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WINNING *"GO-TO-MARKET"* STRATEGIES FOR EARLY-STAGE AFRICAN TECH STARTUPS

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WHY THIS *WHITE PAPER?*

A recent post on LinkedIn by the CEO of one of our portfolio companies highlighted the need for more open knowledge sharing about go-to-market strategies for African startups. This prompted Antler and other founders to join the discussion and share their successful tactics to save other founders from reinventing the wheel or duplicating efforts. In this paper, we share a couple of different strategies we have seen work (and not work) on the continent.

With a global presence and a portfolio of more than 1400 tech companies, Antler has witnessed many startups launch and go from "zero to one". We partner with exceptional founders in 30 cities across six continents to launch and scale startups that address meaningful opportunities and challenges. Since 2020, Antler has made 26 investments out of Nairobi, and has recently opened its second location in Lagos.
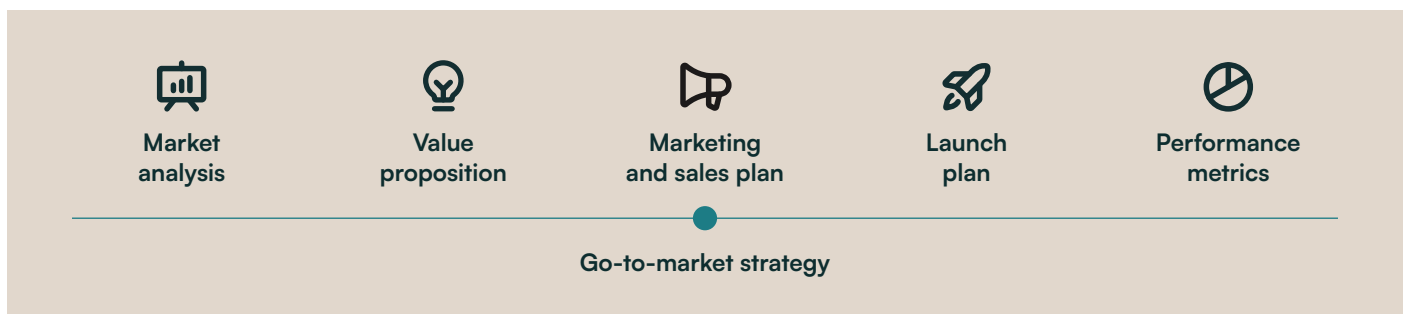
WHAT'S A *GO-TO-MARKET* STRATEGY?

A go-to-market strategy is a comprehensive plan that outlines how a company will launch a new product or service. Broadly, the strategy answers two fundamental questions: (i) what is the product or service being delivered and (ii) how will the company reach customers effectively to sell this offering?

Broken down further, a typical GTM strategy includes the following elements[2]:

- **Market Analysis:** Identify market segments to target based on customer needs, preferences, and behaviors. This should also include demographic and geographic variables to understand factors influencing willingness to pay

- **Value Proposition:** Define the unique value that a startup's product or service delivers and how it differs from the competition. Emphasize branding and positioning to ensure your value proposition resonates with your audience

- **Marketing and Sales Plan:** Determine how the company will reach its customers by positioning the product to clearly communicate its value proposition. Identify the most effective channels for marketing (digital, print, events, etc.) and sales (direct, indirect) to optimize reach and impact, including use of partners and collaborators for cost-effective execution

- **Launch Plan:** Outline the launch process, covering key elements like pricing, timing, and distribution channels. Develop a clear communication strategy to generate awareness and engage potential customers

- **Performance Metrics:** Establish metrics to track the strategy's success, including awareness, customer acquisition cost, and market share. Include earlier stage metrics like awareness and knowledge to assess progress in the initial phases, and adopt a flexible approach to adjust based on data-driven insights

For startups, the importance of a good go-to-market strategy lies in its ability to align the organization and inform decisions about the product or service.[3]

| Market analysis | Value proposition | Marketing and sales plan | Launch plan | Performance metrics |

Go-to-market strategy

[2] M. Crawford and A. Di Benedetto, "New Products Management". See also, M. Lovegrove, "How To Create A Winning Go-To-Market Strategy For Startups", Antler, 18 April 2023, available at: https://www.antler.co/academy/go-to-market-strategy-for-startups (consulted July 2024).
[3] L. Smith, "It's Never Too Early for a Go-To-Market Strategy", Stanford Engineering Entrepreneurship Center, 13 October 2021, available at: https://ecorner.stanford.edu/clips/its-never-too-early-for-a-go-to-market-strategy/ (consulted July 2024).

WHAT TACTICS HAVE *PROVEN TO WORK* ON THE AFRICAN CONTINENT?

Africa boasts extensive cultural, economic, and geographic diversity, creating unique market dynamics that differ significantly from those in more developed markets. A one-size-fits-all approach to go-to-market strategies cannot be directly applied from other economies. Instead, successful strategies in Africa tend to be those carefully tailored to address the region's distinctive infrastructure challenges, varying levels of purchasing power, and the critical importance of building trust among consumers.

Further, we will examine four different go-to-market strategies explored by African startups that we have found to be impactful, targeting different personas (both consumer and businesses), whilst highlighting the specific contextual factors that have contributed to their success or failure.

While we have observed that some strategies align more closely with specific business models, successful startups often find value in a blended approach.

Go-to-market strategy archetypes

🔴 Main strategies
🟢 Secondary strategies

	Content	Networks	Partnerships	Direct sales
UNCOVER A skincare brand providing high-quality and affordable products for melanated skin	🔴			🟢
money 254 A financial services lead generator	🔴			🟢
hello tractor An agri-tech company providing digital solutions, mechanization, financing to smallholder farmers and tractor owners		🔴	🟢	🟢
mosmos A "save to buy" solution for electronics and other household items			🔴	🟢
craydel A tech platform for African students to search, match and apply to their best-fit universities			🔴	🟢
HoneyCoin A cross-border remittance company	🟢			🔴

Other strategies that work well in mature markets don't always take off in Africa. Product-led growth and freemium software models rely on users eventually paying for advanced features, but with lower purchasing power, many customers remain with their free versions indefinitely, making it hard for businesses to get to profitability or scale. Digital outbound marketing has high reach, but conversion rates can be low due to trust concerns and the strong role of word-of-mouth recommendations. Subscription models with automatic renewals also face challenges since many price sensitive customers prefer pay-as-you-go (or down payment) options due to inconsistent income and relatively limited use of credit cards or access to direct debit options.

CONTENT STRATEGIES

Uncover and Money254 are two startups that in different ways have centered their GTM strategies around content to educate customers and build trust to attract product adoption and brand loyalty.

UNCOVER

The GTM journey of Uncover

Uncover is a Kenyan skincare brand that pioneered products specifically made for melanated skin. As they were serving customers who have not encountered products tailored to their skin concerns/needs in this way before, the company focused heavily on content for their launch.

Uncover did this first digitally by leveraging social media. Their multiple social media accounts prioritized content that educated customers on their products. They did this effectively by tailoring content to each platform. For example, Instagram content would be more polished and aesthetically oriented than TikTok content, which is more raw and fun. They also worked with influencers and found success particularly with micro- and nano-influencers as they serve a niche audience with more aligned interests

and have the ability to be an authentic voice and advocate for the product and brand.

They also launched ads but cautioned that you need to overcome the recognition barrier through content to get the full potential from ads. Other startups also echoed that if potential customers need to become more familiar with the brand, click-through and conversion rates are likely to remain modest across digital channels. It is therefore crucial to complement performance marketing with awareness-building activities to enhance brand visibility and trust before reaching the full potential of paid ads.

Offline, Uncover also offered content through consultations with skincare experts and retailers. This is further explored under Direct Sales Strategies.

money|254

The GTM journey of Money254

Money254's business model is effective lead generation for financial institutions. High-quality leads are born by letting consumers compare different product offerings to identify the best one for their needs.

After launching their initial lending product comparison tool, the team quickly realized the importance of building initial customer trust to drive loan application conversions. To do this, it adopted a content strategy focused on educating customers on financial literacy above promoting sales. By publishing 50-60 financial literacy articles per month, paired with a robust SEO strategy (search engine optimization[4]), the team was able to drive more than 10,000 users to the website daily, spending on average 5 minutes per visit.

Unlike Uncover, which leverages existing influencers to drive brand awareness and sales, Money254 realized there was a lack of thought leaders in the financial literacy space in social media. Seizing this opportunity, the team effectively leveraged their own content to become an influencer under the "Money254" brand itself. And as

more and more customers grew familiar with the voice of the brand, product conversions gradually started to grow.

Establishing partnerships with large financial institutions for paid lead generation was also a challenge for Money254 in the early days. Instead of spending weeks (or months) convincing each corporate to pay for lead generation, the team managed to organically drive inbound interest from the same institutions by demonstrating rapidly growing traffic flows from the Money254 website to the local banks and lenders. By showing solid numbers, this B2B growth hack enabled the business to sell itself

However with time, increasing CAC (largely driven by growing competition for Google keywords in the financial space and marketing expenses locked in USD with a rapidly depreciating Kenyan Shilling at the time) combined with limited revenue upside from the service, led the team to eventually spin-off the Money254 website and comparison tool.

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[4] An SEO strategy is a plan to improve the visibility and ranking of a website across search engine results to attract organic traffic to the site. It is typically part of a business' digital marketing efforts and involves improving the site's keywords, content, meta tags, and structure.

Other lessons learned from additional startups using content in their GTM strategies:

- **SEO is an investment:** SEO can be a very cost-effective strategy, but search engines often alter their algorithms to modify how they place search results (e.g., shifting from prioritizing content-oriented sites to established service providers). Startups should also not underestimate the time investment in creating high-quality content, and SEO may take time to fully yield results. Soon LLM-optimization for visibility on tools like ChatGPT will likely become of increasing importance too.

- **Focus on quality customers vs. downloads:** MosMos noted that Facebook, despite generating 4-5 times higher clicks and impressions than Google, often failed to attract quality customers. Facebook would drive far more initial downloads, but higher churn rates and limited completed "save to buy" bookings on their platform made this channel twice as expensive ($15 per quality customer) vs. Google ($7-8 per quality customer). The startup attributes this to Google's ability to better identify the customer as close to their true moment of purchasing intent as possible, for example, a phone or home appliances.

- **Be mindful of keyword competition:** Craydel highlighted the competitive edge gained when no (or at least very few) other competitors were actively bidding for similar type keywords. However, in other industries (for example financial services in Kenya), Money254 has over the past 3 years seen increasing competition for target keywords, complicating the bidding process and reducing the financial attractiveness of the channel

- **Not all channels work the same for everything:** It's important to note though that the effectiveness of different channels varies depending on the product. For example, a financial services startup found that social media lacked the formality for their products, while for skincare it works really well.

NETWORK STRATEGIES

hello tractor

Hello Tractor operates a two-sided marketplace that connects tractor owners with renters (smallholder farmers) through a network of booking agents who facilitate transactions, almost like an Uber for farming equipment.

The brilliance of Hello Tractor's approach lies in its focus on building strategic partnerships across its industry ecosystem. Hello Tractor engages players that impact agriculture such as farmer organizations and agricultural institutions. These collaborations not only enhance its understanding of regional agricultural dynamics but also help it identify individuals interested in becoming booking agents.

Booking agents are pivotal in expanding Hello Tractor's reach across multiple African countries. Acting as the company's representatives - often their sole presence in certain areas - they are instrumental in tailoring market entry strategies to suit regional needs and driving sales.

As they are so crucial, Hello Tractor runs significant trainings, investing in its agents almost as they would with their own employees.

To drive performance and incentivize growth, the company has developed a tiered system that rewards agents based on their performance, motivating them to increase their sales and advance in their roles. As a smart hack, some agents even transition to become tractor owners themselves, strengthening both their ties to the company and sales motivation.

The company further fuels its network expansion by rewarding referrals, tapping into the networks of satisfied agents who share their experience with others. This cycle of recognition and incentives has enabled Hello Tractor to build a thriving ecosystem where all participants - agents, tractor owners, and renters - benefit.

PARTNERSHIP STRATEGIES

Craydel and Mosmos have built their strategies around forging strong partnerships and leveraging these relationships to gain significant credibility from the outset. By focusing on collaborative efforts, this approach has allowed them to expand their reach, enhance brand awareness, and become trusted entities within their respective domains.

craydel

Craydel's Partnering with High Schools

Craydel partners with high schools across Africa to directly access students who are looking to study abroad and empower their counsellors to provide careers and higher education guidance to these students. This not only helps them better understand their customer but also to build trust with students and parents.

When Craydel's founders were developing their company vision, they found that there are talented students who had the potential to excel in universities abroad but lacked the financial means. Simultaneously, they recognized that universities have scholarships available and are eager to attract top students. Their solution: matching both through a pitch competition to award scholarships to top students to study abroad. This initiative not only provided opportunities for deserving students but also helped Craydel to quickly build its footprint and brand in high schools.

To do this, Craydel organizes an annual business pitch competition for high school students in Kenya. Teams compete for full scholarships to study in Ireland. Finalists get the exciting opportunity to pitch their business ideas on national television to a panel of experts, creating an inspiring showcase of the students' ingenuity and talent for all of Kenya to witness. The 2024 competition had over 150 teams from over 40 high schools participating.

In 2025, Craydel plans to expand the competition to East Africa and launch another competition in Zimbabwe for full scholarships to study in Germany.

Organizing these national events requires a significant effort and resources from the startup, but the benefits are transformative. The event elevates Craydel's visibility among high schools (its clients) and viewers across the country, driving organic brand recognition through word-of-mouth. For partnerships, the competition enabled Craydel to form and strengthen partnerships with numerous high schools, who contacted Craydel to work together. The competition is an inventive way for the company to expand its reach and solidify its commitment to enabling opportunities for African students, while driving traffic to its underlying business and services.

mosmos

MosMos' Partnering with Established Businesses

MosMos, a save-now buy-later solution for online shopping and brick-and-mortar retailers, relies on establishing partnerships with retailers to drive growth. To cultivate a robust network within the retail industry, MosMos has explored a multifaceted approach. This includes proactive outreach to retailers, getting direct introductions from within their network and seeking opportunities to meet representatives from retailers.

When doing proactive outreach to retailers, Mosmos and other startups emphasize the importance of making this a founder-led effort as their vision and involvement can significantly influence the outcome. In some cultures, like in Kenya, a founder's direct involvement is perceived as a sign of respect and provides further credibility to the relationship the startup wants to build with the established business.

To meet representatives from retailers, MosMos leaders joined a business association that gathered contacts from different retailers. While this kind of activities might not seem a priority within the founder's competing time demands, they can provide two main benefits. First, it forms a curated network of contacts. Relevant associations can serve as the meeting point for individuals with shared interests which can significantly enhance the likelihood of establishing a meaningful relationship. Second, belonging to such associations contribute to building the founders' credibility in a certain industry, in addition to helping them stay up to date with industry trends.

Other lessons learned from additional startups using partnerships in their GTM strategies:

- **Pursue relentlessly your first partnership as this will have a catalyst effect:** Securing the first partnership with an established business is often the hardest but the most crucial. A founder provided words of encouragement, "once we started selling in our first big retailer, others sought us out". Other relationships will be easier to obtain since the startup will have a boost in credibility from the first relationship, especially if with a well-known brand

- **Seek direct introductions to decision makers:** Direct introductions to established businesses often expedite initial contact compared to cold emails or calls. Leveraging investors or personal networks for introductions can be highly effective. However, startups also recalled successful partnerships that began from cold outreach (even from LinkedIn)

- **Consider partners' expectations:** A successful partnership will rely on alignment between the startup's offering and the partners needs. For example, when pitching to large retailers, startups should consider that they often plan their sales activities in advance, so startups need to prepare for the delayed impact on sales and demonstrate their long-term planning capabilities. On the other hand, while smaller businesses have the benefit of quick decision-making (as you are typically dealing directly with the business owner), they often have unique considerations as limited space for stock, training needs, low foot traffic and restricted cash flows

Overall, businesses highlighted the importance of building relationships within their sector. A prevalent misconception is that relationships can be built through a single interaction. Founders agreed that, particularly in Kenya, their most beneficial business relationships have been those forged over time, where they have invested effort to make each encounter meaningful. Multiple interactions (of value) are most of the time necessary to validate the business in the partners' eyes and build trust.

DIRECT SALES STRATEGIES

HoneyCoin's main channel is B2B direct sales, while Uncover found success in complementing its online content strategy with direct sales as a means to gain trust and visibility.

UNCOVER

Uncover building out its multi-touchpoint strategy

As a hack to build trust and quick product adoption, Uncover sought to lower its entry barriers. It started the business by selling sheet masks to introduce their brand to new customers, priced at 20% of the price of a full-size product. By offering a simple and easy-to-try entry product, they presented the Kenyan market with an affordable option to initially try out their brand. This strategy not only served as a revenue source during the development of their broader product line, but enabled them to quicker upsell more expensive products as they launched due to the initial trust that had formed.

They also met consumers where they wanted to shop. Uncover has seen great results by selling on Whatsapp through Sukhiba (another Antler-backed company), amounting to almost 30% of its direct-to-consumer revenue. They realized that customers value speaking with someone about their skin concerns to get the best recommendation and Whatsapp was the preferred method to do so.

Through these various means, Uncover was able to leverage customer data to understand behavior. Customer preferences are often unpredictable and can change from initial expectations. Implementing a robust data tracking system online was crucial for them to monitor how customers interact with the product. Hard data needs to be combined with methods to listen to the voice of the customer (qualitative outputs) - as these outputs will tell you the "why" behind the data trends. For instance, Uncover offers a skincare quiz to understand what customers are looking for. By using a combined approach of quantitative and qualitative customer data, businesses can refine their products as well as sales approach.

HoneyCoin

HoneyCoin driving direct sales

HoneyCoin facilitates cross-border payments, helping individual customers as well as companies obtain attractive FX rates and timely payments. They started out as B2C focused platform but ended up massively growing their B2B presence when companies started reaching out to utilize their infrastructure.

Upon closing its first few inbound company requests, HoneyCoin used a direct sales approach to grow its B2B client base. Although driving some leads, global payments conferences turned out to be a relatively low value for money channel for the company. The same with outbound LinkedIn requests. What truely made a turn for the company was referrals, which in the beginning took place more informally. By structuring this approach and offering customers discounted services for signed referrals made the customer adoption flywheel spin. Testimonials from existing clients have also proven effective in direct sales, especially from well-known brands.

Other lessons learned from additional startups using direct sales in their GTM strategies:

- **Build regular touchpoints:** Having regular touchpoints can combat the initial skepticism or fear customers have in a new business. Take Money254 for instance: it uses email and regular communication to demonstrate transparency for loan applicants. In agriculture, Hello Tractor also implements regular touchpoints. They explained that they "try as much to be proactive beyond just getting feedback on complaints". This contact serves not only to build trust but also as a means to understand the customer and get ideas for new products

- **Plan for opportunities that enable word-of-mouth interactions:** Opportunities to foster word-of-mouth interactions have worked to push brand awareness. The channel for these opportunities varies depending on the sector. For instance, in-person events worked for Craydel but not for a fin-tech startup. Craydel's school events have worked to build students' trust in the company's commitment to supporting them in their higher education search. On the other hand, a fin-tech startup discontinued holding events since it was too labor intensive and did not result in conversions. For them, creating a community through online channels worked best

- **Transform retail sales to direct-to-consumer:** Startups often introduce their products through retail partners. "Once customers make their first purchase through a retailer, they will make their second or third purchase directly from us", a founder explained. Noticing this trend, the startup capitalized on it by encouraging customers to download their app during their initial interaction, facilitating future sales.

- **Set up a referral program since the start:** All startups interviewed had a form of referral program. While its monetization varies depending on the industry, referral programs provide a structure for organic referrals following a positive experience. Employee referrals were noted as having high conversion rates without the need to build brand trust or credibility. These are particularly important during the early days of the company

Considering cultural differences in the voice of the customer

Understanding and appreciating cultural nuances is essential for accurately interpreting and gathering customer feedback. Some cultures tend to provide indirect negative feedback, where positive messages are used to wrap around negative ones, qualifying descriptions are frequently used and criticism is given in private. Kenya and Ghana tend to fall in this category.[5]

Startups should be mindful of these subtleties and consider them as they analyze customer feedback. Recognizing these patterns helps to frame how feedback is collected to uncover real customer opinions.

While it would be impossible to generalize a country's culture, startups should research the predominant cultural trends. For instance, a representative from a technology company operating throughout Africa explained some differences (at a high level) in the B2B context:

Kenya

Customers are very polite and don't always reveal their true opinions

South Africa

Every pitch is met with enthusiasm, which can lead to false positives

Nigeria

Feedback tends to be more straightforward

ORGANIZATIONAL *SET-UP*

A go-to-market strategy is inherently broad, encompassing areas such as sales, marketing, pricing and product development. Thus, alignment within the company is key. Founders coincide with the importance of being involved in crafting the go-to-market strategy from the start. This allows for flexibility and iteration of strategies. Startups often find their strategies evolve significantly over time.

For instance, Money254 includes founders within related teams (e.g., commercial team and product and tech team)

and MosMos involves their whole team in the discussions. Another startup initially delegated this function to an industry expert but quickly realized that, despite the expert's experience, they lacked the overarching vision of the company and industry that only a founder could provide. As companies grow, founders play a crucial role in the strategy but more responsibility is delegated to others. For example, Hello Tractor maintains a central office that ensures consistency and training across the regional offices and mechanization hubs.

[5] E. Meyer, The Culture Map (2014).

CONCLUSION

Effective go-to-market strategies are crucial for the early success of African tech startups. This paper has highlighted lessons learned from various African tech startups and draws from the experiences of Antler's portfolio.

The five key lessons we hope our founders and other African entrepreneurs leverage are:

01. *BE CUSTOMER CENTRIC*

Starting with the customer is not only critical to developing a great product, but also in determining your entire GTM

02. *BUILD TRUST EARLY*

Establishing credibility and trust from the outset should be a high-level priority as local customers are cautious about new products and services, particularly those offered online

03. *FIND YOUR "HACK"*

Think through smart hacks (even those that don't scale) that can get you to the first 100 paying customers

04. *DRIVE COMPANY ALIGNMENT*

Founders need to be actively involved in the design and deployment of the strategy, maintaining alignment across all company functions

05. *ADOPT A METRICS DRIVEN ITERATIVE APPROACH*

Set targets for success, measure and evolve accordingly. All founders coincided on how they have tested different channels, marketing methods and even their target customers before finding their optimal GTM approach

By sharing these lessons from African tech startups, we aim to empower other entrepreneurs to refine their go-to-market strategies. We hope that by sharing this collective knowledge, future African entrepreneurs can navigate their go-to-market journey more effectively.