What the Market Already Knew

Lagos Island, December

In Lagos, every kiosk sells shampoo in a pouch the size of your thumb. One use.

For three years, while building a subscription product, I walked past these kiosks every day and never once realised that the shampoo pouch knew something my product did not. That is the thing about culture. It does not hide.

I was not paying close enough attention.

It was December, and we were on Lagos Island, in a conference room a few kilometres from the Atlantic. The meeting had been going for forty minutes. Someone had brought chin-chin in a plastic bowl, and it sat mostly untouched in the middle of the table, which told you something about the mood. On the screen in front of us was a dashboard. The churn rate was high. Growth had stalled. And the engagement number at the bottom of the metrics page showed that subscribers who had paid for access to Stears were not returning to read. People who had spent real money were choosing, consistently, not to use what they had bought.

Stears was something we believed in: rigorous, in-depth economic intelligence about Africa, available by subscription on a monthly, quarterly, or annual basis. The content was strong, the platform worked, and the team was sharp. But none of that solved the underlying problem.

The answer, it turned out, had been sitting across the street the entire time, in the rhythm of a kiosk and the reliability of the man running it. But we were not looking there yet.

What Nigeria Gives You

I am Nigerian, and that matters here not just as biography but as context for how I understood the problem. Nigeria is a place that teaches you, early and repeatedly, that the government will not save you. The light will go. The road will not be fixed. An organisation may disappoint you at the precise moment you need it most. What Nigeria gives you instead is something harder to measure and more durable: the bone-deep understanding that if something is going to happen, you will have to make it happen yourself.

We call it hustle, but that word is too small for what it really is. It is a philosophy of self-reliance that influences how people trade, interact, and decide what is worth paying for. In such an environment, caution is not irrational. It is learned. People

prefer what is visible, specific, and immediate over promises that depend on an organisation proving reliable later.

I grew up in this environment without knowing it was a philosophy. It took building the wrong product in the right market to make me see it clearly. What the market taught me was this: culture does not wait to be consulted. It is already present in every commercial decision people make: what they try first, what they trust, and what they walk away from. In Nigeria, and in many markets like it, the innovations that take hold are rarely the most sophisticated. They are the ones that fit what people already know how to do. The sachet had been teaching that lesson long before technology gave it a new language.

The Sachet

There is a product that has been solving Nigeria's most fundamental commercial problem since before the internet existed. It has no logo. It has never raised a funding round. Nobody calls it a startup.

It is the sachet.

Shampoo in a single-use transparent pouch. Groundnut oil measured for one pot of soup. Water in a sealed plastic sleeve, cold and immediate. Sachet gin, a shot-sized quantity purchased and consumed once. Daily mobile data bundles. Airtime in increments of a hundred naira. The sachet is so embedded into Nigerian life that most people never stopped to ask what it actually means.

Here is what it means: the sachet may be the most culturally intelligent product ever designed for the Nigerian market. Not because it is cheap, but because it is honest. Its value is immediately legible. The customer can see what is being offered, what it costs, and when the transaction ends. You owe nothing further. No advance faith required. No recurring debit arriving next month whether you found value this month or not. It does not ask for much upfront. It only asks you to try it once at a price you can afford.

In doing so, it solved a problem that many formal business models still struggle to solve: how do you build commercial trust in a place where people have learned to be careful with promises? The sachet worked because it matched those conditions.

I call this **Sachet Thinking**: the cultural logic of delivering value in the smallest, clearest, least commitment-heavy unit possible. I do not see it mainly as a response to low income. I see it as a response to uncertainty and low trust. The sachet is an old market habit that still shapes how new technologies are adopted. It is tradition carried forward as a commercial instinct. Its opposite is subscription thinking: asking users to pay today for value they have not yet received, from an organisation that may not yet have earned that level of confidence (see Figure 1).

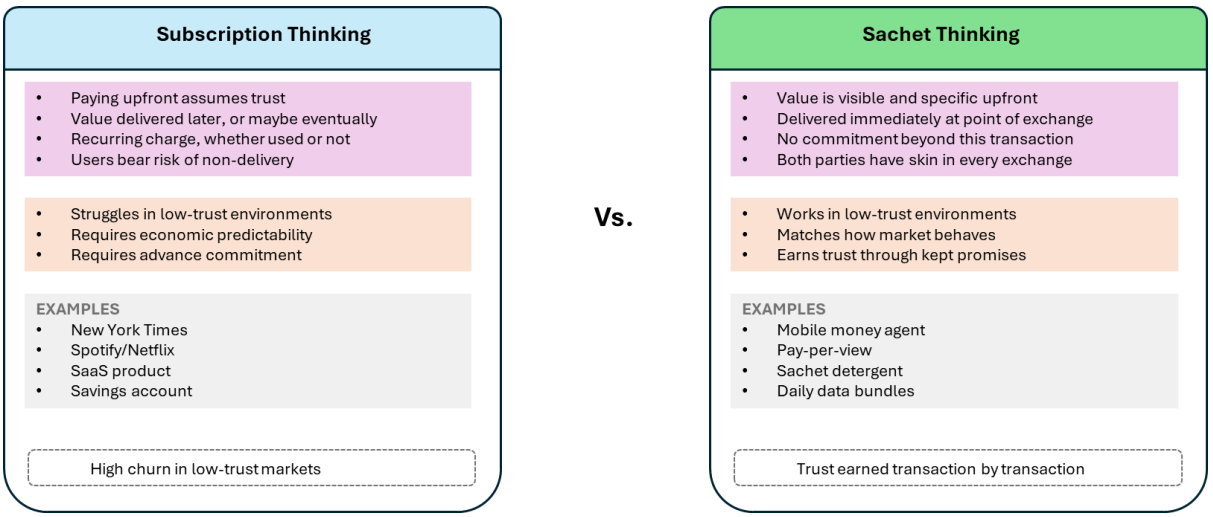


Figure 1: Subscription Thinking vs. Sachet Thinking

The gap between these two philosophies is not a gap in sophistication but a difference in lived conditions. In environments where institutions have been inconsistent, caution becomes a sensible behaviour. A monthly subscription is not just a pricing model. It is a request for advance faith. The sachet removes that demand almost entirely. Everything is visible before anything is exchanged.

Drucker was deeply interested in the assumptions organisations make about people, because those assumptions shape decisions, priorities, and performance. In Management Challenges for the 21st Century, he went further, arguing that every organisation must ask itself what its culture assumes about its employees because those assumptions determine everything, from how decisions are made to how customers are treated.[1] My experience at Stears forced a related question outward: what happens when the market carries its own deeply formed assumptions about risk and commitment? The relationship between an organisation and its customers is shaped not only by internal culture, but by the culture of the people it hopes to serve.

That difference is what culture actually is. In my view, culture is the accumulated answers people have developed to questions that history forced them to ask. In Nigeria, history forced the question early and asked it often. When institutions fail you, how do you still get things done? The sachet is one answer. The kiosk is another. They are not informal workarounds. They are the accumulated wisdom of a market that had to solve the reliability problem long before anyone wrote a paper about it, and solved it by making every transaction small enough to be honest.

[1] Peter F. Drucker, *Management Challenges for the 21st Century* (New York: HarperBusiness, 1999).

The Holy Grail

The hardest part was realising that the metrics exposed a deeper problem in the model.

Subscription had been the holy grail. Every software business we admired was built on it, every playbook pointed toward it, and every investor conversation treated it as proof that you had built something people truly valued. So when churn climbed and growth stalled, we first saw it as an execution problem. We improved onboarding, tested notifications, offered discounts, and kept refining the answer to the wrong question.

The more difficult question was the one the numbers were forcing us to face: what if the model itself did not fit the market? That question was uncomfortable because it challenged more than the product. It challenged the way I had learned to recognise sophistication. I had mistaken recurring revenue for proof of trust, when what I had was a product that users were only willing to try a few times.

Eventually I pulled the churn chart and showed it to my colleague. He had been working hard on customer acquisition, pouring effort into bringing new subscribers in. When he saw the numbers, he went quiet. We were losing almost all the customers we acquired within a year. All that effort, all that cost, flowing into a leaking bucket. The chart suggested the issue was bigger than product tweaks. It suggested the subscription model for this product was not working for this audience. In Drucker's language, this was not just an execution problem. It was a failure in our theory of the business: our assumptions about customer behaviour, value, and willingness to commit no longer matched the reality of the market.[2] Drucker treated unexpected failure not simply as a setback but as an opportunity to innovate, if managers are willing to read it correctly.[3] Our churn data was that kind of signal.

Admitting that the holy grail was borrowed from somewhere else, and that Lagos had its own vessels, felt like starting over. In some ways, it was.

C.K. Prahalad spent the last decade of his life arguing that the four billion people at the bottom of the global economic pyramid are not failed wealthy consumers waiting to be upgraded. They are sophisticated market actors whose constraints have produced a commercial intelligence that more affluent markets have never needed to develop.[4] He was right. But Prahalad told us to start small. He never told us what should come after. That is a question many innovation frameworks do not address clearly, and it matters a lot in a low-trust environment.

[2] Peter F. Drucker, "The Theory of the Business," *Harvard Business Review* (September–October 1994).
[3] Peter F. Drucker, *Innovation and Entrepreneurship* (New York: Harper & Row, 1985).
[4] C.K. Prahalad, *The Fortune at the Bottom of the Pyramid* (Upper Saddle River, NJ: Wharton School Publishing, 2004).

Trust Migration

I call this process **Trust Migration**: the movement from transactional credibility to durable institutional trust (see Figure 2). It is not merely a pricing strategy or a product roadmap. It is the sequence through which trust is earned.

In **Phase 1, the Sachet Phase**, the organisation begins with the smallest honest exchange possible: value delivered at the moment of payment, with minimal commitment asked beyond it. This is usually the best place for consumer-facing organisations to start when entering a market where users have no prior reason to extend trust to an unfamiliar product.

In **Phase 2, the Bridge Phase**, repeated transactions create pattern recognition. The user no longer evaluates each interaction in isolation. Past performance begins to make future performance feel safer. They begin to expect value because the organisation has delivered it before. They return without a discount code or payment on delivery.

In **Phase 3, the Subscription Phase**, trust has accumulated enough that the user is willing to extend advance faith. At this point, subscription becomes viable not because the model is inherently superior, but because the organisation has finally earned it. They come back frequently to use the product because it solves a real problem for them. The subscription is not forced on the customer. But the product evolved to it because it gave customers sufficient reason to keep coming back.

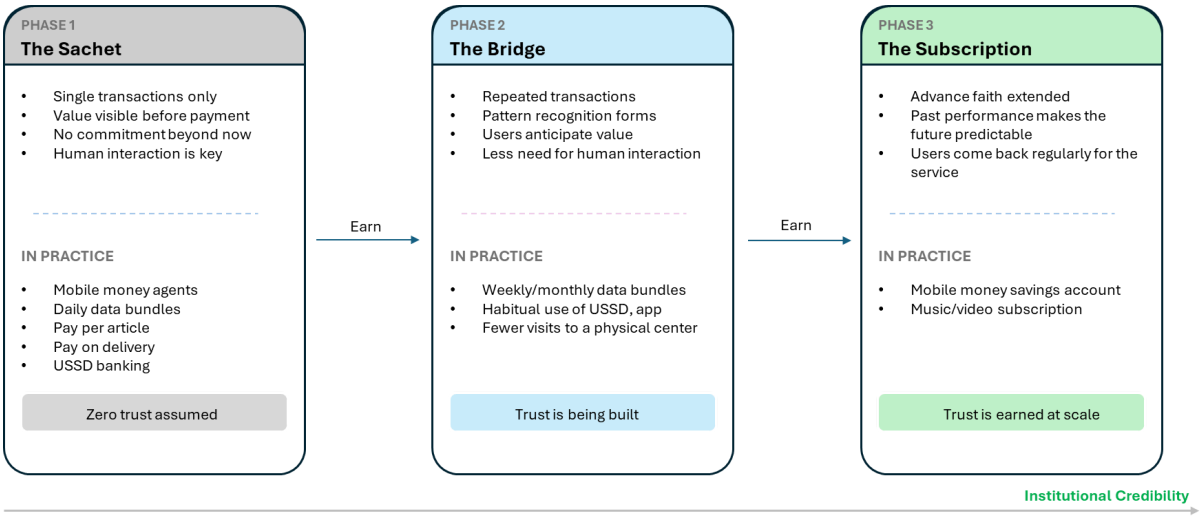


Figure 2: The Trust Migration Path

The distance between Phase 1 and Phase 3 is not a gap to be leaped, but a path to be walked. And it only moves in one direction. You cannot begin at Phase 3 in a Phase 1 market, no matter how good the content, how clean the platform, or how logical the pricing is.

At Stears, we tried to start with a subscription model before we had earned enough returning usage. The churn reflected that mismatch.

The Companies That Walked the Path

I understood this better when I looked at the companies that succeeded in Nigeria. They did more than build better technology. They were built around behaviours people already trusted. OPay and Moniepoint scaled through agent networks and visible payment transactions before asking users for deeper financial commitment. Jumia's early embrace of pay-on-delivery reflected the same logic.

Uber followed a similar path. As it expanded in Africa, it allowed cash payments across several markets. Alon Lits, Uber's General Manager for Sub-Saharan Africa, explained that cash allowed many users to "give Uber a try, see how it works, and then load their payment information at a later stage." That is Trust Migration in practice: start with a low-risk exchange, prove the service works, and let deeper commitment follow.[5]

Each of these models began by meeting customers where they were, rather than where the business model wished they would be. This is also why Drucker's claim that the purpose of a business is to create a customer matters here: these firms began by reducing friction and proving value in forms customers could adopt easily.[6]

Nassim Nicholas Taleb argues in Skin in the Game that trust is most durable when both parties have genuine exposure to each transaction's outcome.[7] The subscription model breaks this in low-trust environments: the user bears all the risk while the organisation collects revenue regardless of delivery. The sachet restores it. Both parties have skin in every exchange. The seller earns the next transaction by performing the first one well.

OPay did not begin by asking Nigerians to treat it as a bank. It first embedded itself into everyday life through services such as ORide, OFood, and OBus, using familiar daily needs to build usage and confidence. Only after that trust and user base had accumulated did it shift more fully into digital banking.[8] Those everyday services were Phase 1. Digital banking was Phase 3. Trust Migration was the distance between them.

Clayton Christensen observed that disruptive innovation typically begins at the low end of a market and migrates upward over time.[9] Trust Migration explains the cultural mechanism of that upward migration. It is about the sequential accumulation of kept promises until a community's lived experience of an organisation outweighs its inherited reasons to doubt it.

---

[5] Jake Bright, "As It Expands in Africa, Uber Adapts to Local Markets and Adopts Cash Payments," TechCrunch, June 2, 2016. https://techcrunch.com/2016/06/02/as-it-expands-in-africa-uber-adapts-to-local-markets-and-adopts-cash-payments/.
[6] Peter F. Drucker, The Practice of Management (New York: Harper & Row, 1954).
[7] Nassim Nicholas Taleb, Skin in the Game (New York: Random House, 2018).
[8] Vanguard, "OPAY: Fintech Giant, Success Story," Vanguard, March 16, 2025, https://www.vanguardngr.com/2025/03/opay-fintech-giant-success-story/.
[9] Clayton M. Christensen, *The Innovator's Dilemma* (Boston: Harvard Business School Press, 1997).

The Lions and the Hunters

Chinua Achebe wrote that until the lions have their own historians, the history of the hunt will always glorify the hunter.[10] He was writing about African literature. But the observation sits uncomfortably close to African innovation too.

Most product frameworks were written from Phase 3 assumptions: reliable institutions, predictable promises, and customers comfortable with paying in advance.

Trust Migration is an attempt to write that history from the other side.

Drucker's work on discontinuity suggests that technological change often exposes underlying social realities rather than replacing them.[11] Every churned subscription, every cash ride, every screenshot sent after a bank transfer was the culture making itself legible. The sachet had been saying the same thing for decades. Technology just gave it new surfaces to appear on.

Markets develop their own ways of protecting themselves. They extend trust carefully, test through repeated interactions, and withdraw quickly when expectations are violated. What looks like scepticism from the outside is a way communities protect themselves from promises that history has taught them not to accept too quickly. No management book taught Ahmed this. The neighbourhood he serves did.

The Man Across the Street

The meeting ended without resolution. No decision had been made in the room. We filed out past the chin-chin, still mostly untouched, and back into the December heat.

Outside, I stood on the pavement for a moment before heading to the car. Across the street was the kiosk I had noticed before. A POS machine sat on the counter, with sachet bags of water arranged in front. A man, Ahmed, greeted the next customer by name and asked after his children. The man bought a few things and completed the transaction in a couple of minutes. As the customer turned to leave, Ahmed told him: "Come back tomorrow. I go dey here." The customer laughed and waved without turning around. He would be back. They both knew it. The neighbourhood trusted him because he had never given them a reason not to.

I thought about the dashboard and the effort that had gone into customer acquisition without changing anything fundamental. We had been trying to build trust the way you build a product, with features and fixes and iteration cycles. Ahmed had built that trust over time by being consistent and reliable in small daily transactions.

---

[10] Chinua Achebe, *Hopes and Impediments: Selected Essays* (New York: Doubleday, 1988).
[11] Peter F. Drucker, *The Age of Discontinuity: Guidelines to Our Changing Society* (New York: Harper & Row, 1969).

We had better technology. He had the better answer. Since then, I have learned to start product strategy not with the model I want the market to accept, but with the smallest exchange the market is already willing to try.

People do not necessarily want abundance. They want dependable access when it matters most. In Drucker's terms, businesses often misunderstand what customers believe they are actually buying.[12] They buy what solves their problem at that moment. We had a subscription model and a leaking bucket because we had designed for a different kind of user than the one standing in front of us.

For anyone building in emerging markets today, the real test is not whether you can imagine Phase 3. It is whether you are disciplined enough to begin at Phase 1.

The market already knew the route. The real failure was ours: we mistook imported certainty for local understanding.

[12] Peter F. Drucker, *Managing for Results: Economic Tasks and Risk-Taking Decisions* (New York: Harper & Row, 1964).

Bibliography

Achebe, Chinua. *Hopes and Impediments: Selected Essays*. New York: Doubleday, 1988.

Bright, Jake. "As It Expands in Africa, Uber Adapts to Local Markets and Adopts Cash Payments." *TechCrunch*, June 2, 2016. https://techcrunch.com/2016/06/02/as-it-expands-in-africa-uber-adapts-to-local-markets-and-adopts-cash-payments/.

Christensen, Clayton M. *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail*. Boston: Harvard Business School Press, 1997.

Drucker, Peter F. *Innovation and Entrepreneurship: Practice and Principles*. New York: Harper & Row, 1985.

Drucker, Peter F. *Management Challenges for the 21st Century*. New York: HarperBusiness, 1999.

Drucker, Peter F. *Managing for Results: Economic Tasks and Risk-Taking Decisions*. New York: Harper & Row, 1964.

Drucker, Peter F. *The Age of Discontinuity: Guidelines to Our Changing Society*. New York: Harper & Row, 1969.

Drucker, Peter F. "The Theory of the Business." *Harvard Business Review* (September–October 1994).

Drucker, Peter F. *The Practice of Management*. New York: Harper & Row, 1954.

Prahalad, C. K. *The Fortune at the Bottom of the Pyramid: Eradicating Poverty Through Profits*. Upper Saddle River, NJ: Wharton School Publishing, 2004.

Taleb, Nassim Nicholas. *Skin in the Game: Hidden Asymmetries in Daily Life*. New York: Random House, 2018.

Vanguard. "OPAY: Fintech Giant, Success Story." *Vanguard*, March 16, 2025. https://www.vanguardngr.com/2025/03/opay-fintech-giant-success-story/.

Word count: approximately 2,796 words

Use of Generative AI

I used generative AI tools only after drafting this essay, and only for editing support. AI-assisted input was limited to clarity edits, sentence tightening, and checking transitions between sections of the manuscript.

No part of the essay's core argument, framework, narrative scenes, examples from my professional experience, or conclusions was generated by AI. All ideas, analysis, and final wording are my own.

Prompt used

1. "Can you review this paragraph and suggest ways to improve clarity without changing the meaning?"
2. "Does the transition between these two sections feel coherent?"
3. "Help shorten this paragraph while keeping the main argument intact."

AI Tools Used

- ChatGPT
- Claude