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International firms in Africa's food retail business-emerging issues and research agenda

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Background

A review of agri-food retail studies in Africa shows four important trends shaping the development of the sector, with implications for economic growth in both individual countries and the continent as a whole.

First, in 2012, Africa witnessed the arrival of the number one global large retailers (GLRs), when Walmart acquired a 51 % share in Massmart, the South African retailer that operates in 12 countries in Africa in addition to its home market of South Africa. This new investor plans to open 90 new retail stores on the continent by 2016 (Maylie, 2013). Similarly, English retailers such as Sainsbury's and Marks & Spencer are targeting African-Arab nations such as Libya, Morocco, Tunisia and Algeria, while the French retailers Carrefour and Casino are focused on Francophone countries.

In spite of the apparent opportunities in the continent's agri-food business, GLRs have reported major difficulties in realising their potential. For instance, Table 1 shows that Sainsbury's quit the Egyptian market in 2001. The retailer withdrew from Egypt after being associated with Israel, leading Egyptians to boycott and vandalise the stores (BBC, 2001; Burt and El-Amir, 2008). Carrefour, the number two global retailer, quit Algeria in 2009 after two years of operations (Forbes, 2013; Reuters, 2015). Given these examples, it is very important to understand how GLRs can survive in the dynamic African business environment.

Second, according to the African Development Bank (2012), Africa's middle class has grown from 240 million in 2000 to 326 million in 2010. This increase is expected to stimulate growth of the services industries, such as banking and food retail, on the continent. This growth suggests a higher level of consumption of various food commodities sold in modern retail stores, as disposable income increases. Green (2013) argues that people in Africa like to live a Western lifestyle, even though their savings levels are quite low compared to those in India and China.

The preference to imitate a Western life-style is not a substantive explanation for the current arrival of GLRs on the continent, however. Rather, Africa has a shortage of food supplies, as a result of poor investment in the agri-food value chain (Hampwaye *et al.,* 2008). In this situation, anything supplied will be accepted, and brand preferences are not necessarily a determining factor (McKinsey, 2012 and 2010). As the number of GLRs increases in African urban food retailing, it is important to understand how African consumers behave with respect to issues like retailing formats and multi-channel retailing.

Third, empirical evidence shows that international retailers prefer to buy from their home countries. For instance, South African retailers source about 80% of their merchandise from home (Bianabe *et al.*, 2011). This practice has raised concerns about the future of the agri-food sector in the host county (Emongor, 2008; Emongor and Kirsten, 2009). On the other hand, as a result of the rise of health awareness, retailers are faced with increasing demand for high quality products from the middle class. To remain competitive, retailers have to set high quality standards. Duffy and Fearne (2009) observed that in some situations, set standards limit the participation of domestic food suppliers in the host country, because some of these standards are not statutory. As a result, domestic suppliers face increased costs to meet unique quality standards, while imported products do not share this burden. Given this market situation, we need to understand the future of local agri-food suppliers following the entry of GLRs in Africa.

Fourth, in general, food retailing in Africa is spearheaded by local companies rather than depending on the GLRs that are more prominent in Latin America (Reardon and Weatherspoon, 2003). This arrangement is due in part to the fact that Africa has not attracted much attention from researchers examining the impacts of food distribution system changes on the continent's agribusiness sector. Previous studies focused on connecting African producers with EU consumers (Dolan and Humphrey, 2000; Asfaw *et al.*, 2010). This relationship between African growers and UK retailers is very important for the economy of the continent. The recent changes in agri-food distribution taking place in Africa are more interesting and complex. Therefore, it is very important to understand the future of local retailers, following the entrance of GLRs into the African market.

This paper's objective is to describe the state of the retail sector in Sub-Saharan Africa, to point out the lack of information on some critical issues and to raise some questions about relevant topics for researchers and practitioners in the retail area for the African market.This paper will accomplish these goals by reviewing some of the studies already published in the area of food retail internationalisation and drawing attention to some current knowledge gaps in the literature with reference to Africa's business environment.

With this material background, this paper provides guidance as to how scholars can advance retail internationalisation ideas in Africa, through further empirical and conceptual studies and by developing the usable prescriptions for agribusiness value-chain actors on the continent.

Four major topics are identified to guide the direction of future research on the urban agri-food retail business in the African continent: i) global large retailers in Africa's food sector, ii) the internationalisation of African food retailers, iii) the buying practices of international retailers, and iv) the food-buying behaviour of Africa's middle class. The gaps identified in the literature may help to frame thought in the sector and the development of agendas on academic research for the growth of the modern food retail industry and agribusiness sector on the continent.

Insert Table 1 here

Methods and data collection

There are two main approaches to literature reviews: systematic and non-systematic. Systematic reviews are appropriate for an area that has been widely and deeply researched, thereby allowing the reviewer to suggest next steps based on the previous researchers' efforts to study a particular topic or location. Systematic reviews also have number of disadvantages, such as being time-consuming, and limited to well-established literature (Mulrow, 1994).

The non-systematic approach is more appropriate for a less well-developed area of research or location even if the topic has been well-researched in other parts of the world. Although food retail internationalisation is well-studied, in Africa it is a new phenomenon and thus has been less extensively described in the literature. For this reason, this paper employs a non-systematic review approach, in order to be more inclusive of the grey literature. However, we also adopt some of the elements of the orthodox methodology of systematic reviews in the management field, as described by Hartely *et al*., (2009).

This review covers literature from a wide range of disciplines addressing the internationalisation of supermarkets in both developed and developing countries. The first review gathered evidence about the nature of food retail development in Africa, focusing on the strategic decisions made by agri-food suppliers on the continent. Evidence was gathered from different sources: (i) retailer websites (ii) market research reports by Deloitte and, McKinsey and newspapers articles published online (iii) reports from international organizations and (iv) journal articles, PhD dissertations and

Master's dissertations available online. The included journal articles that were published from the 1990's through 2013.

To search for literature on food retailing in Africa, key words such as '*food retail in Africa'*, '*modern food retail in Africa'* and '*supermarket in Africa'* were used.

The second review gathered evidence on the food retail internationalisation of GLRs from Western Europe and North America. Abstract terms used included '*food retail internationalisation'*, '*supermarket in developing countries*' and '*supermarket internationalisation in developing countries*'. The intention was to ensure that as far as possible, research on these aspects of the field was identified, while keeping the focus on required literature (Hemsley-Brown and Oplatka, 2006).

Due to the nature of the study and the area of focus, we would miss a great deal of information if we limited this study to a few selected search engines. For instance, the journal of *Agrekon*, which published a significant number of articles on food retailing on Africa, is not included in Proquest. For this reason, we decided not to confine our search to a particular search engine, but rather to include several search engines.

This paper is conceptual in nature; based on discussions with experienced researchers on African international business, the analysis was guided by four agreed-up on themes. Grid content analysis was employed for the identification of the various dimensions that seem to be important for the growth of the sector on the continent, as related to the established four themes. Previously, comments from experienced researchers have been used to study convenience store location in the UK (Brown and Wood, 2007). Some themes may be supplied by researchers if they do not emerge spontaneously (Buttle and Embacher, 1989; Kelly, 1955). Thematic analysis has been used by many researchers for the identification various literature reviews in previous studies (Hartley *et al.,* 2009). This technique was adopted because it is useful for the reduction of suggested materials for analysis related to key topics (Doherty and Ellis-Chadwick, 2006).

GLRs in African food retailing

With the rise of the middle class and the growth of many cities in Africa, the future of modern urban food retail is uncertain. For instance, in Nigeria it is estimated that only 1% of the population purchase food at modern retail stores (USDA, 2014). The acquisition of Massmart by Walmart means that this retailer operates in 11 countries, as shown in Table 1. The key areas of research within this theme include: *GLRs meet the 'bottom of the pyramid'* and *regionalisation and expansion of GLRs.*

GLRs meet the 'bottom of the pyramid'

Accenture (n.d) classifies African consumers into five segments: *basic survivors, working families, rising strivers, cosmopolitan professionals* and *affluent*. This classification is based on how much each group spends on food. *Basic survivors* are estimated to make up 50-60 % of the continent's population, with a monthly income of less than US$100. *Working families* comprise 20-30% of the population, with a monthly income amounting to US$ 100-250. This segment of the population spends most of their income on basic family needs. *Rising strivers* are estimated make up 10-16% of the population, with monthly income ranging from US$ 250-750. *Cosmopolitan professionals* and *affluent* consumers earn US$700-1200 per month and above, and are estimated to represent 20-30% of the Africa' population. These data indicate that a large proportion of Africa's consumers earn below US$ 750 per month, which is considered a good baseline income for modern retailing to take off (Accenture, n.d). As a result, most consumers in developing countries buy food from micro retailers, because they can buy on credit, an option unavailable to them at modern retail stores.

Studies in developing countries predict that micro-retailers may survive and prosper as food retail environments change (D' Andrea *et al.,* 2006; Khare, 2012), contrary to Castaldo *et al*., (2013), who argue that the increase in size of the most important companies may cause the disappearance of smaller operators who are not able to rely on the market power and economies of scale of giant distributors or manufacturing companies. Empirical evidence shows that low income consumers do not make purchases just based on price but also based on other preferences (Aleman *et al.,* 2006; D' Andrea *et al*., 2006).

It is very important to document and analyse the strategies used by micro retailers, so that new players can learn how to operate in Africa's business environment. What strategies can GLRs use to reach this big population of low income earners in Africa? Will micro vendors depend only on the cohort of *basic survivors* while these countries are transforming? Furthermore, studies can focus on the learning capabilities of retailers and mechanisms that allow local producers in contact with GLRs to develop their management tools and practices to improve their standards.

Regionalisation and expansions of GLRs

Globally, retailers are faced with the problem of unpredictable food policies in host countries (Bianchi, 2009). It is well known that African business growth is paralysed by a number of tariff and non-tariff barriers to trade. UNCTAD (2013) estimates intra-African trade is 11%, which is far below its potential, given its level of development and endowment factors. With rising investment in Africa's food business, the critical question is how cross-border firms can benefit in the midst of that business hurdles that limit intra-African trade. Simultaneously, Africa faces problems of low production, which means mobility of goods is highly encouraged to curb shortages of supply. In these situations, GLRs are expected to source products from different parts of the world and within the continent. Furthermore, regional economic blocks limit imports. For instance, a chicken importation ban in Kenya resulted in a shortage of supply to retailers and fast food restaurants such as KFC (Hinshaw, 2013). These findings raise questions about the sourcing practices of GLRs: How can GLRs strategise their sourcing techniques? What are the impacts on the internationalisation of retailing in Africa? How can trade policies in Africa be harmonised to allow GLRs to operate more efficiently?

Internationalisation of African food retailers

A second very significant body of work calls for understanding the impact of internationalisation on African retailers. Key themes suggested in this area that need more attention from researchers include: *developing economies' cross-border internationalisation and strategies for the market share protection of African retailers during the arrival of GLRs*.

Developing economies cross-border internationalisation

Table 2 shows that cross border retailing internationalisation in Africa is dominated by Kenyan and South African retailers. For instance, Nakumatt Supermarket, a Kenyan retailer expanded first to Uganda, then Rwanda and Tanzania. Similarly, South African retailers expanded first to Botswana, Namibia and Lesotho and then to other countries in the Southern Africa Development Community (SADC) region. Empirical evidence shows that firms from highly developed and competitive markets may perform well in less developed distant markets, where they face less direct competition from host countries firms (Evans and Mavondo, 2002). That means the psychic distance of international firms gives South African retailers an advantage in other developing economies such as Tanzania.

Their national history and shared SADC membership create a smaller psychic distance for South Africa and Tanzania. Nevertheless, the South African firms Pick n Pay and Shoprite quit the Tanzanian markets (The Citizen, 2014). Metro Cash and Carry collapsed in Uganda and Kenya in 2005 and 2007 respectively (Business Daily, 2012). Before the end of apartheid, South African firms were not allowed to invest in many African countries. Today, South African companies are players in almost every sector on the continent. Miller (2006) noted that South African investment in Africa is perceived as a new form of colonialism by natives of the host countries. We need to understand: How does this notion affect South African retailers? What can we learn from the failure of South African retailers in Africa and the impact of psychic distance theory? What challenges face African retailers in the internationalisation process?

Insert Table 2 here

The battle for the Africa market: GLRs vs African retailers

Bianchi and Ostale (2006) argue that GLRs' legitimacy failure was the strongest reason for the exit of most successful retailers in developing economies. These authors understand legitimacy to mean the host country's endorsement of an international firm operating in the country. Literature on retailing internationalisation associates the failures of Walmart and Home Depot with the companies' employment policies and the marginalisation of domestic suppliers (da Rocha and Dib, 2002; Arnold and Bianchi, 2004). Amine and Tanfous (2012) find there is non-organised avoidance of foreign retailers in Tunisia due to the introduction of foreign values. In Egypt, Sainsbury's, a UK retailer, was vandalised by consumers and boycotted after associating with Israel and the firm exited within a year of market entry (BBC, 2001). Da Rocha and Dib (2002) observed that domestic retailers in Brazil formed clandestine activities to pressure domestic processors not to sell to Walmart. What strategies are formulated and implemented by GLRs to attract consumers in Africa?

Studies show that some GLRs have been defeated in Chile (Bianchi and Mena, 2004), and Carrefour withdrew from Algeria in 2009 (Forbes, 2013). On the other hand, the defeat of GLRs by domestic retailers may indicate that domestic retailers are more strategic. Unfortunately, less is known about how retailers in developing economies protect their market share following the arrival of GLRs. Goldman (2000), Alexander and de Lira e Silva (2002), and Bianchi (2009) appeal for more research on retail internationalisation spearheaded by retailers from developing economies about how they protect their market share. We need to understand how host country retailers protect their market share. What kinds of strategies are used by emerging economies' retailers in Africa following the entry of GLRs?

Procurement practices of international retailers

With the rise of modern food retailing on the continent, there is a debate on how host countries small growers can be integrated into the new form of food distribution (Jordaan *et al*., 2008; King and Ortmann, 2010). Different methods have been proposed to link small growers to modern food retailers in the global market. These methods include the use of certified suppliers, direct connections with retailers, formation of farmers' groups (Sindi, 2013), contract farming and wholesalers (Blandon *et al.,* 2009). A third very significant body of literature addresses the impact of retailers' procurement on African small scale growers. Key themes identified in this area include: *integrating small scale growers in modern retailing, relationships between suppliers and retailers' selection of suppliers in developing economies*.

Integrating small scale growers in modern retailing

Vertical coordination is one of the preferred models to connect rural farmers with urban consumers, who in turn would benefit growers by paying a premium price for growers' products. The concept of vertical coordination minimises intermediaries who add high margins without adding equivalent value. Nevertheless, the approach would not be as applicable in Africa, due to the geographic dispersion and the low overall production capacity of small growers. These limitations prevent growers from meeting the high demands of supermarkets. For instance, in Kenya, modern food retailing grows at a rate of 19% annually (The EastAfrican, 2013). To meet this high growth rate would require small growers to increase capacity. This increase in production capacity would require investment in irrigation, buying refrigerated trucks and having packing facilities at their own production premises. Without these investments, they would not be able to meet the demand. Moreover, road networks are poor and make some areas inaccessible, meaning that the use of intermediaries is necessary to access certain commodities in certain villages. Furthermore, to reduce transaction costs in some places, intermediaries who will collect and pay domestic growers are required (Reardon and Weatherspoon, 2003).

However, the literature shows that small growers are exploited when working with large companies, because their power to negotiate is negligible (Hingley 2005; Casswell *et al*., 2006). Empirical evidences shows that farmers prefer to work with retailers rather than wholesalers (Berdegue *et al*., 2007; Blandon *et al*., 2009). Research is necessary and valuable in helping to understand how Africa is going to manage trade-offs between the autonomy of small growers and the added value of intermediaries. What is the level of performance of the small growers linked to retailers through wholesalers? In comparison, which mode is preferred by both retailers and small growers, and why?

Relationships between suppliers and retailers

Early literature on seller-retailer relationships focuses on how power originates and is applied, intra-channel conflict, and channel member satisfaction (El-Ansary and Stern, 1972; Hunt and Nevin, 1974). Later seller-retailer relationship studies have focused on how agri-food suppliers can strategically work in a power imbalance (Hingely, 2005; Melewar and Roslin, 2000). Issues of fairness in a retailer-supplier relationship and how developing economies' suppliers perceive their relationships with modern retailers emerge as a powerful theme (Bengtsson *et al*., 2000; Suh, 2005). Bonsu and Sigue (2012) found that brewers in Cameroon, despite being more powerful than small retailers, prefer a strategy of information exchange over one based on promises and threats. However, this finding needs to be accepted with caution, because the study focused on small retailers. The finding may not be broadly applicable to African suppliers who come into contact with GLRs with a significant number of outlets. Furthermore, GLRs are the ones who are driving the chain (Kumar, 1997); while in developing economies it is suppliers who are driving the chain, due to insufficient supply in the context of high demand. Aman and Hopkins (2010) find that distributors in Pakistan use strategies of threats with newly entering international players. As mentioned previously, most African studies of retailer-supplier relationships focus on the export market. Therefore, the entry of GLRs raises the need to understand how distributors behave in Africa. It is important to understand the strategies that will be used by GLRs to work with African agri-food suppliers.

Retailer's selection of food suppliers in developing economies

There are different models suggested for understanding the decisions taken by retailers in the selection of suppliers (Pellegrini and Zanderighi, 1991; Chen and Sternquist, 2006). None of them has used data from Africa. This suggests that GLRs in Africa are using criteria and techniques developed in other parts of the world. De Mooij and Hofstede (2002) argue that emerging income convergence does not mean that consumers will be homogeneous. Furthermore, de Mooij and

Hofstede (2002) call for international retailers to adapt retailing strategies to existing cultural differences. So it is high time to develop a framework for studying retailer decisions based on the African agribusiness context. Research shows that indigenous entrepreneurs are not trustworthy and not committed to business contracts (Kristiansen and Jenssen, 2004). There are a number of unethical business practices in Africa, and most of them are conducted by actors in businesses that accelerate land degradation and environmental pollution. How can GLRs work with domestic suppliers without the benefit of a trusting relationship? How would the retailer-supplier relationship be developed? How will GLR retailers influence ethical business practices on the continent?

The food buying behaviour of the African middle class

Previous studies on consumer' behaviour in developing countries focused on economic factors, especially income, population density and private car ownership (Uncles and Kwok, 2009; Minten *et al*., 2010; Gorton *et al*., 2011). The increase in the market share of modern food retailing in Africa, for instance in Kenya, was 30% in 2010 (The EastAfrican, 2012), up from 20% in 2000 (Reardon and Weatherspoon, 2003), and in South Africa it was 55% (Bianabe *et al.,* 2011). These data indicate that something more than just economic growth accounts for this change.

Preferences for modern retailing vs open markets

One of the major reasons for the decline of the traditional retail market is the high price, compared with the low price and wider range of choices offered by supermarkets in emerging economies (Jordan *et al*., 2008). However, price perception is a challenge for GLRs. In spite of offering lower prices than the open market, modern retailers are perceived as expensive (D' Andrea *et al*., 2006). This finding is highly debatable, since many works (Goldman, 2001; Goldman *et al*., 1999; Maruyama and Trung, 2007) relating to the wet markets in Asia or the Feria in South America show that for fruits and vegetables, open markets remain more attractive (cheaper) and offer more freshness than GLRs. This indicates a need to understand how consumers perceive the prices offered by retailers, which formats will be preferred, the influence of service quality for consumers and the role of convenience. Emerging market consumers find the atmosphere to be cold and impersonal when shopping in modern retail stores. China's consumers are value-oriented (Cai and Shannon, 2012) and so may ignore the shopping atmosphere. In Libya, however, different sociocultural values make the shopping atmosphere more important to the consumer (Gorton *et al*., 2013). Can GLRs create value for emerging consumers? How would this value be created with a focus on low income consumers? Which formats will be accepted by consumers?

Amine and Lazzaoui (2011) find that consumers transfer value and behaviours from the traditional market into modern retailing. Some of these behaviours are daily purchases, personal relationships with vendors and emotional proximity when shopping (Banerjee and Sinha, 2004; Mai and Zhao, 2004; Aryasari and Prasad, 2011). D' Andrea *et al*., (2006) find that price and product assortment are significant in promoting store image. However, daily purchase behaviour limits retailers' ability to design and implement weekly and monthly promotion strategies. What marketing strategies can be designed by GLRs to meet the needs of consumers who shop daily?

Consumer perceptions of e-commerce

Despite the rise of modern retailing in Africa, most studies conducted on the region focus on the challenges and use of e-business (Maraj, 2008). Ehlers and Jordaan (2009) find that male consumers are more likely to be Internet buyers than females. Akipojvi (2013) find significant relationships between information privacy and the use of loyalty cards by young people. However, most of these studies focused on South African consumers. While there is diversity in Africa in general, retailers introduced loyalty cards and the use of a number of different multi-channels throughout Africa. Some retail stores accept mobile payments in Africa to accelerate the use of e-commerce. A lack of skilled staff also hinders the use of IT in emerging economies (Al-Sudairy and Tang, 2000). What is the optimal number of multiple payments that firms should use? How do African consumers handle the complexity of the increasing number of channels? Furthermore, this sector is not attracting many young people. How can GLRs attract well-qualified IT experts to work with them in Africa?

Discussion

Our critique of the literature has identified many specific research gaps associated with food retailers' internationalisation in Africa that need to be filled, and most of these have been articulated in the previous section. The industry is growing on the continent, and some countries have started to experience the benefits of the sector's growth, such as price reductions and job opportunities.

Unfortunately, despite the benefits of the industry to many countries, as evidenced in this review of the literature, it is not very clear how, if at all, retail internationalisation within the African business context will grow.

It would be unfair to claim that there are absolutely no contributions to explicit retail internationalisation on the continent. Bytheway and Dakota (2014) have explored the impact of entry mode for South African retailers on the continent. Bytheway *et al*., (2010) describe challenges retailers face in internationalisation in Africa. Okeahalam and Wood (2009) investigated techniques used by African retailers to finance internationalisation. However, the results of our review support the previous conclusions of Goldman (2000) and Bianchi (2009): that is, the literature in this area is extremely limited.

Despite, the absence of many contributions on retail internationalisation focused on Africa, it can be argued that there is much within the main body of literature reviewed that might help to inform the growth of the industry on the continent and in other developing economies, which would be of interest to investors on the continent. For example, studies on the impact of modern food retail distribution and linkages with small scale farmers might help new players in developing economies (Blandon *et al.,* 2009; Emongor, 2009; Emongor and Kirsten, 2009; Louw *et al.*, 2007; Neven and Reardon, 2004). In a similar vein studies on consumers and supermarkets might help retailers target new markets (Abratt and Goodey, 1990; Chege *et al*., 2006)

While the existing literature presents many insights that could help to inform and shape the retail internationalisation process, there is still an urgent need for more studies that explicitly target the African business context. In particular, the following significant research questions have to be addressed:-

- *How would GLRs strategise their sourcing techniques within Africa?* There has been much debate in developing economies as to which sourcing technique is best for retailers. On the one hand, Blandon *et al*., (2009) and Sindi (2013) argue that growers benefit from direct contact with retailers while Dolan and Humphrey, (2000) and Neven and Reardon, (2004) argue that small scale farmers are taking on all the costs and do not benefit from working directly with retailers. Indeed, this debate has not been fully resolved either in the general sense or with respect to the impact of the agricultural sector on the continent's economy and challenges with working with small scale farmers who are major producers in Africa.

- *How can the trade policies in Africa be harmonised to allow GLRs to operate?* To date there have been few studies devoted to the impact of policies on the continent's economy or to retail internationalisation. Nevertheless, we pointed out some fragile policies on the agri-food sector in Africa that are designed to protect local producers. A key question is the degree to which GLRs would be flexible, to allow the industry to grow on the continent despite the unstable commodity supply in African countries.
- *What kinds of strategies are used by African retailers following the entry of GLRs?* In international business, there is a general consensus that local firms might understand the business context better than foreign firms. However, this assertion has not been subjected to significant academic scrutiny, and has certainly not been tested specifically in the context of host country retailers in Africa. Little is known about how African retailers are protecting their market share in the wake of the arrival of GLRs.

Implications to policy makers

When Walmart acquired Massmart, one of the issues was the future of small scale farmers. The new management announced a linkage plan with farmers as part of their corporate social responsibility commitments. We argued previously that working with small scale farmers is a major challenge in developing economies. Therefore, it is important for policy makers to design a strategy that would ensure that small scale farmers are not left behind by these market changes. Indigenous entrepreneurs also find it difficult to work under the new order due to, among other things, GLRs' credit purchasing behaviour.

Policy has to be formulated on financing indigenous entrepreneurs with working capital. This capital can be obtained for endogenous firms that sign contracts with GLRs, using that contract in order to qualify for a special scheme loan from selected commercial banks. For example, in Tanzania, a linkage strategy between indigenous food suppliers and mining corporations has been implemented with the financial support from commercial banks (see Bekefi, 2006). First, the local firms must show a signed long-term contract with the mining companies. The same model can be replicated in the linkage of local food processors to GLRs in Africa.

Agriculture policies are very fragile in Africa, and are influenced by a desire to protect local producers. We highlighted Kenya's chicken importation ban and issues with the capacity of local growers. This import policy involves a trade-off between protecting growers and meeting the needs of domestic consumers. Policy-makers have a major role to play in retail internationalisation through harmonisation policies that could allow retailers to source from different parts of the continent.

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Table 1: Global large retailers in Africa

Name of the retailer	Countries where it operates	Entry mode	Status
Carrefour (France)	Egypt, Morocco, Senegal, Algeria, Tunisia	Franchising, Partnership	In operation in other countries but exited Algeria in 2009
Metro (Germany)	Egypt	Franchising	In operation
Spar International	South Africa, Zimbabwe, Zambia, Namibia, Nigeria, Botswana, Malawi, Mozambique, Mauritius	Franchising, Greenfield, Acquisitions	In operation since 1963
Casino (France)	Djibouti, Senegal, Ivory Coast, Cameroon, Gabon, Congo-Brazzaville, Tunisia, Togo, Comoros, Mauritius, Madagascar, Reunion , Benin	Franchising, Acquisitions, Partnership, Greenfield	In operation since 1994
Sainsbury (UK)	Egypt	Partnership	Exit in 2001
Mark and Spencer (UK)	Egypt, Libya	Franchising, partnership	In operation
Syst (France)	Mauritius	Franchising	In operation
Defense Commissions Agency (DECA) (USA)	Egypt	-	In operation
Lulu International Group (UAE)	Egypt	Greenfield	In operation
Daiso Sangyo Inc (Japan)	Mauritius	Partnership	In operations
Walmart (USA)/Mass-Mart (The Game) (South Africa)	Tanzania, Uganda, Ghana, Nigeria, Zambia, Malawi, Mozambique, Botswana, Swaziland, Lesotho, Namibia, Mauritius	Acquisitions	In operations since 2012

Sources: BBC (2001); https://nrf.com/resources/top-retailers-list/global-powers-of-retailing-top-250-2013; http://www.planetretail.net/catalog/BreakingNews/15062007_na.htm

Table 2: Cross border retailers operating in Africa

Retailers	Countries	Number of stores
Uchumi (Kenya)	Uganda	5
	Tanzania	6
Nakumat (Kenya)	Tanzania	4
	Uganda	4
	Rwanda	2
Tuskys (Kenya)	Uganda	7
Pick n Pay (South Africa)	Botswana, Lesotho, Mauritius, Mozambique, Namibia, Swaziland, Zambia, Zimbabwe	116
Shoprite (South Africa)	Tanzania, Nigeria, DRC, Uganda, Botswana, Lesotho, Mauritius, Mozambique, Namibia, Swaziland, Zambia, Zimbabwe, Angola, Madagascar, Ghana, Uganda	181
Massmart/Walmart (South Africa/USA)	Tanzania, Uganda, Ghana, Nigeria, Zambia, Malawi, Mozambique, Botswana, Swaziland, Lesotho, Namibia, Mauritius	43

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