



2024 TRANSUNION KENYA:

EXECUTIVE INSIGHTS SESSION
EMPOWERING FINANCIAL FUTURES



TransUnion^{tu}

Leveraging Sentiment to Determine Consumer Needs

Anne Njeru
Senior Product Manager
TransUnion Kenya





In this session, we'll:



Provide an overview of consumer sentiments on their financial health



Discuss the market perception on credit inclusion



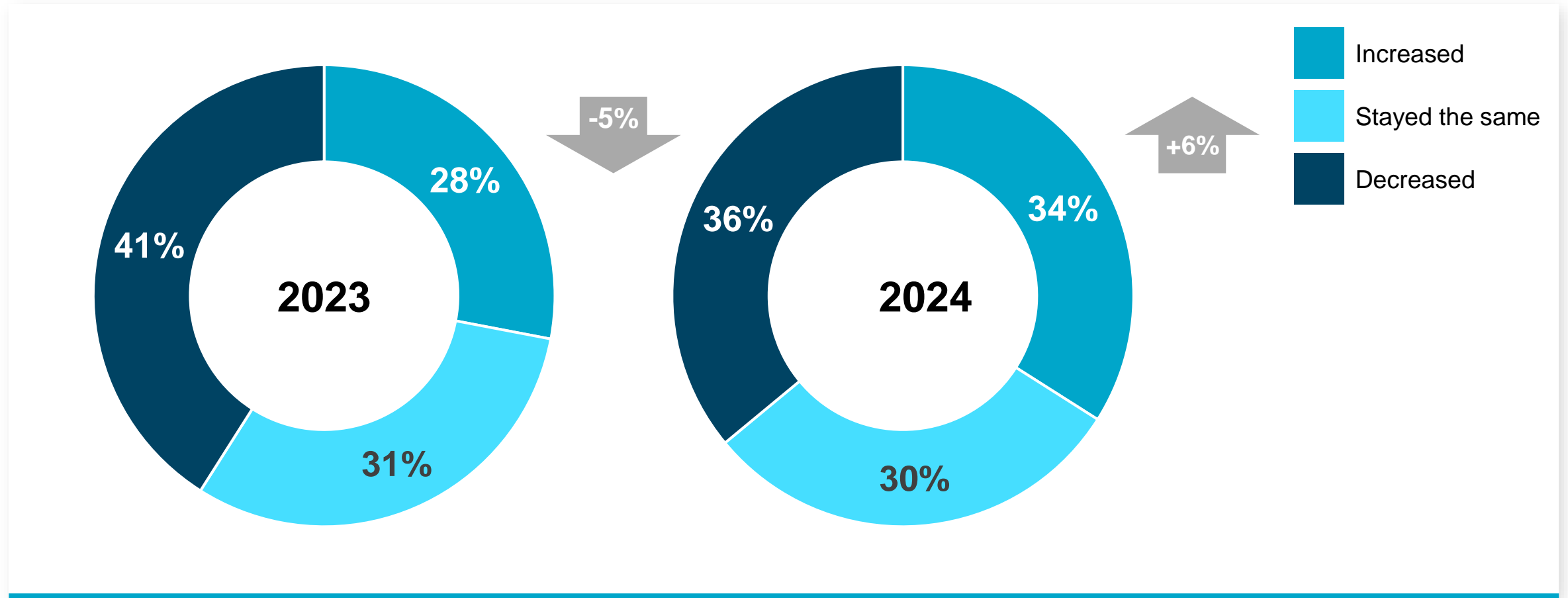
Evaluate consumer experiences with fraud

Consumer Financial Health



Kenyan households experienced a modest financial rebound in Q2 2024

36% of consumers reported income decreased in the last three months, but 34% saw an increase: a significant six-percentage-point improvement from last year

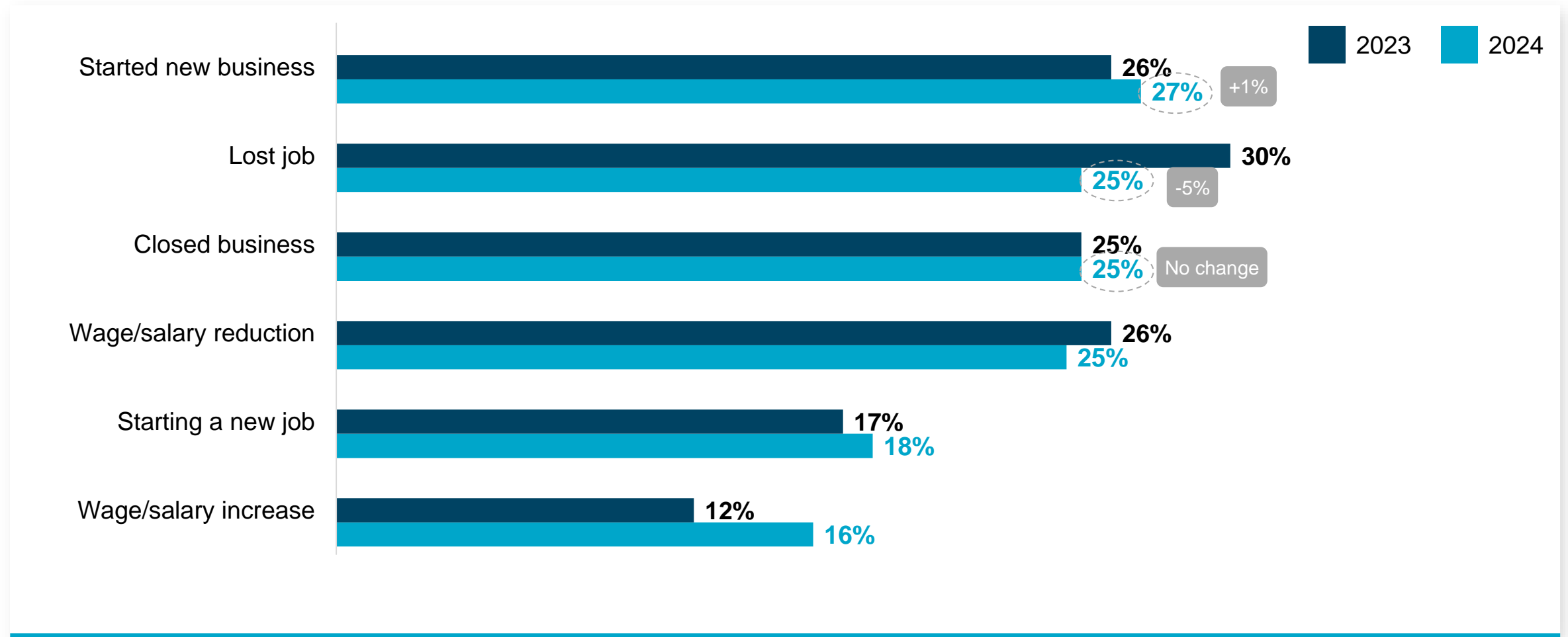


Arrows indicate percentage point increase/decrease from Q2 2023

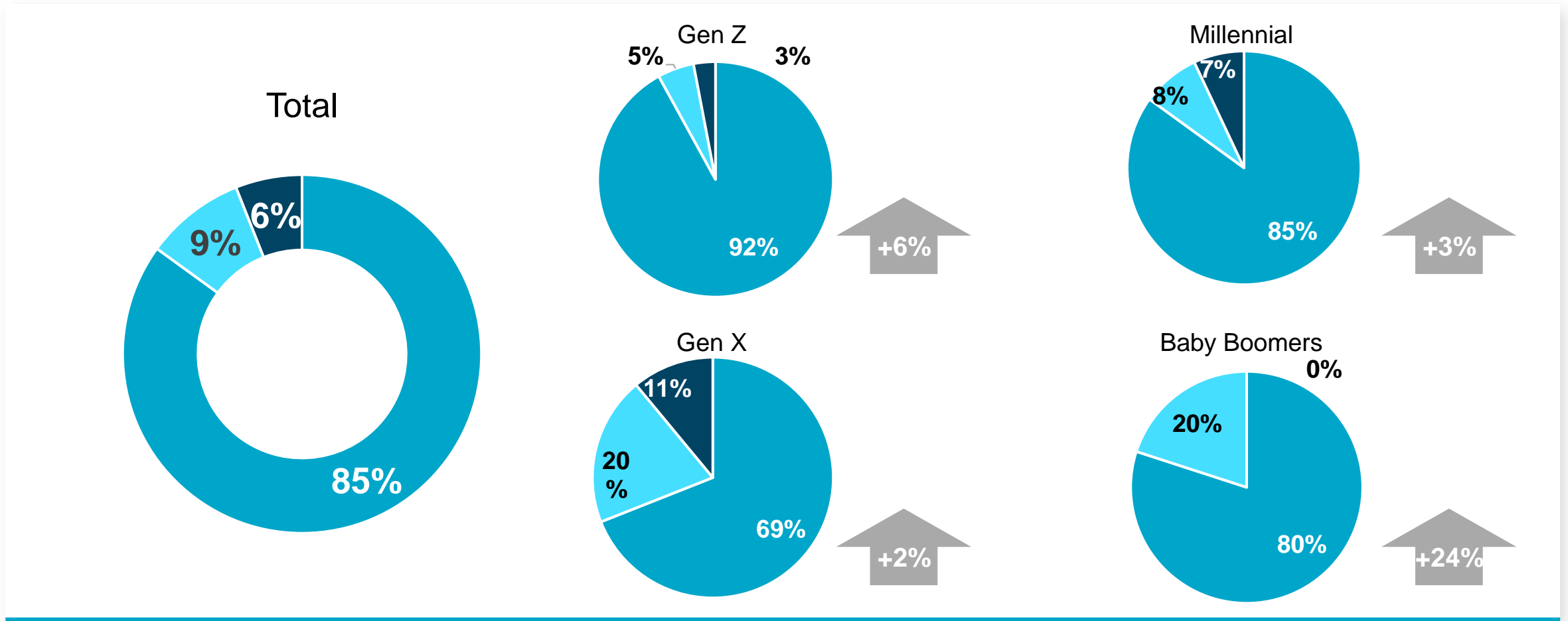


Top six reasons for changes in current household income

Starting new businesses was a key factor for improved incomes; impact of job losses decreased from last year.



Younger generations show the most optimism about future income



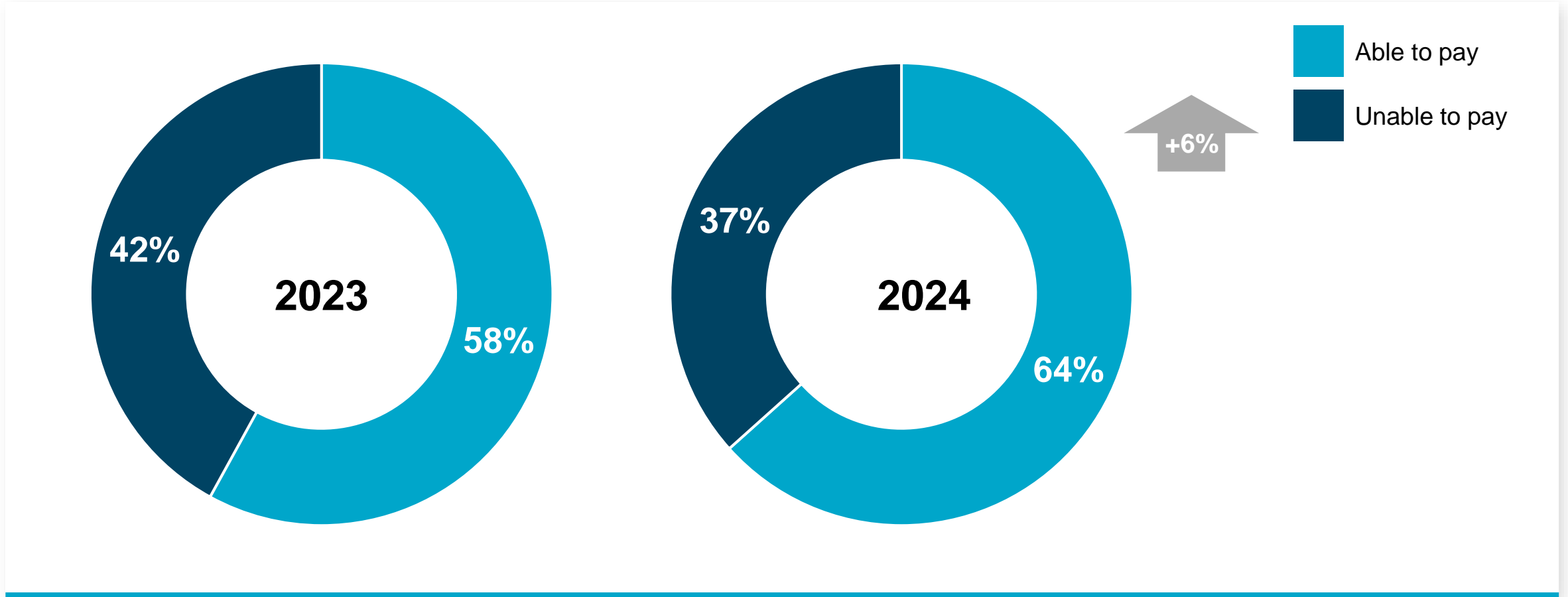
Arrows indicate percentage point increase from Q2 2023

Increased Stayed the same Decreased

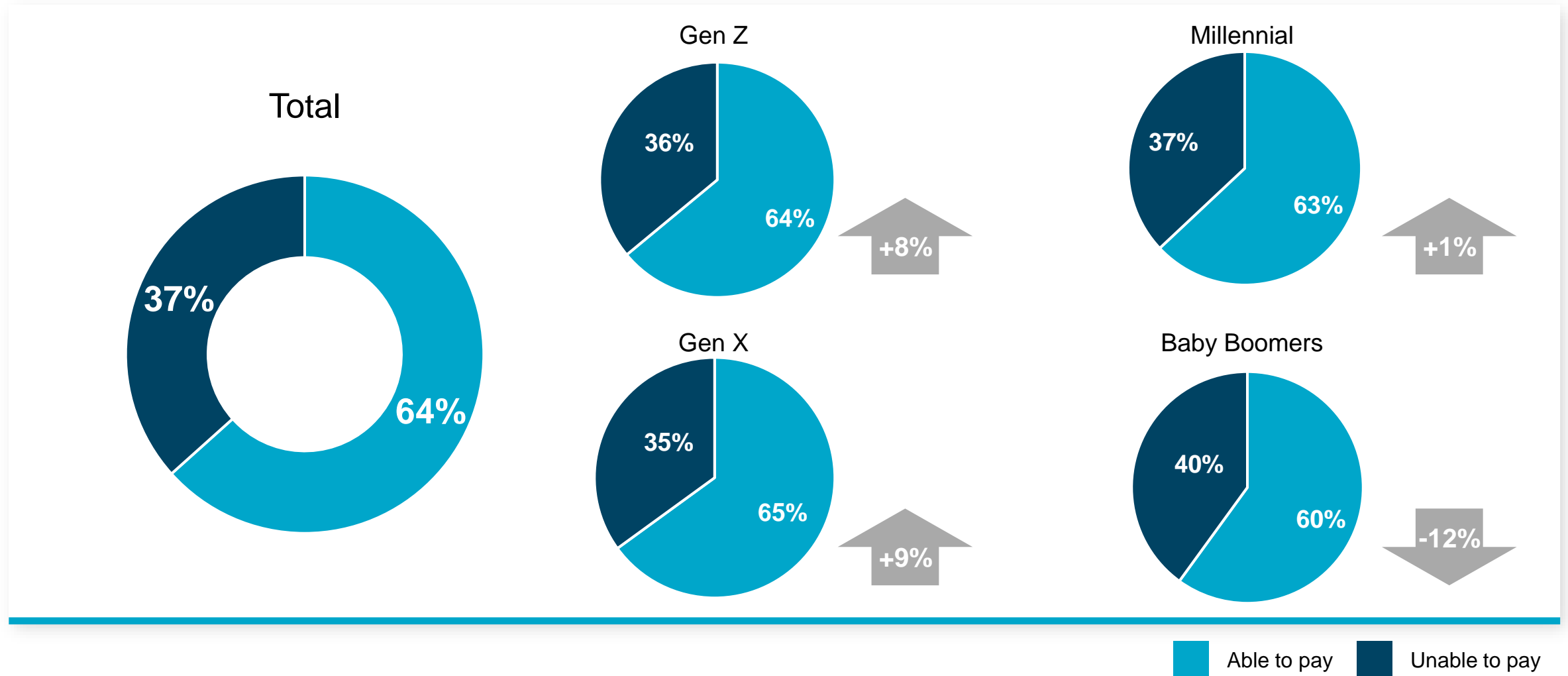
TransUnion Consumer Pulse Study

Consumers' view of their ability to pay at least one debt in full

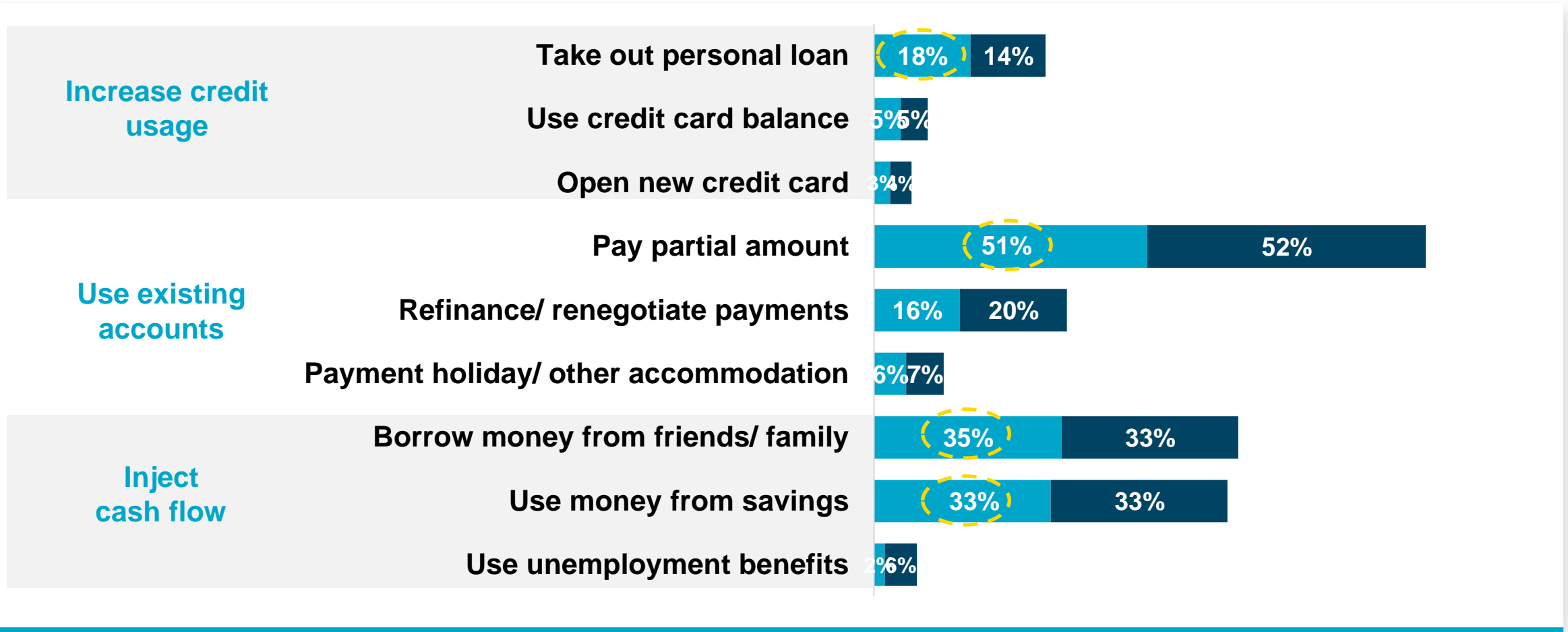
Number of consumers able to meet bills and loan obligations in full increased



Improvement in meeting financial obligations was observed among Gen Z, Millennial and Gen X consumers



Consumers unable to service their debts in full plan to...



Circles indicate the most significant adjustments

*Multiple answers allowed

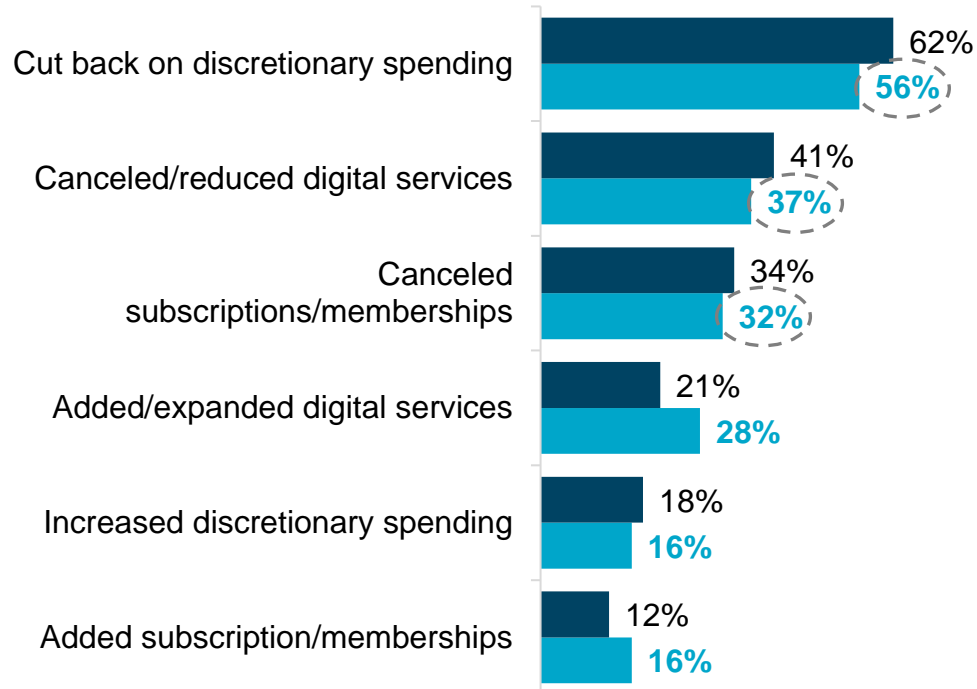
2024 2023



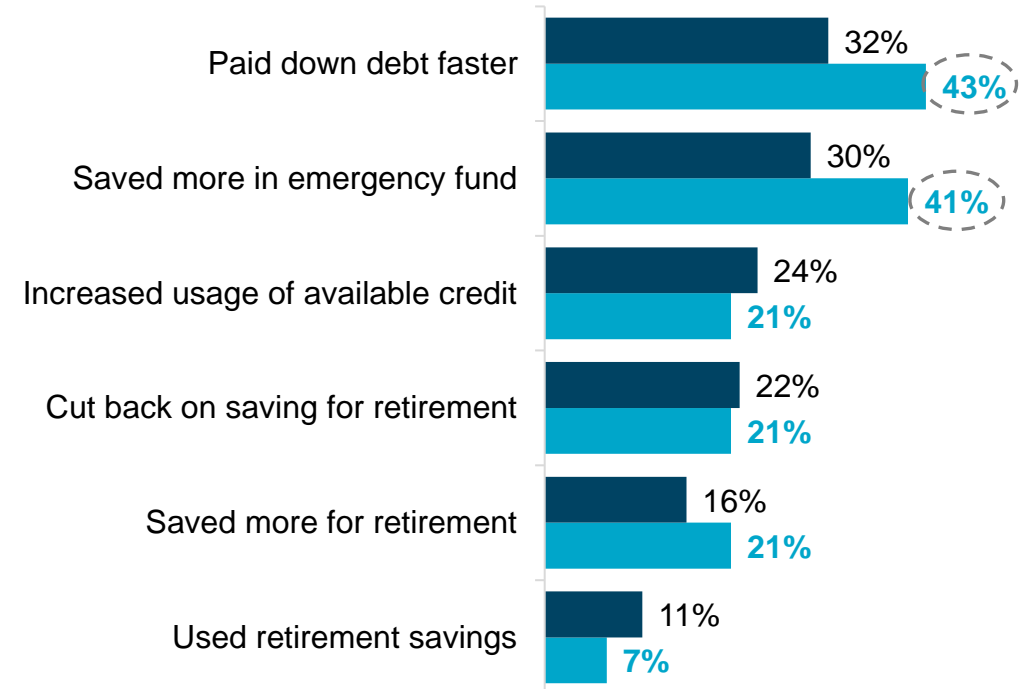
Changes to consumer household budgets in last three months

Consumers responded to economic challenges by cutting discretionary spending, paying down debt faster, and saving more in emergency funds

Spending*



Debt and savings*



*Multiple answers allowed

2024 2023



Summary of consumer financial health in Kenya



Household Income

- Kenyan households experienced a modest **financial rebound**.
- **Optimism about future income** is high, especially among younger generations.
- **Income changes** were mixed, with 36% reporting decreases and 34% increasing (a 6% improvement from last year).



Servicing Debt

- Two-thirds of consumers **are able to pay their bills in full** – up significantly from last year.
- Consumers determined to address their debts: half choose to **make partial payments**.
- One-third of households plan to **use savings for debt service**; 35% intend to **borrow from friends and family**.



Forecast Spending Trends

- Almost half of consumers intend to **cut their discretionary spending**.
- 42% plan to **reduce spending on large purchases**.
- Consumers plan to use increased income for mainly **retirement funds and investments, paying bills and loans, and digital services**.

Financial Inclusion





Consumer attitudes and plans for economic participation



99% believed having **access to credit and lending products** is essential to achieving financial goals.

Only 36% (up from 33% last year) believed they currently have **sufficient access to credit**.

60% (up from 55% last year) **planned to apply** for new credit or refinance existing credit.

Millennials (**64%**) and Gen Z (**60%**) showed highest demand for new credit

Those who intend to apply cited these as **top three products**:

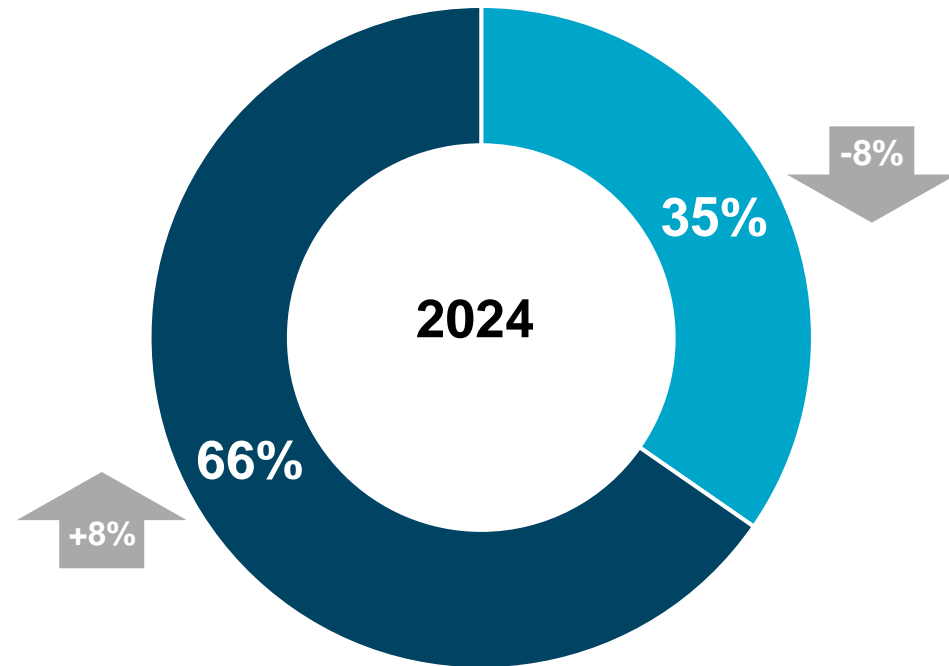
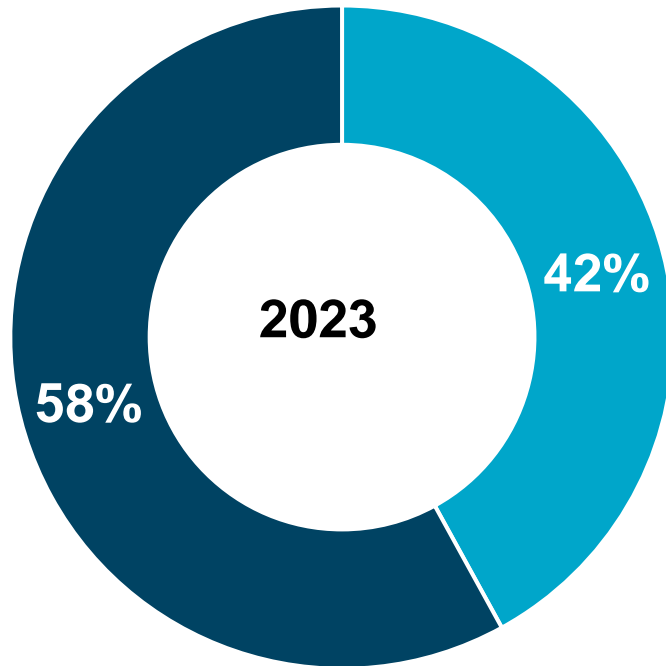
Personal loan	51%	+4%
Mobile loan	38%	-4%
Buy now pay later	33%	+5%

Grey blocks indicate percentage point increase from Q2 2023



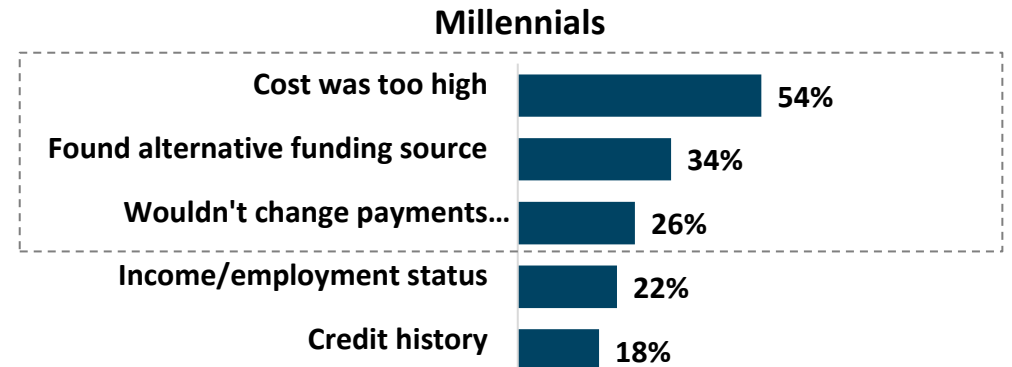
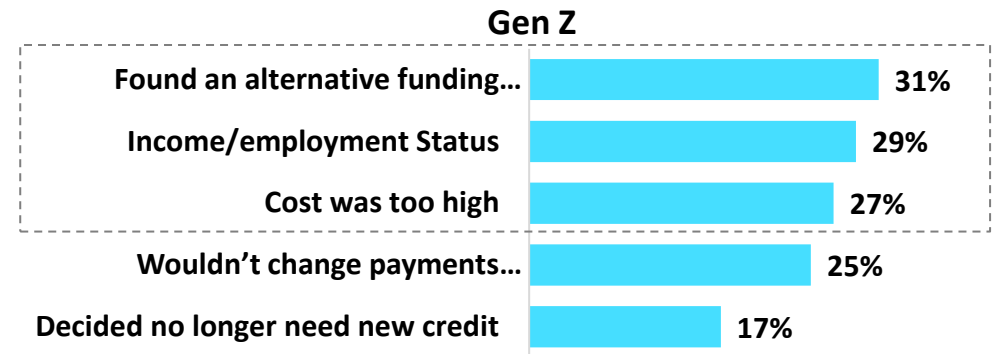
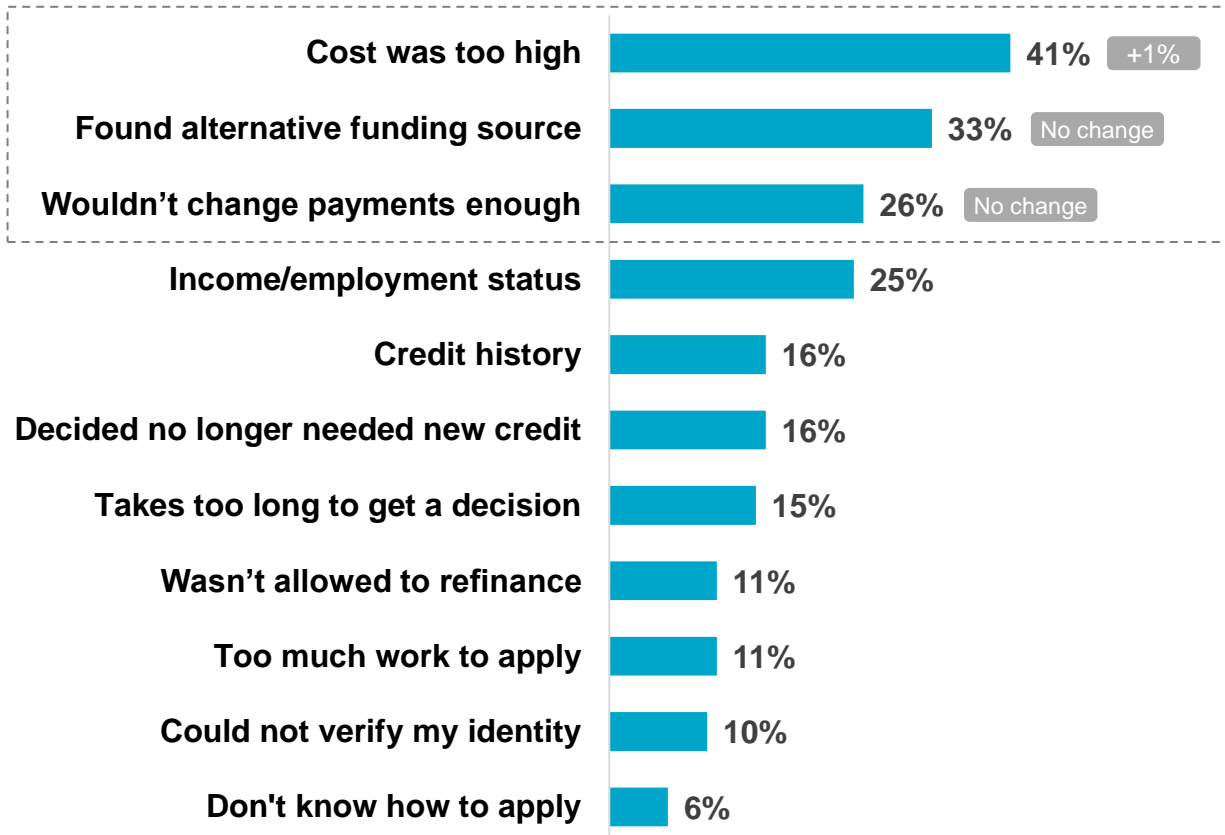
35% Consumer follow-through application rate for new credit/refinancing of existing credit products

Followed through with application Abandoned application



Top reasons for abandoning credit applications:

High credit costs and alternative funding source. Customer journeys and efficiency getting better



* Multiple answers allowed

Grey blocks indicate percentage point increase from Q2 2023



Summary of perceived level of financial inclusion in Kenya



Importance of Credit

- Almost all consumers (99%) considered **access to credit crucial** to meet their financial goals.
- But only 36% felt they had **sufficient access**, up 3% from previous year.



Application for Credit

- **Credit demand** surged: 60% plan to seek new credit within the next year, up 3% from last year.
- Very **low follow-through** credit application rate (35%).
- High credit cost is a major **deterrent**.



Product Preferences

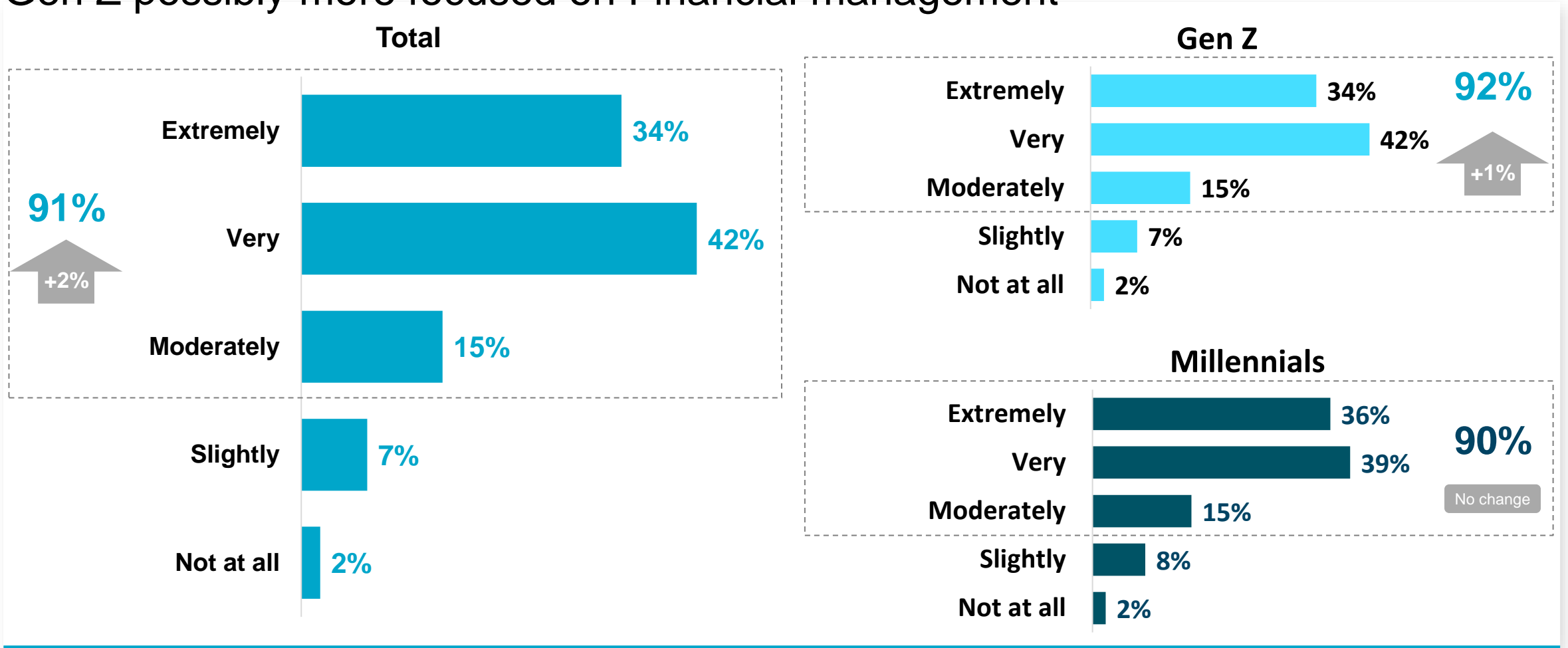
- 51% of respondents considered **personal loans**, with Gen Z showing highest interest.
- New **mobile loans** were considered by 38%, notably among Millennials and Gen X.
- 33% planned to explore **BNPL** services, particularly Millennials.

Consumer Empowerment



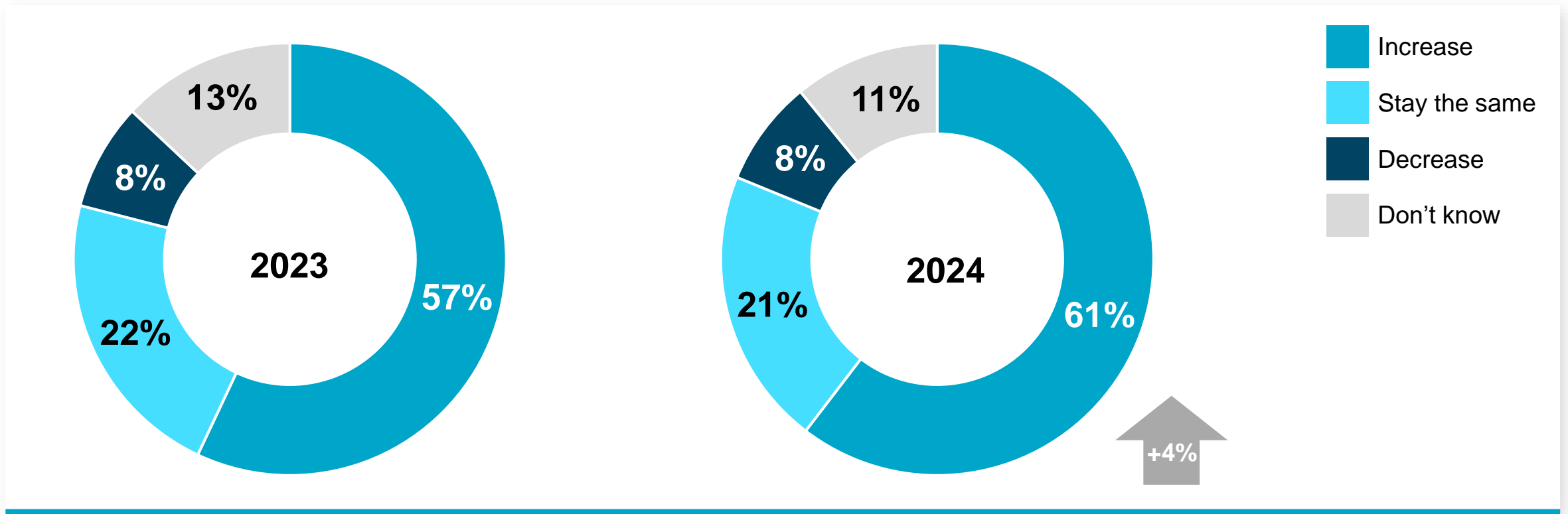
Most consumers (91%) believed monitoring credit report is important.

Gen Z possibly more focused on Financial management



Consumer perspective on how alternative data* will impact their credit score.

Growing recognition (61%) of the value of alternative financial behavior in credit scoring



* If businesses used information not on standard credit reports, for example, rental payments, gym membership payments, and 'buy now, pay later' loans.

Arrow indicates percentage point increase/decrease from Q2 2023

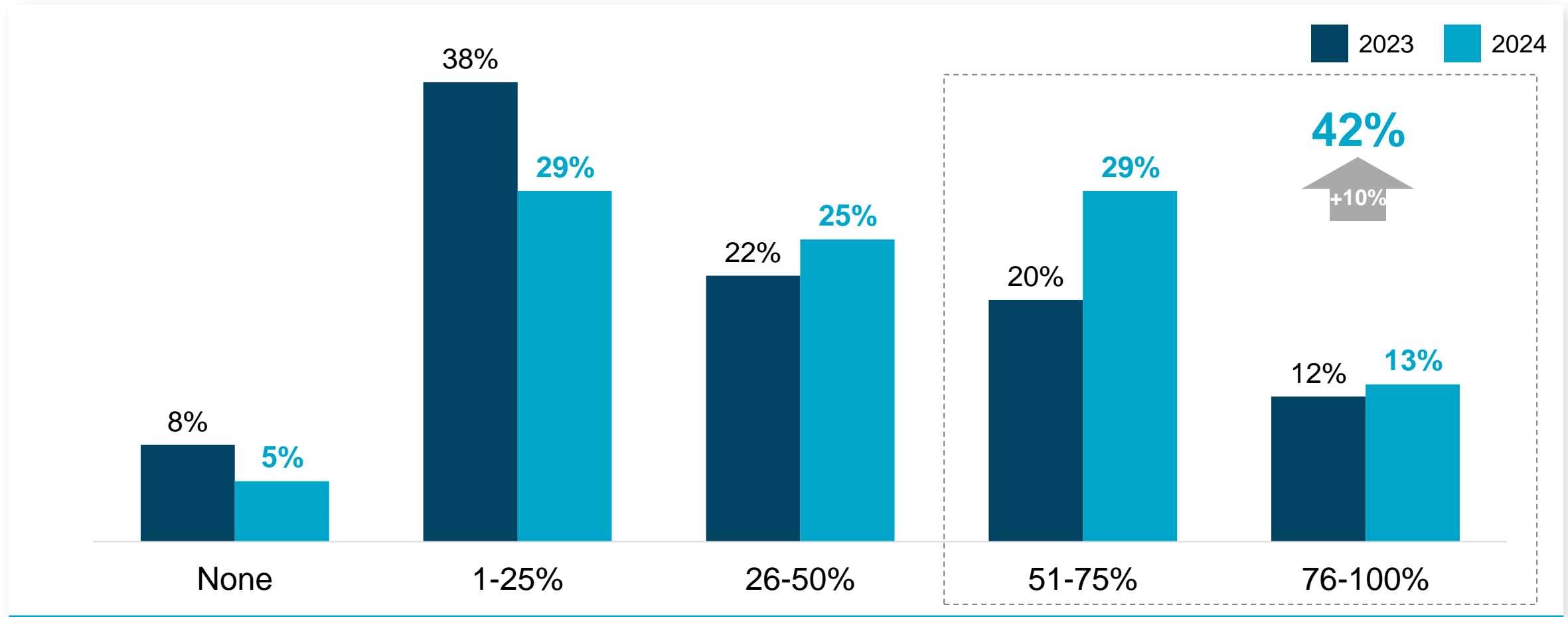


Identity Protection



Percentage of transactions done online

42% of consumers do at least half of their transactions online, up ten percentage points from a year ago

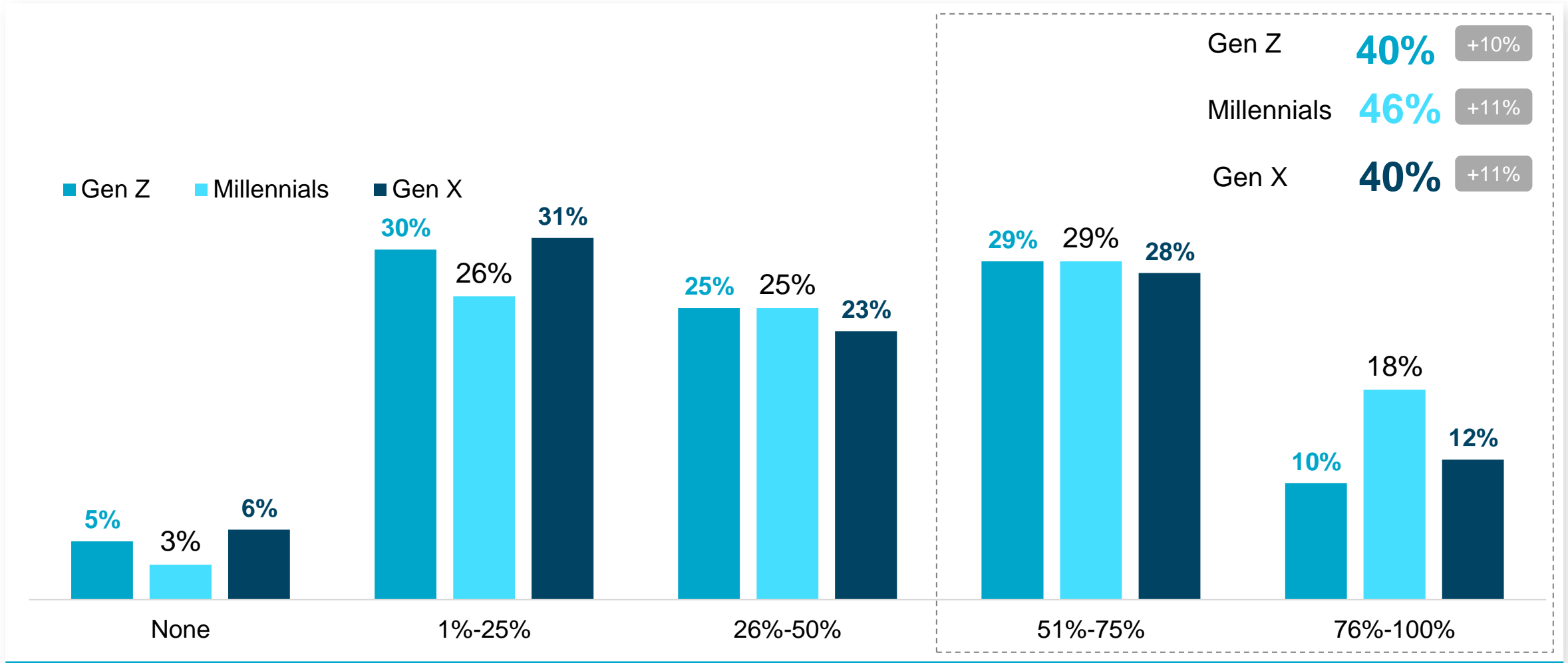


Grey arrow indicates percentage point increase/decrease from Q2 2023



Percentage of transactions done online – by generation

while millennials lead, all age groups are increasingly relying on digital platforms



Grey arrows indicate percentage point increase/decrease from Q2 2023



Consumer experience with digital fraud attempts in the last three months

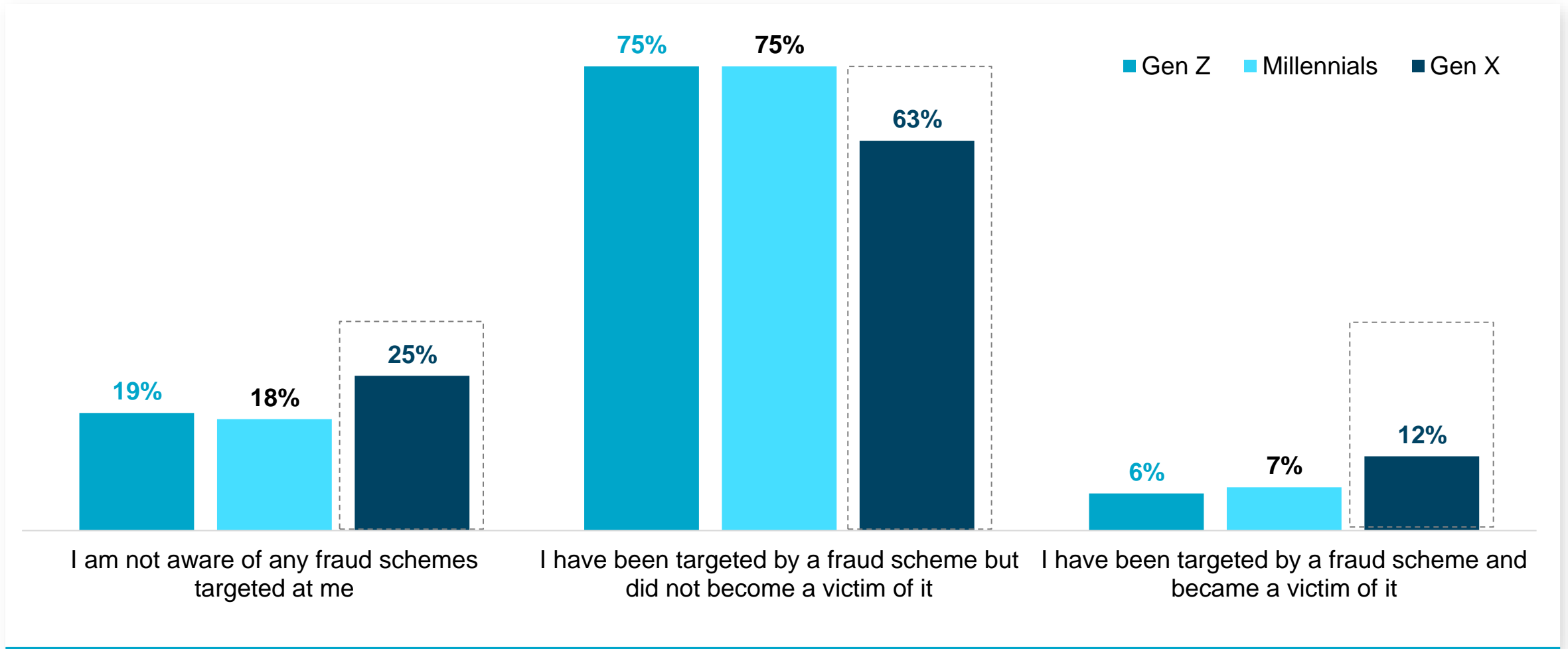


Grey arrows indicate percentage point increase/decrease from Q2 2023

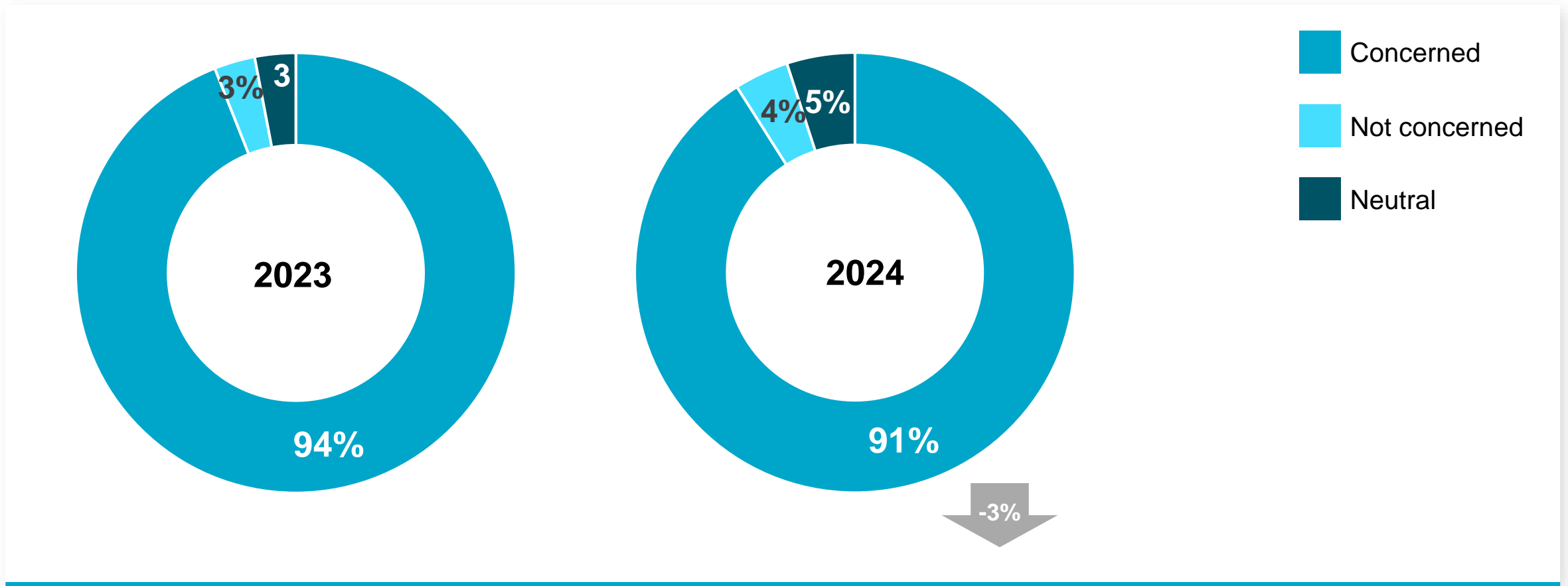


Digital fraud attempts in the last three months – by generation

Gen X shows notable vulnerability to digital fraud



Consumer concerns regarding sharing of personal information

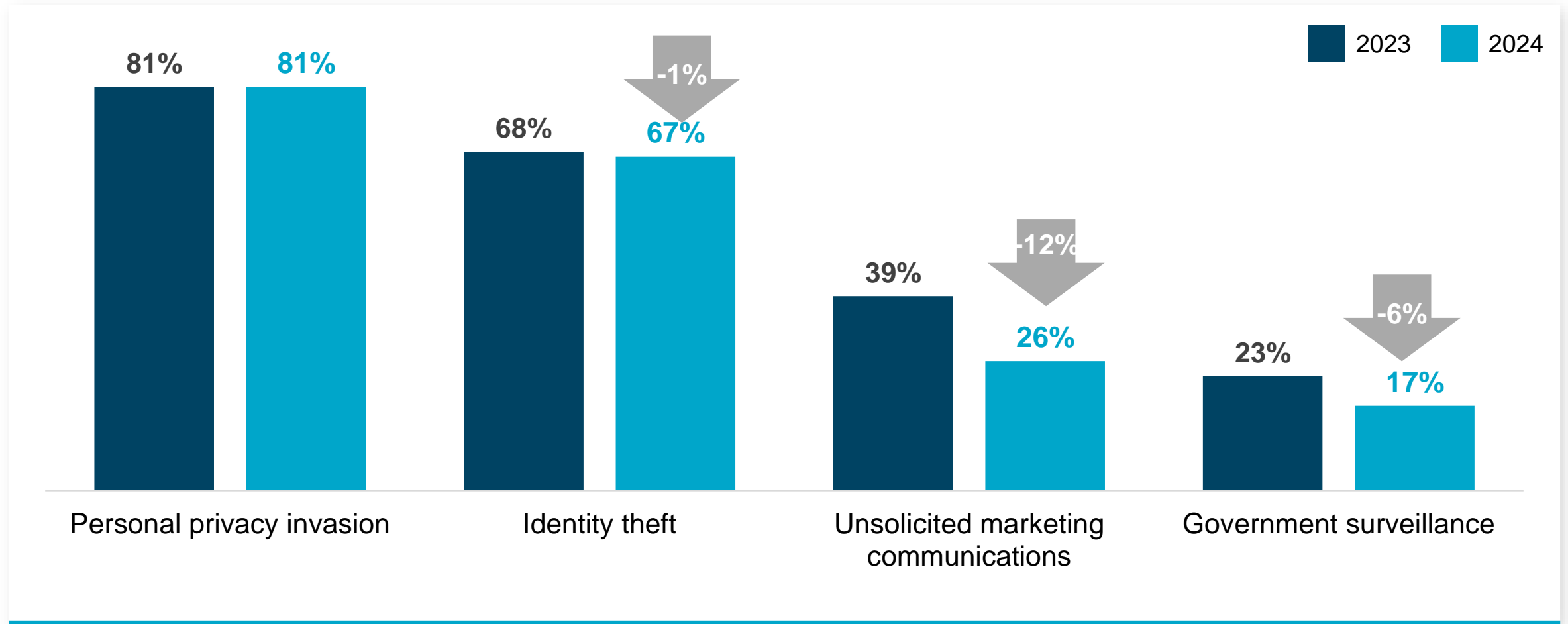


Grey arrow indicates percentage point increase/decrease from Q2 2023



Reasons for concern about sharing personal information

Fears of identity theft and privacy invasion are most notable

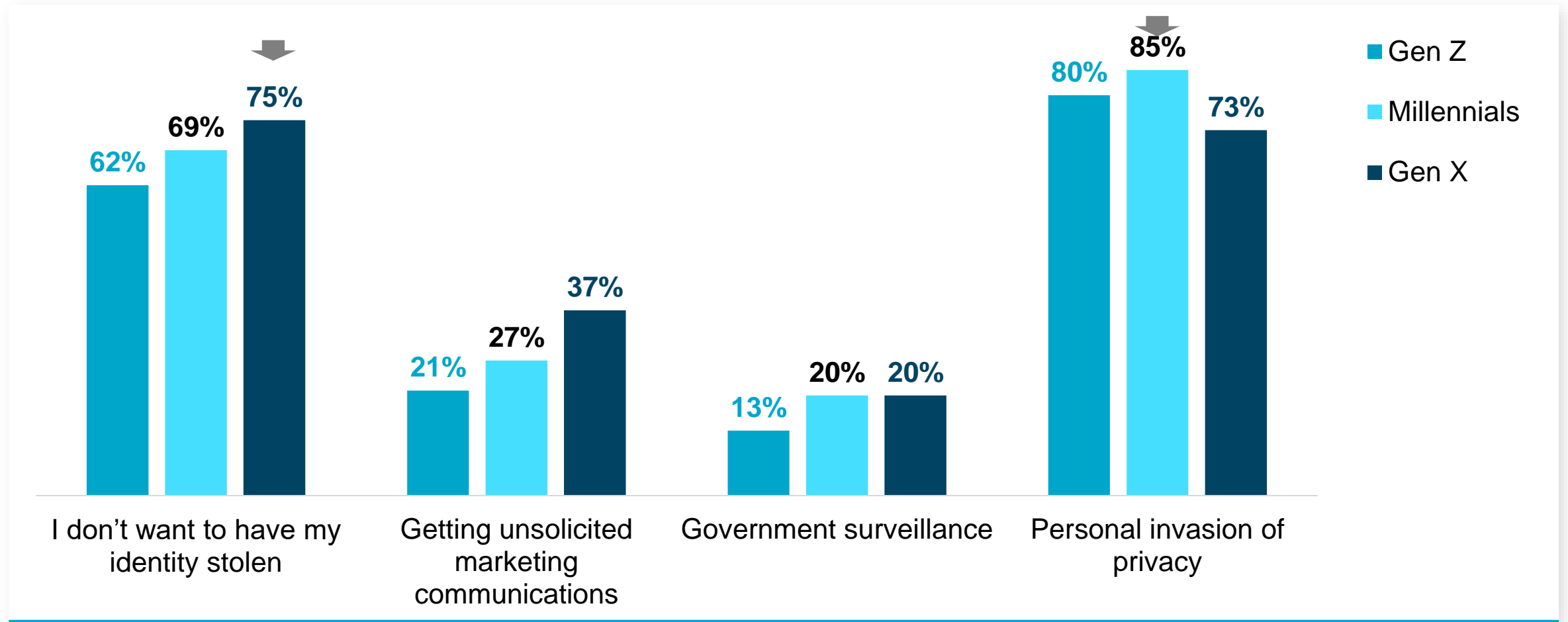


*Multiple answers allowed



Reasons for concern about sharing personal information – by generation

Fear of identity theft is notably high among Gen X, while invasion of privacy is highest among Gen Z and Millennials





TransUnion[®] 

Download full Report

<https://www.transunionafrica.com/consumer-pulse-study/kenya/reports/q2-2024>





TransUnion^{tu}

Thank You

