compound annual growth rate (CAGR) of 8.7% in the last 8 years. A new generation of Nigerian middle class consumers are helping fuel growth in the market, spending more money on food and grocery products. **The apparent boom in the sector is creating more jobs and influencing massive food production.**

**Grocery retailing continues to expand, as consumers seek comfort and convenience when shopping for food. Hence, online food delivery is gaining momentum through companies such as Jumia Food.** The food segment was the market's most lucrative, with total revenues of \$33.7bn, equivalent to 75% of the market's overall value. With the outbreak of the COVID-19 pandemic, the demand for food rose significantly, especially online food delivery as a result of the lockdown and social distancing guidelines. Many people relied heavily on food delivery as opposed to shopping in grocery markets.

With a population of over 200 million, and an average age of 18 years, Nigeria's population is expected to double over the next 30 years at a growth rate averaging around 2.3% a year. **With its diversification plan from oil production, the country is set to witness growth in a large consumer market, such as the food and grocery retail market.**

**Growth in spending on food and non-alcoholic drinks is witnessing a bump in 2020, as consumers re-prioritise their spending patterns towards only essentials.** The launch of Jumia late night food delivery, in addition to Jumia Party, which launched in 2017, was a strong boost to food and drinks e-commerce in 2019. The food and grocery retail market includes the retail sales of all food products, both packaged and unpackaged, as well as beverages (including retail sales of all alcoholic and non-alcoholic beverages), tobacco, and household products, excluding on-trade sales of food and beverage.

**In 2019, strong growth was recorded in the Nigerian retailing landscape. The growth was driven by the positive results recorded from e-commerce, mobile e-commerce, food and drink e-commerce and variety stores.** Revenue in the Food & Beverages segment is projected to reach US\$142m in 2020.

# NIGERIA FACTS



## POPULATION

**206.1 M**

**2020**

Nigeria's population is on a steady rise, at a yearly growth rate of 2.58%. Country's population is equivalent to 2.5% of the total world population.



## GDP GROWTH

**2.3%**

**2019**

The non-oil sector contributed over 90% to the country's GDP.



## AGRICULTURE

**35.1% of GDP**

**2019**

Agricultural sector is among the largest employer of labour, employing over 35% of the country's working population.



## ONLINE FOOD & BEVERAGE MARKET

**\$142 M**

**2020**

A new generation of Nigerian middle class consumers are helping fuel the growth in the market, spending more money on food and grocery products.

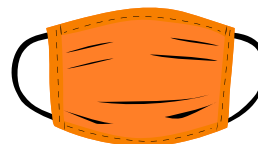


## JOB CREATION

**3 M**

**est. 2025**

Online marketplaces in Africa can create about 3 million jobs by 2025.



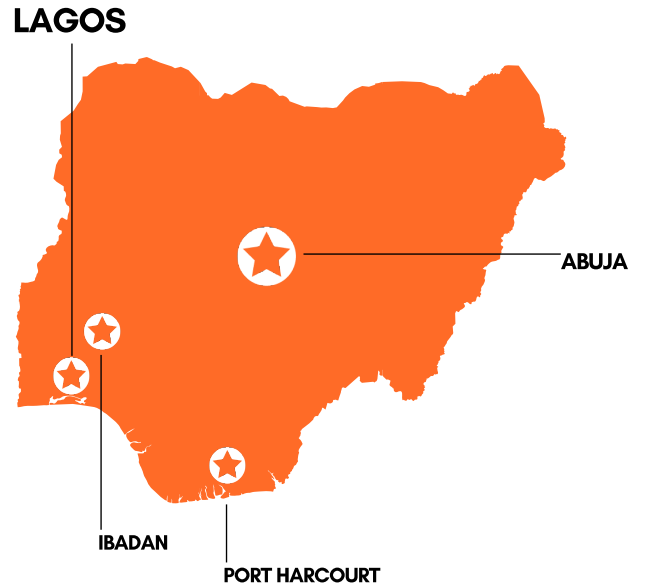
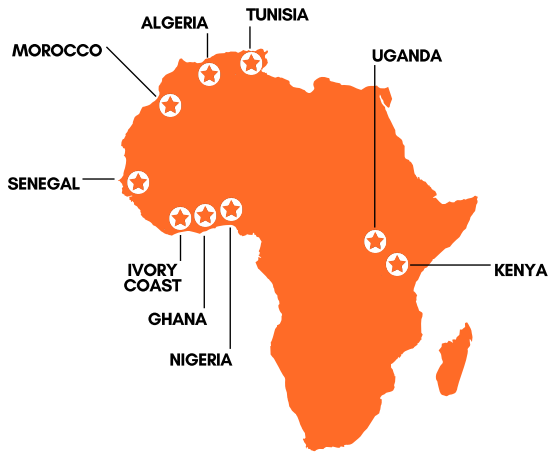
**60,430**

**POSITIVE CASES IN NIGERIA**

October 13th 2020

# JUMIA FOOD

## FOOTPRINT IN NIGERIA



**JUMIA FOOD** is the leading Pan-Africa Food delivery company operating in 9 countries in the Continent. The consumers can order restaurant meals, groceries, beverages, pharma care, and supermarket products and have them delivered in less than 45 minutes.



## HOW DOES IT WORK?

Delivered as fast as 30min.



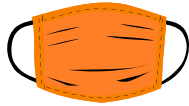
**CONSUMERS**

**VENDORS**



# COVID-19

## JUMIA'S ACTIONS



### HYGIENE FIRST

Jumia adopted the highest safety standards in its daily operations and delivery services to ensure the safest experience to its consumers.



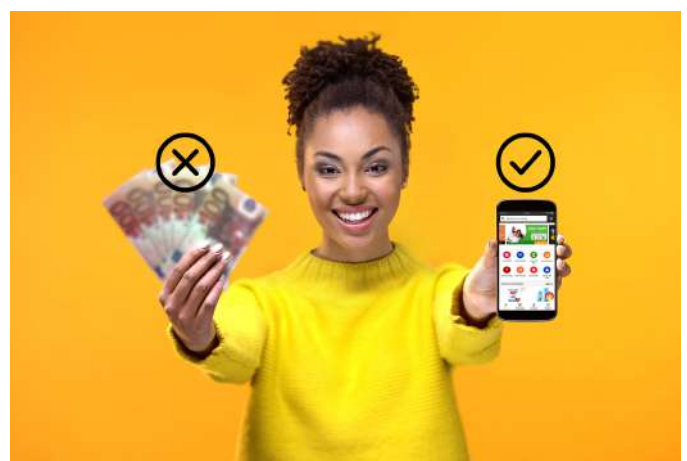
### CONTACTLESS DELIVERIES

The *#JumiaHeroes* deliver millions of items and meals while remaining safe and making consumers safe, thanks to the adoption of contactless delivery methods.



### CASHLESS PAYMENTS

Online payment through JumiaPay is the safest payment method, aligned with the governments' bid to reduce the risk of virus transmission through physical cash.



# COVID-19

## SUPPORTING THE COMMUNITIES



### SHARING KNOWLEDGE

Jumia offered its logistics networks to help distribute health pamphlets and key products to where they are needed.



**THANK YOU**

### JUMIA HEROES FUND

Jumia's #HerosFund was created to support frontline and essential staff during this pandemic crisis.



### 100.000 FACE MASKS DONATED

Donation of certified face masks to Nigerian Health Ministry and offered to coordinate the distribution across healthcare facilities and workers, leveraging the company's last mile distribution.



# NIGERIA ONLINE FOOD TRENDS



# ONLINE FOOD CONSUMERS TRENDS

J U M I A D A T A \*



## MOST POPULAR CUISINES IN NIGERIA

1. CHICKEN
2. NIGERIAN
3. ICE CREAM

Local meals remain the most popular on the platform.



## MOST PROMISING CUISINES

1. PIZZA
2. CHINESE
3. SHAWARMA

Foreign cuisines are growing fast as Nigerians explore various meals available to them.



## DAY OF DELIVERY

MONDAY	14%	██████
TUESDAY	14%	██████
WEDNESDAY	16%	████████
THURSDAY	15%	████████
FRIDAY	15%	████████
SATURDAY	13%	██████
SUNDAY	13%	██████

Increased food orders during the week, especially on Wednesdays due to the special meal promos.



## DELIVERY TIMINGS

ON AVERAGE ON FIVE MAIN CITIES

1. PORT HARCOURT **26** min
2. LAGOS **27** min
3. IBADAN **28** min
4. ABUJA **30** min

Online restaurants delivery are faster in Africa than 45 min on average.



## CONSUMERS' AGE

18 - 24	28%	████████
24 - 34	45%	██████████
34 - 44	18%	██████
44 - 45	5%	██
55+	3%	█

Millennials are the biggest users of Jumia Food App, followed by the Generation Z. The millennials are mostly within the working class group - smart & upwardly mobile



## TIME OF MEALS

BREAKFAST	15%
LUNCH	65%
DINNER	20%

Lagos is a very fast paced city. Majority of residents would skip breakfast in its entirety and sit down to a lunch while at work. Dinner usually consists of home cooked meals enjoyed with family and this explains the smaller percentage of dinner.



## CONSUMERS % BY GENDER

MALE	56%
FEMALE	44%

Online food delivery is gender friendly!





## INTERVIEW

# BANKOKE WELLINGTON

CEO SOOYAH BISTRO \ POP SINGER, BANKY W

### What are the new consumer trends within the Nigerian Food Industry?

I think one of the trends that we're seeing on the rise is the demand for food delivery services. That was already the case prior to the Covid-induced lockdown era, but the lockdown certainly escalated it exponentially. More and more, partly for safety reasons, and partly for convenience, consumers are opting for food delivery options as opposed to take out or eating-in. Especially in a metropolitan area like Lagos, the traffic challenges alone are enough to encourage people to stay in the comfort of their homes and offices and have the food come to them. We're even seeing an uptick in people who choose to use Grocery delivery services as well. I think safety and convenience are priority for most people, and this is influencing their choices in the food industry. We're also seeing an increase in food trucks, pop-up restaurants, and quick service food options. Nigerians are very entrepreneurial people by nature, and so many people will not allow the challenges and obstacles associated with owning a full service restaurant stand in the way of them getting into the business. The last trend I can point out is that of food restaurants embracing social media to engage their customers, and customers embracing their favourite food brands online as well. About a year or so ago, we only had a little over 1,000 followers on Sooyah Bistro's Instagram handle. Right now that number is at about 21,000 - so brands like ours are embracing social media as a way of telling our stories, communicating our culture and connecting with our customers, and the customers themselves are being receptive to engaging with their favourite food spots in that way.

### How did your partnership with Jumia Food provide support for your business in general and during the lockdown?

The lockdown was an incredibly challenging period for most people and businesses alike. Sales dropped drastically, companies shut down, and a lot of people lost their jobs. We're grateful that Jumia kept their operation going; it was reassuring to customers, helped give them options for food at a very uncertain and difficult time, and for vendors like us, it was a huge help to still be able to keep sales going during that period. The one thing we were didn't want to have to do was to do a mass layoff like a lot of other companies; at that point it wasn't so much about making profit, as it was about making payroll. And even though we ran a limited operation during the lockdown (we had to isolate and test a small number of staff, and keep them in private residences to eliminate any risk of infection), the sales we got through Jumia helped greatly in keeping our employees paid, and our operation running.

### Which innovations do you think will impact the Nigerian Food scene in the next 3 - 5 years?

I think the use of technology, especially as regards delivery services and retail/point-of-sale/inventory management systems will continue to be the number one game changer in the Nigerian Food scene. We're going through a complete internal tech overhaul at Sooyah Bistro as we speak, and it's helping us reduce losses, maximize profit, and most importantly ensure that we run an effective, consistent operation that guarantees the same quality to our customers no matter which of our outlets they order from, or when. The key when trying to run a great franchise operation is being able to be a predictable business... that consistent quality of food and service is absolutely necessary and that's the journey that we are on right now. We're working hard to get there, and it's only possible because of the technology we are employing.

# ONLINE FOOD BUSINESS

J U M I A D A T A \*



## TOP CITIES IN NIGERIA

BY VOLUME OF ORDERS

1. LAGOS
2. ABUJA
3. PORT HARCOURT
4. IBADAN

Lagos has the largest concentration of Jumia Food orders.



## PRICE FOR ESSENTIALS

ON JUMIA

AVERAGE / RANKING FROM THE LOWEST

<b>SUGAR 1kg</b>	<b>RICE 1kg</b>	<b>FLOUR 1kg</b>
<b>NGN 855</b>	<b>NGN 5,350</b>	<b>NGN 2,300</b>

Average price for Rice is mostly below NGN 6,000.



## TOP CITIES IN AFRICA

BY VOLUME OF ORDERS

1.  NAIROBI
2.  LAGOS
3.  CASABLANCA
4.  KAMPALA
5.  ABIDJAN

Nairobi & Lagos are the leading cities, the demand is impacted by the lockdown in cities such as Casablanca.



## FOOD CATEGORY INDEX

AVERAGE BASKET SIZE 2020

RESTAURANT	NGN <b>3,585</b>
BEVERAGE	NGN <b>9,858</b>
GROCERIES	NGN <b>8,962</b>

Consumers spend more on groceries for their daily needs due mostly to the contactless delivery.



## MOST POPULAR INTERNATIONAL BRANDS

1. KFC
2. COLD STONE CREAMERY
3. PIZZA HUT

Consumers with a taste for intercontinental cuisines prefer chicken as a main dish.



## MOST POPULAR LOCAL FOOD VENDORS

- CHICKEN REPUBLIC
- THE PLACE
- KILIMANJARO
- SWEET SENSATION
- DRUMSTICK

Due to their affordable meals, more consumers ordered from these local restaurants.



**INTERVIEW**  
**MASSIMILIANO SPALAZZI**  
 CEO OF JUMIA NIGERIA

**What are the 3 main growth levers for Online Food Services in Nigeria?**

Internet access, smartphone penetration, and COVID-19 induced social distancing guidelines continue to drive an uptake in online food ordering, as many people now prefer to order via their smartphones as against going out to restaurants for dine-ins.

**How COVID-19 impacted the business and how did Jumia Food support the restaurants (proved even more relevant) during the lockdown caused by the COVID-19 pandemic?**

This pandemic crisis showed the world that online food delivery can be not just a commodity, but a necessity. The food business adapted quickly to this so-called new normal, namely with the adoption of contactless deliveries, cashless deliveries using JumiaPay, and by obliging to very strict safety measures during the end-to-end delivering process, such as the usage of masks, gloves, and sanitizers. At the same time, Jumia started to provide vendors and restaurants with commission rebates in some of our markets and participating in discussions with local governments to support big, medium, and small businesses during this difficult time. In the end, a lot of individuals that have never previously purchased a single item online in their whole lives started to order their meals through the Jumia App and, as a result, our consumer base registered an enormous growth. Now, consumers look at Jumia as a reliable alternative to stay safe and save money at the same time. They are aware that it's a win-win situation for them.

**What will be the future of Food delivery in Nigeria?**

Many people will rely heavily on having their hot meals and groceries delivered at their doorsteps, as against going out to offline retail stores to purchase. The government of each country continues to deal with the pandemic in the best ways possible. Yet, even after the pandemic is gone, the convenience of food delivery will still hold such a great appeal. More consumers will therefore look to Jumia as a reliable alternative to staying safe and saving money. Local Nigerian meals will continue to be among the top 3 cuisines being ordered because of its affordability and appeal to the local communities. Subscription model will change as many food vendors will partner with existing models such as Jumia Prime. The adoption of contactless payment via JumiaPay will increase as many consumers will be more safety conscious.

# TECH TRENDS



## INTERNET PENETRATION

2020

**61%**

Increase internet penetration will provide a wider access to online shopping/food ordering.



## SMARTPHONE ADOPTION IN NIGERIA

2019	<b>40%</b>
2025	<b>67%</b>

Smartphones are booming accelerating the Digital shift in Africa.



## SMARTPHONE ADOPTION IN NIGERIA

OF TOTAL POPULATION

2018	2019
<b>18%</b>	<b>20%</b>
36 M	40 M

Smartphone adoption increased by 2% year-on-year.



## JUMIA FOOD TRAFFIC SOURCE

1. MOBILE	<b>86%</b>
2. DESKTOP	<b>14%</b>

Consumers largely place orders on Jumia Food via their smartphones



## APP VS. MOBILE SITE

JUMIA FOOD APP	<b>65%</b>
MOBILE SITE	<b>35%</b>

Mobile friendly, Jumia Food app is the most used by the consumers.



## DIGITAL PAYMENT

Most consumers preferred cash on delivery, but JumiaPay transactions grew due to the contactless payment.



## INTERVIEW

# JULIET ANAMMAH

CHAIRWOMAN OF JUMIA NIGERIA AND GROUP  
HEAD OF INSTITUTIONAL AFFAIRS



### **How has Jumia Food supported the growth of local business in general and during COVID-19 pandemic?**

COVID-19 pandemic made it clear that Jumia Food's service was not just a convenience but an essential service that bridged the gap for consumers between getting hot meals & food delivered to their homes while still staying safe and limiting physical contact. It was also a critical lifeline for many restaurants that might have been forced to go out of business when they could no longer operate. Jumia Food made it possible for them to shut down physical restaurant space but keep their kitchen open and serve consumers who order through Jumia Food app. Restaurants are small businesses and thus extremely vulnerable to non-systemic shocks like lockdowns and curfews that severely impact their operations. A large part of MSMEs in Africa are in the Food and Beverage sector thus they are a very important segment of the African economy and we are proud that Jumia Food supported them to stay in business during the pandemic. Jumia Food also partnered with groceries and supermarkets to leverage its platform in reaching consumers and grow their businesses.

### **How distribution channels like Jumia can help by supporting the objective of improving Food security in Africa?**

Jumia's mission of connecting consumers and sellers is anchored on solving distribution in Africa. We enable transactions between consumers and sellers, we provide a logistics network for sellers to get products delivered to consumers and we enable payment on our platform. This addresses several inefficiencies that exist today in the food value chain. By driving efficiencies at the last mile we are creating a good ripple effect upstream in food consolidation, aggregation and all the way into agriculture. As Jumia Food onboards more restaurants, more groceries and more market fresh food vendors as we are doing in countries such as Uganda, the costs we drive flows back in better planning, better resource allocation along the food value chain and hopefully leads to more food for more people in Africa.



## INTERVIEW

# UFUOMA OGELEKA

HEAD OF MARKETING \ THE PLACE RESTAURANT



### What are the new consumer trends within the Nigerian Food Industry?

I wouldn't particularly say there are NEW trends, rather what we have seen in the course of the year has been more of adjusted or refined trends. As an example, from late last year through to the early part of this year, consumer trends had customers walking into the restaurants at least twice a day, but now they would still order their meals twice a day, but either arrange a delivery or a carryout. Over the years we have observed a surge in family- outing occasions across our restaurants. This year a dipstick research shows that while it appears there is a nose-dive in this trend, there has been a surge in occasional bulk purchases via carry-out/ delivery; indicating our customers still maintain the tradition of having their special family moments with us.

### How did your partnership with Jumia Food provide support for your business in general and during the lockdown?

Our partnership with Jumia has consistently provided us with an opportunity to expand our existing customer base, attend to the dining needs of our customers at their convenience and in an efficient manner and reward our customers for continually trusting us.

### Which innovations do you think will impact the Nigerian Food scene in the next 3 - 5 years?

In the coming years, we expect the internet will still have a very strong influence on overall customer decision making, an increase of self-serving order taking portals within the restaurants for walk-in and dine-in customers to become widely adopted and voice ordering integration to most mobile applications.



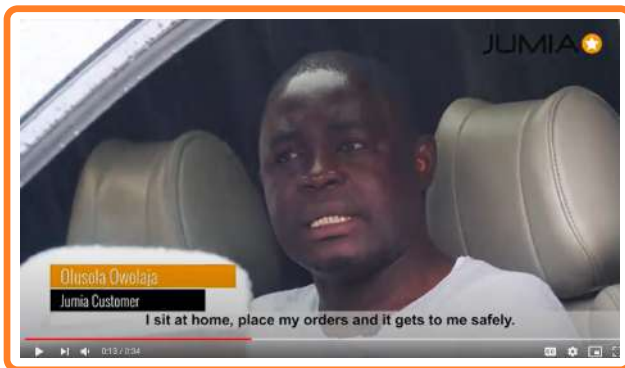
# VIDEOS



## COVID-19 SAFETY MEASURES



## COVID-19 SAFETY MEASURES



## SAVE MORE WITH JUMIA



## SAVE MORE WITH JUMIA



## SAVE MORE WITH JUMIA



# NIGERIA

## FOOD INDEX 2020

### SOURCES

Statistica  
Nigerian Stat  
Fab West Africa  
Worldometers  
FAO  
Jumia Data 2020 - Q1 & Q2  
GSMA  
McKinsey & Company  
Internet World Stats

### CREDITS

#### **Olukayode Kolawole - Jumia Nigeria**

Head of PR & Communications  
olukayode.kolawole@jumia.com

 @JumiaNigeria

 @JumiaNigeria

 Jumia Nigeria

 @JumiaNigeria

STAY SAFE

**JUMIA**  **FOOD**

#SupportRestaurants

