



2023 TRANSUNION NAMIBIA SUMMIT

# NAVIGATING FINANCIAL INCLUSION:

A Path to Inclusive Growth



# Leveraging Sentiment To Determine Consumer Needs

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TransUnion

# Agenda

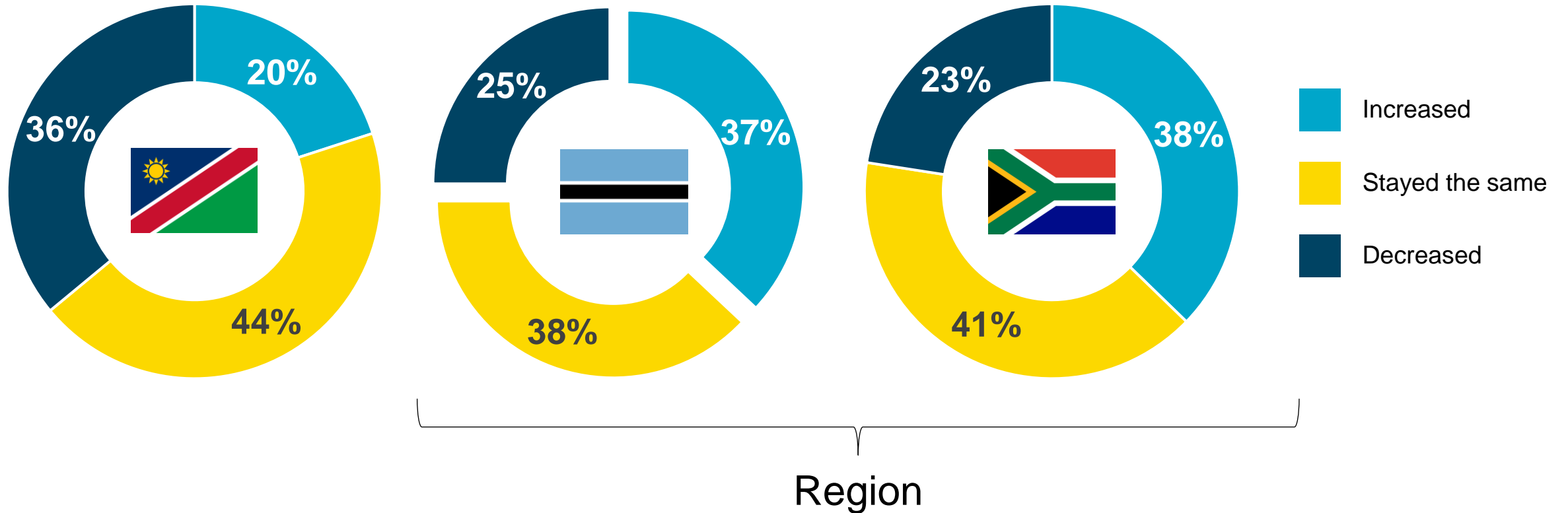
1. **Provide** an overview of consumer sentiments on their financial health
2. **Discuss** the market perception on credit inclusion
3. **Evaluate** consumer experiences with fraud



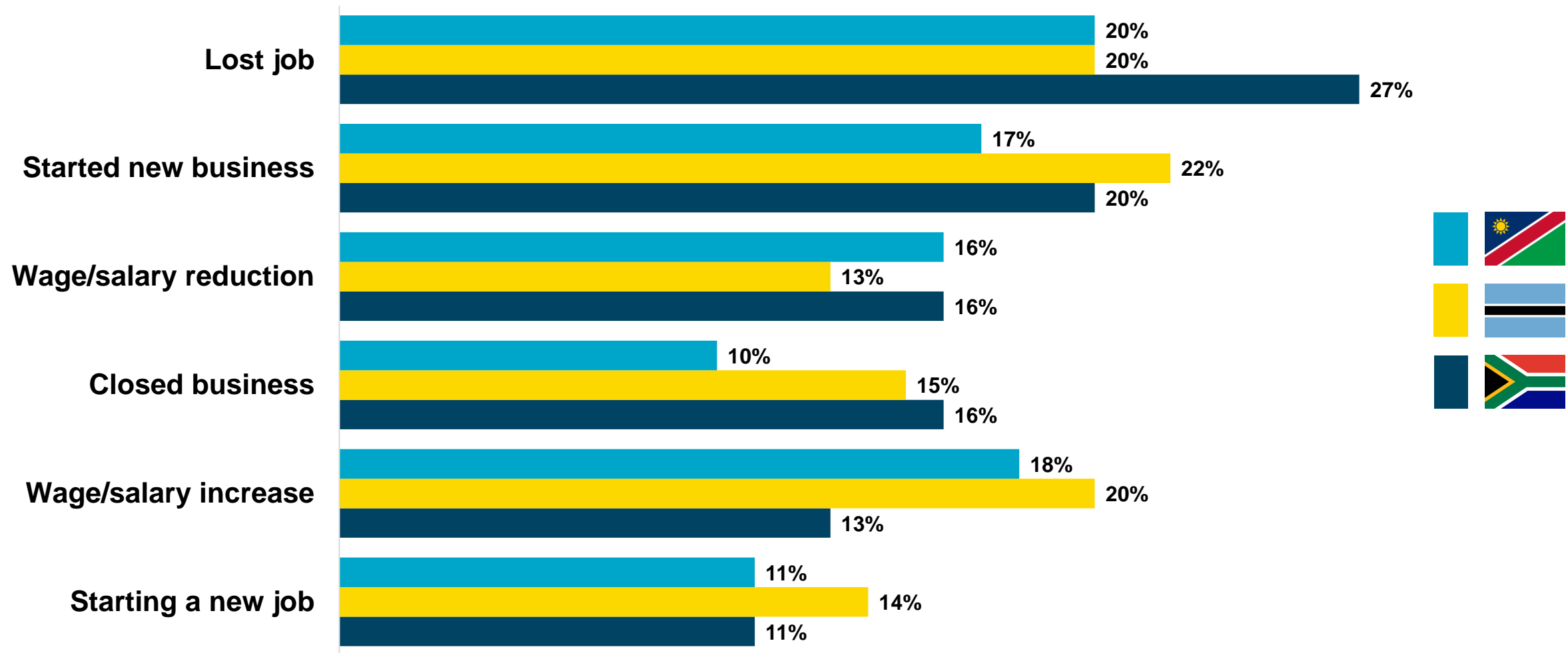
**CONSUMER  
FINANCIAL  
HEALTH**



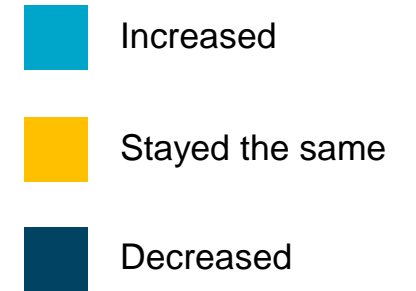
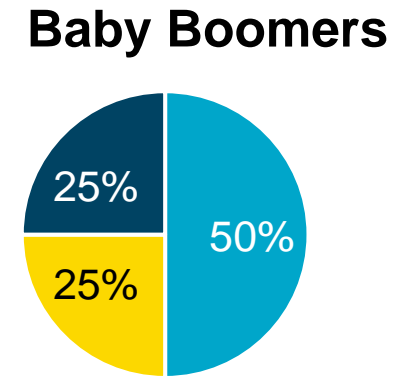
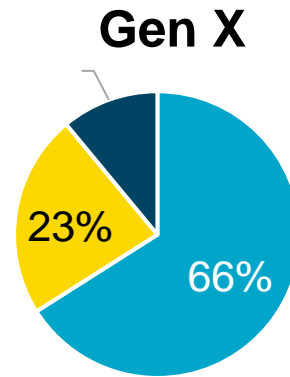
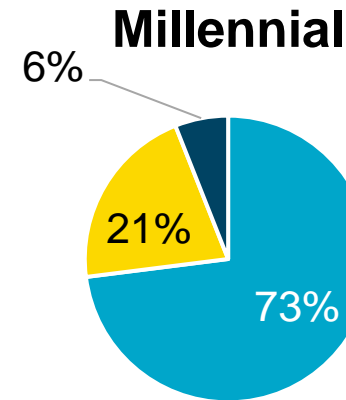
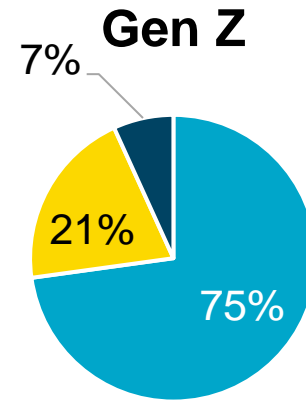
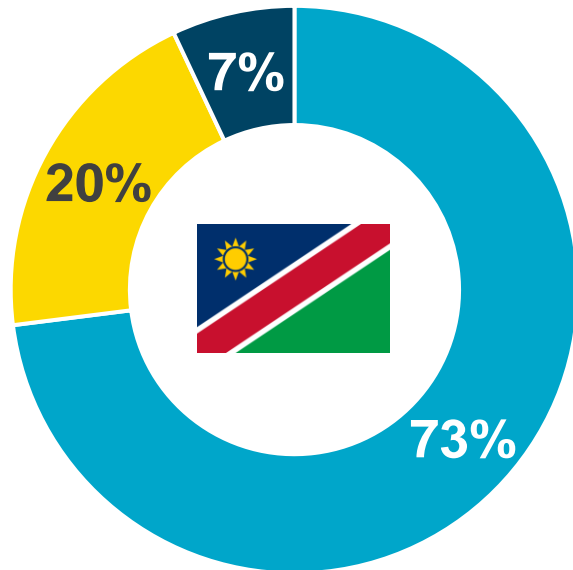
# A stalled or declining income, the reality of 80% of Namibians



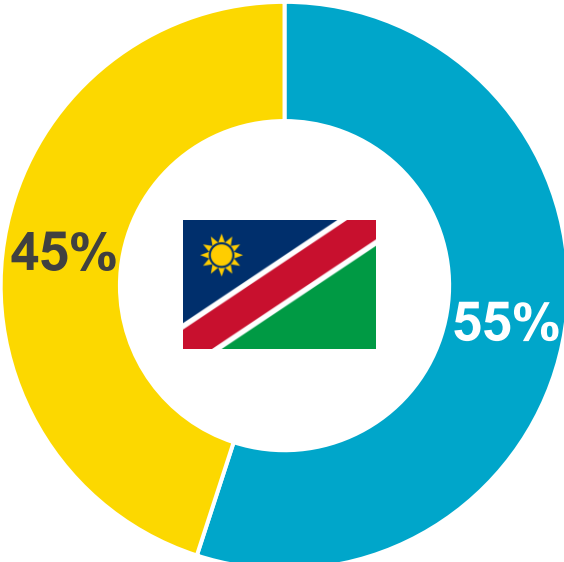
# Key factors influencing household income shifts



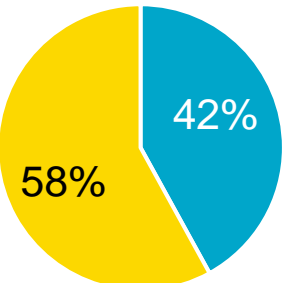
# Consumer perspectives on anticipated household income changes



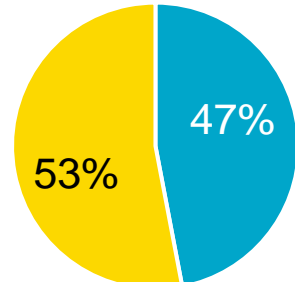
# How consumers view their ability to clear at least one debt



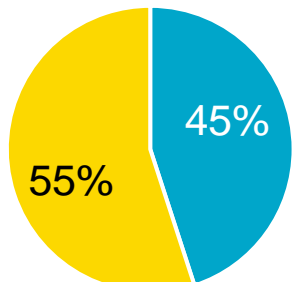
**Gen Z**



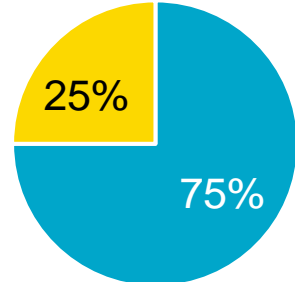
**Millennial**





**Gen X**



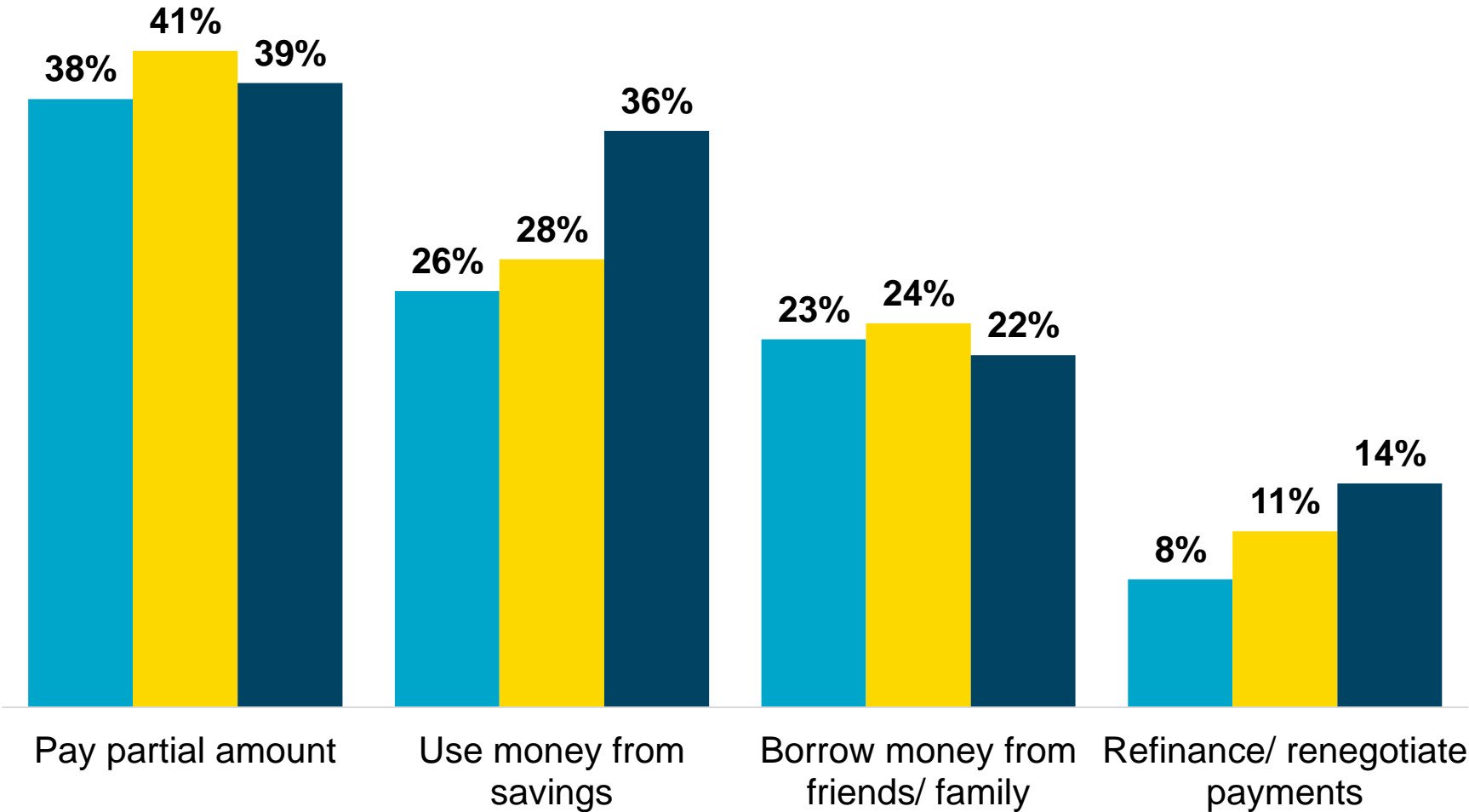
**Baby Boomers**



 Able to pay  
 Unable to pay



# How consumer intend on servicing their obligations

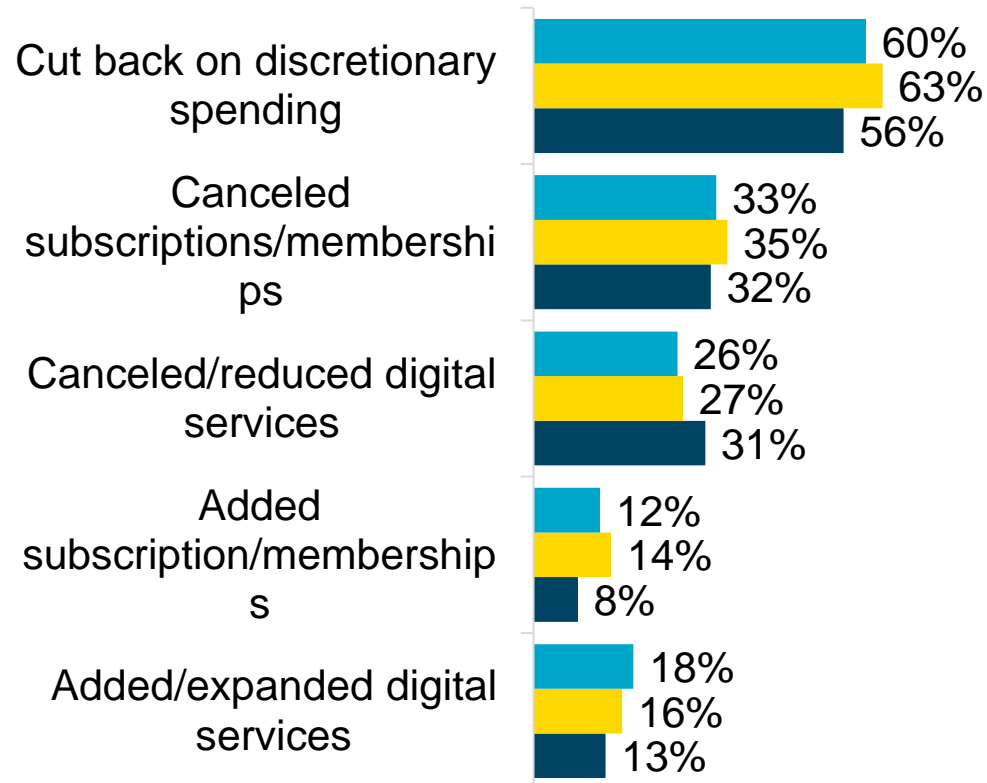


\*Multiple answers allowed



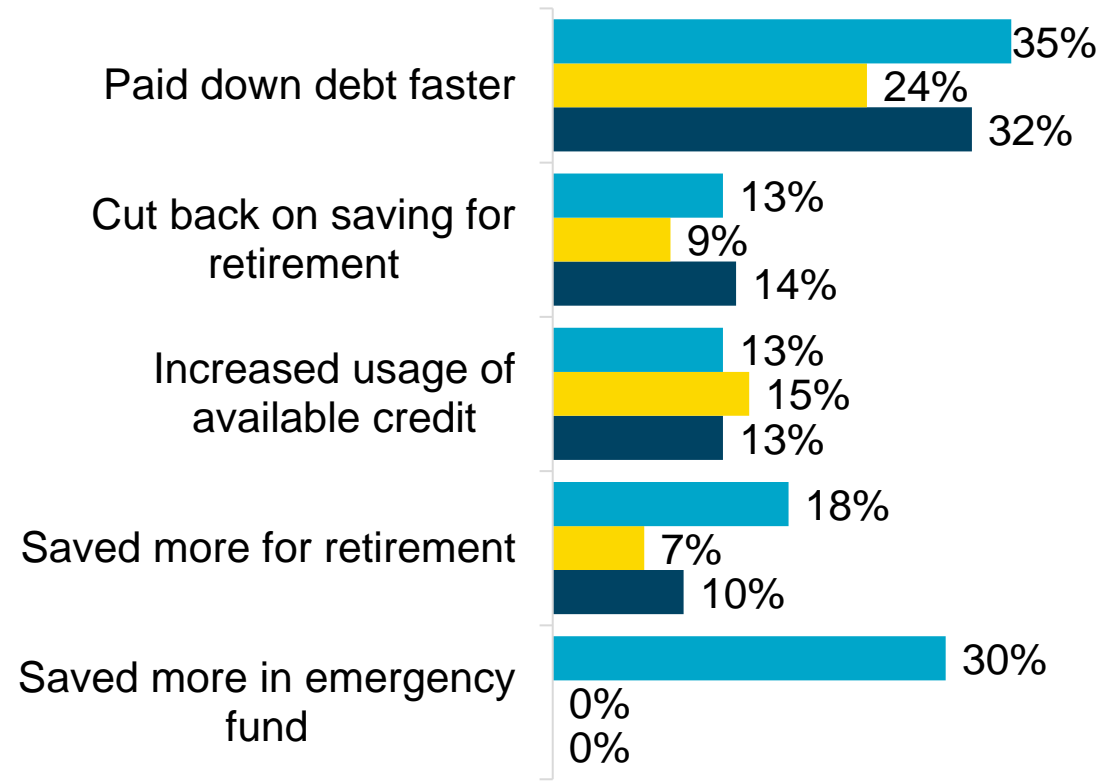
# Consumer budget adjustments over the past quarter

## Spending\*



\*Multiple answers allowed

## Debt and savings\*

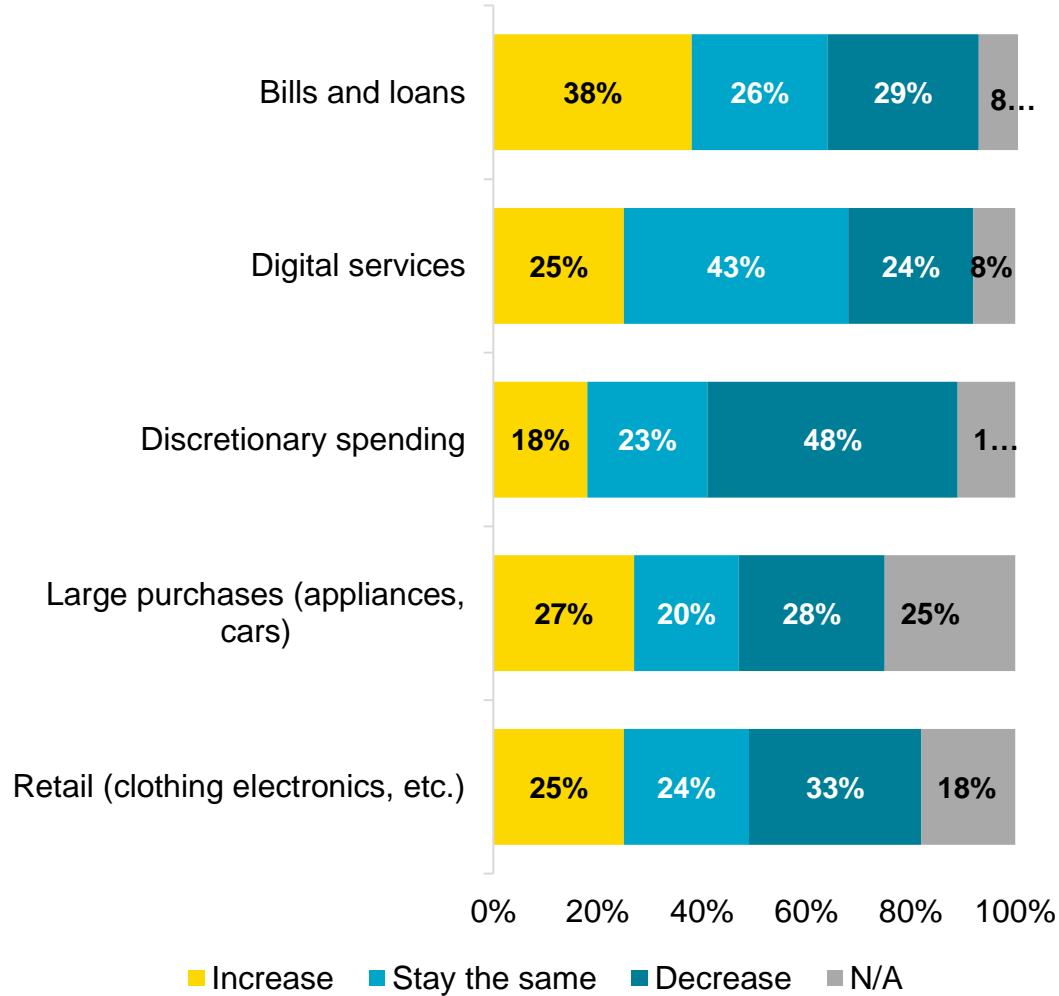


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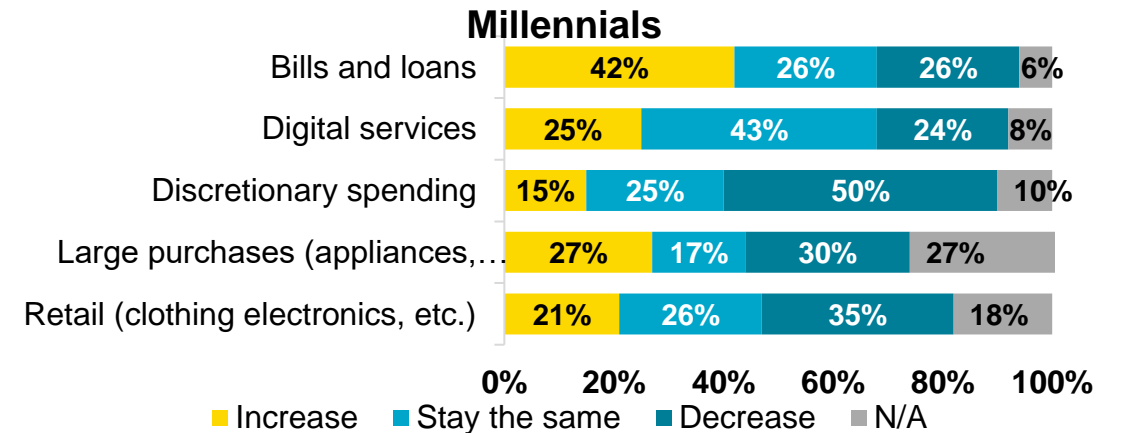
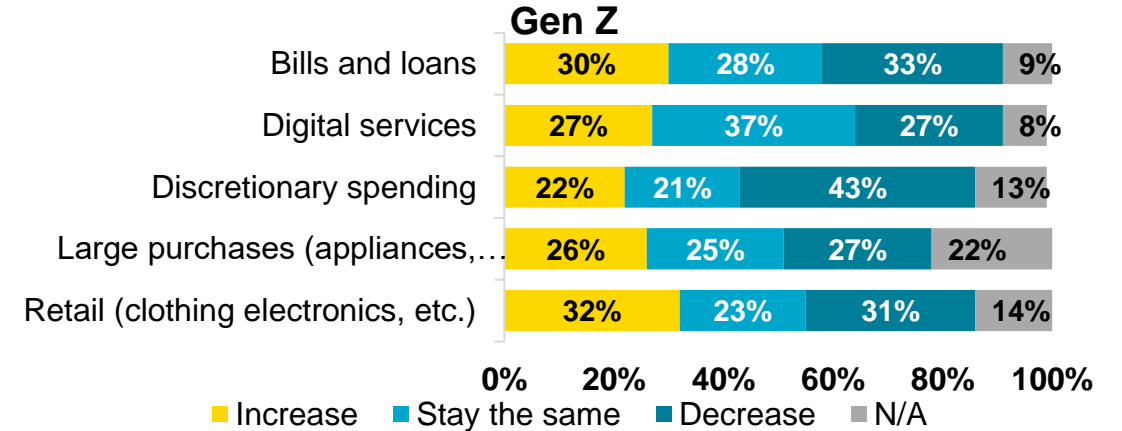




# Consumer budget adjustments over next 12 months



\*Multiple answers allowed



# Summary of consumer financial health in region



## HOUSEHOLD INCOME

- Household income for most Namibian consumers remain subdued
- Most consumers across generations remain optimistic about household income improvements



## SERVICING DEBT

- Most consumers remain capable of servicing their current obligations
- Consumers who are facing headwinds continue to pay at least partial amounts towards their obligations, with some leveraging savings.



## FORECAST SPENDING TRENDS

- Most consumers across the region had shared sentiments about cutting back on discretionary spending.
- One in three consumers will attempt to pay down their debt faster

# FINANCIAL INCLUSION



# Consumer attitudes and plans for economic participation

## Key Questions Asked Regarding Financial Inclusion

Believe that having **access** to credit and lending products is essential to achieving financial goals.

Believe they currently have **sufficient access** to credit.

Intend to **apply for new** or **refinance** existing credit in the next year.

Top **three** products



93%

34%

35%

**Student Loan 35%**  
**Personal Loan 24%**  
**Vehicle Loan 21%**



94%

35%

33%

**Personal Loan 27%**  
**Home Loan 22%**  
**Credit Card 21%**



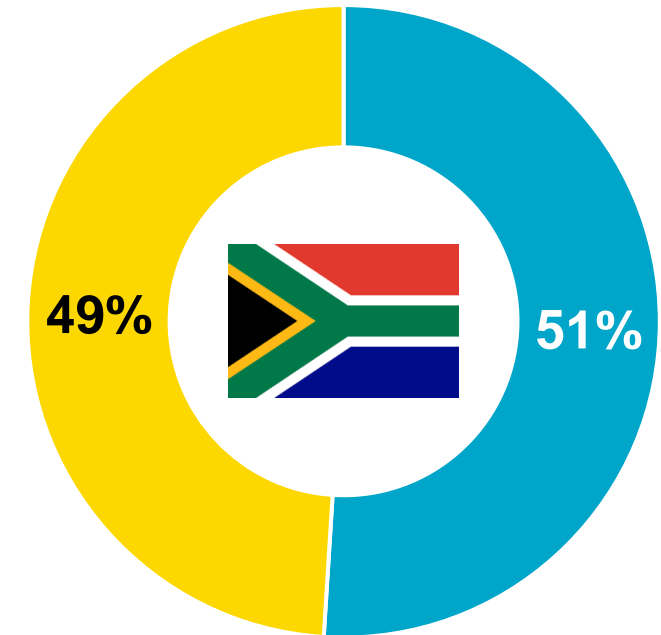
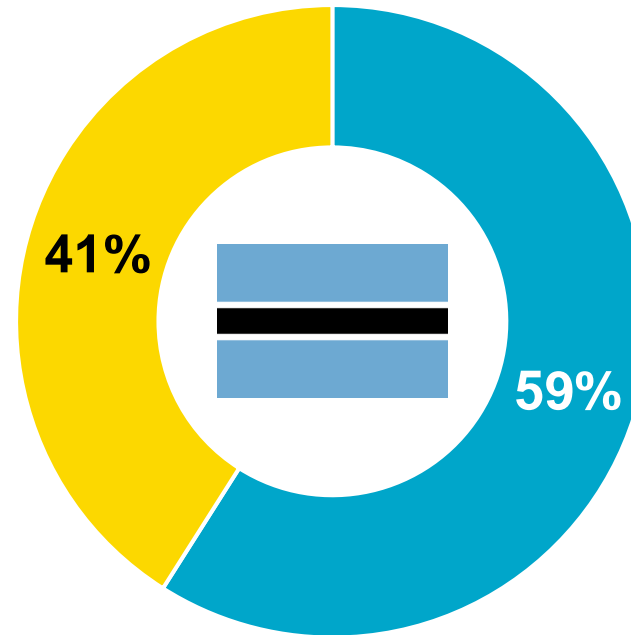
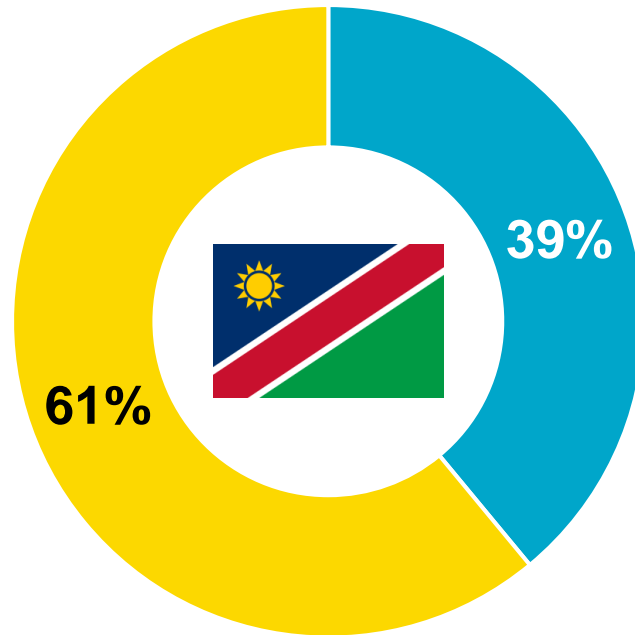
90%

36%

31%

**Personal Loan 32%**  
**Credit Card 29%**  
**BNPL 24%**

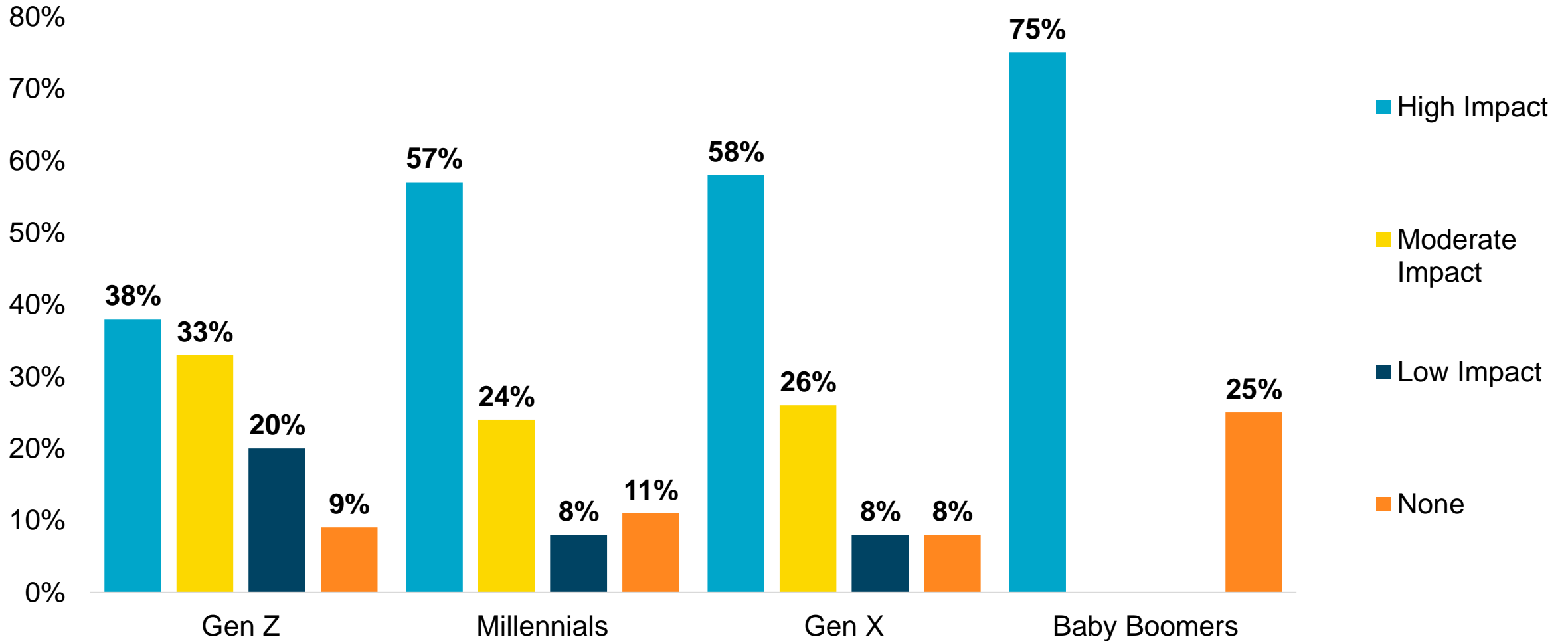
# Consumer abandonment rate for new credit/ refinancing of existing credit products



REGION



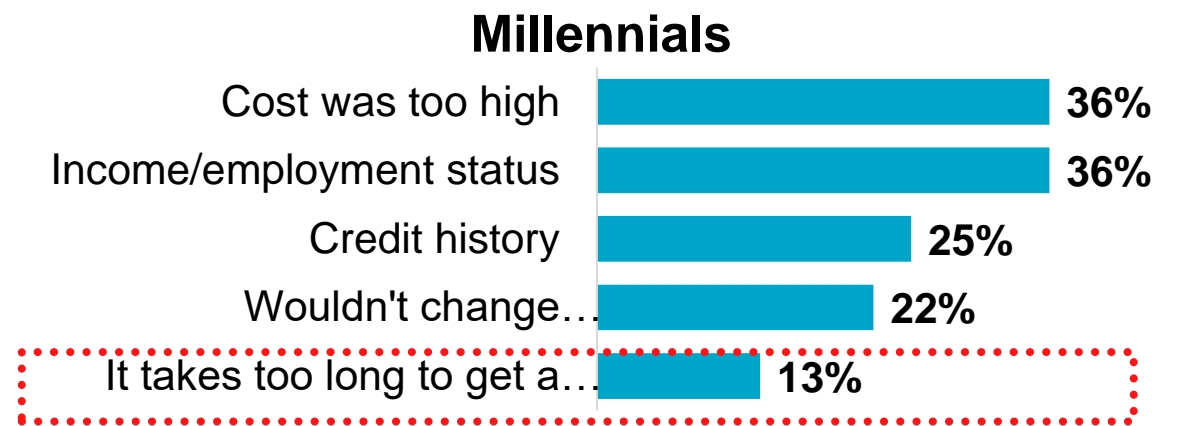
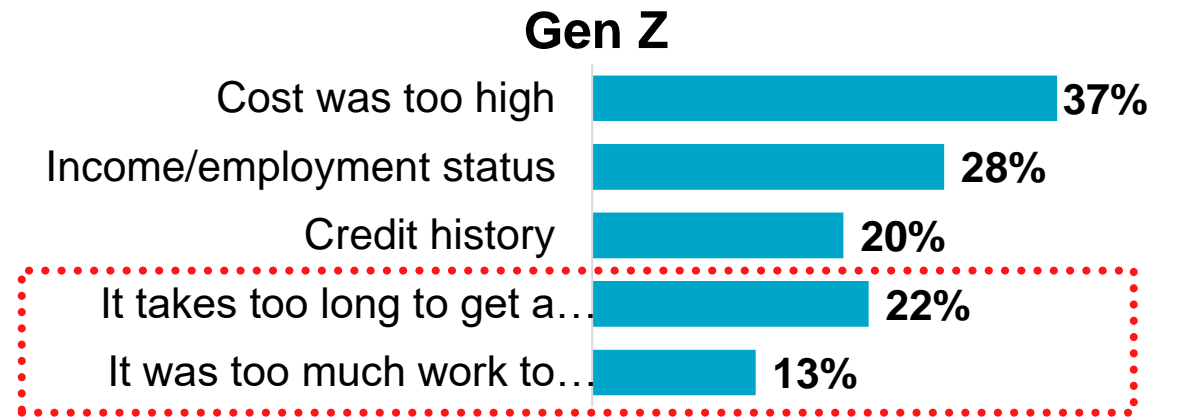
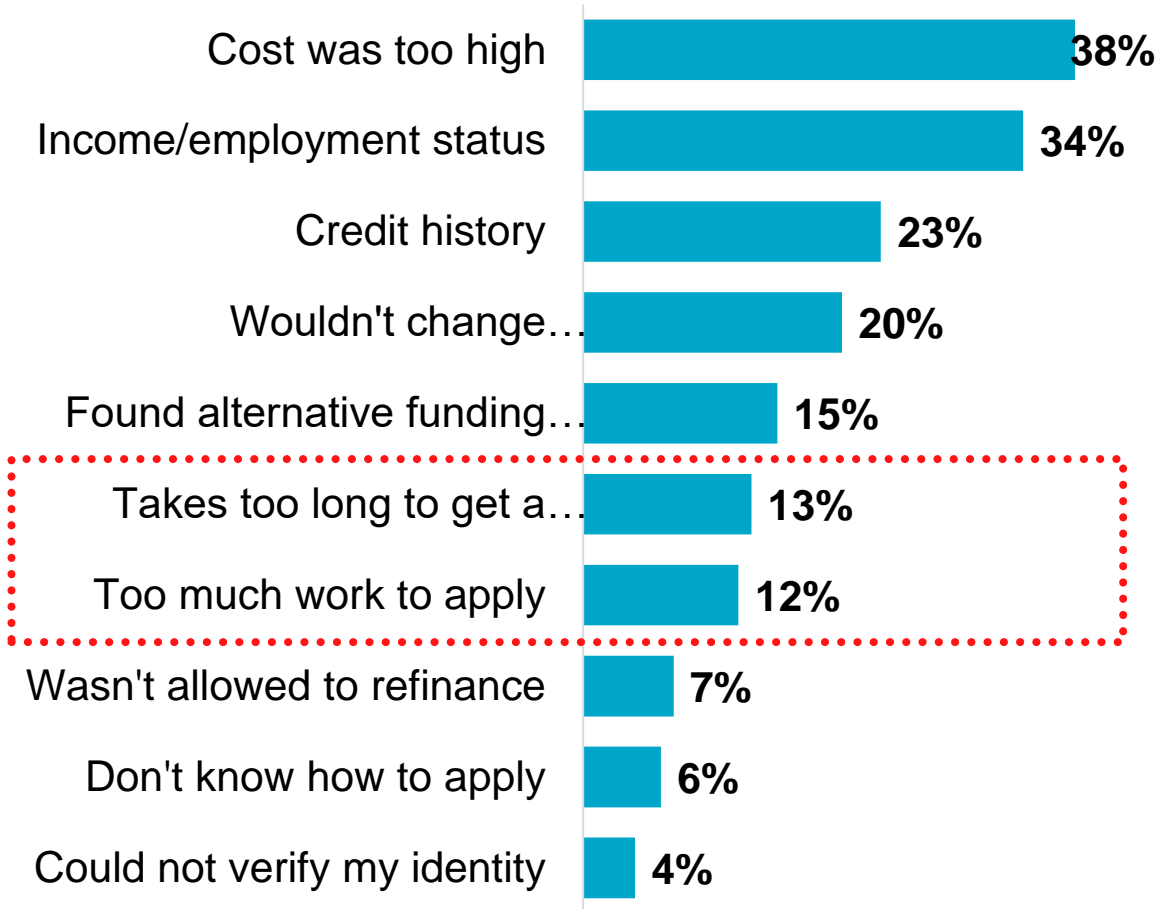
# How much do rising interest rates impact whether or not you are going to apply for credit in the next 12 months?







# Main reasons why consumers abandoned their application for credit



\*Multiple answers allowed

# Summary of perceived level of financial inclusion in region



## IMPORTANCE OF CREDIT

- Almost all consumers in the Southern Africa region believe access to credit is important to meet their financial goals
- However, only 1 in 3 consumers in the region believe they have sufficient access to credit



## APPETITE FOR CREDIT

- Despite the perceived low levels of access to credit products, sentiment from consumers indicate a lack of credit appetite in the near term
- Almost two in three Namibian consumers who applied for credit abandoned their application



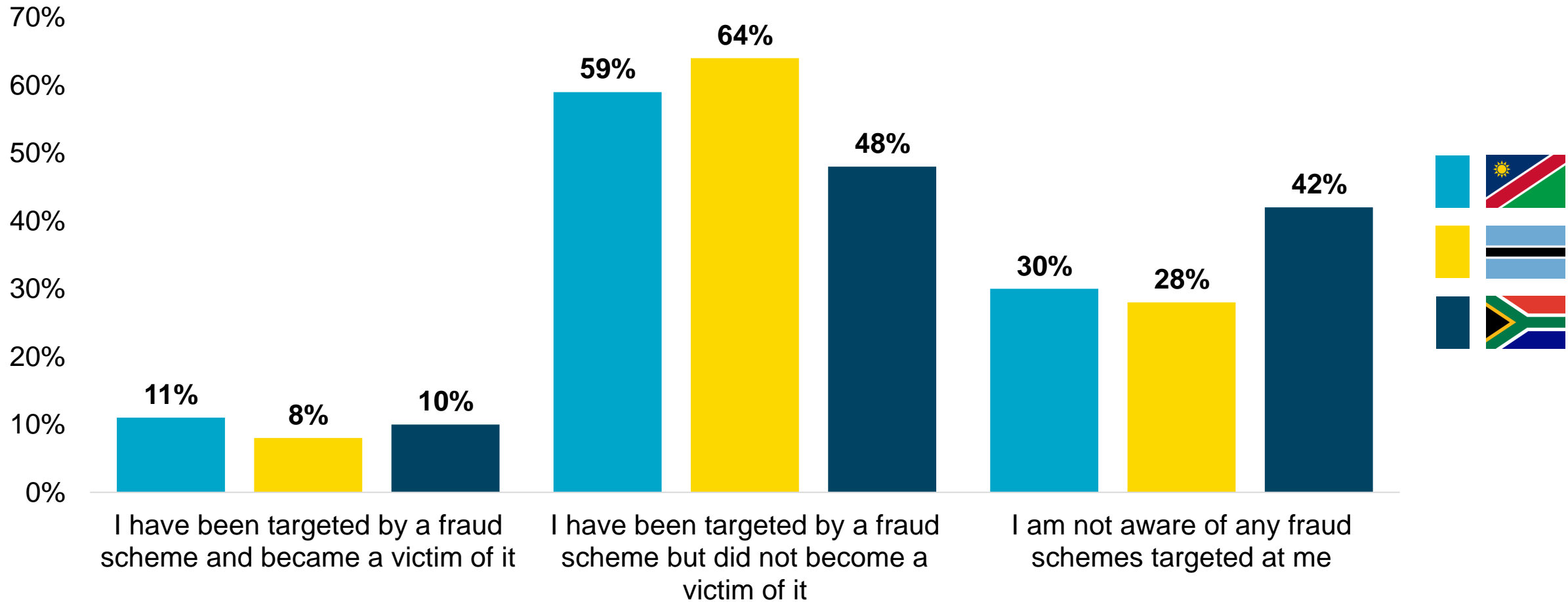
## PRODUCT PREFERENCES

- Appetite for credit products in Namibia are weighted towards younger consumers and that is reflected in the products of choice

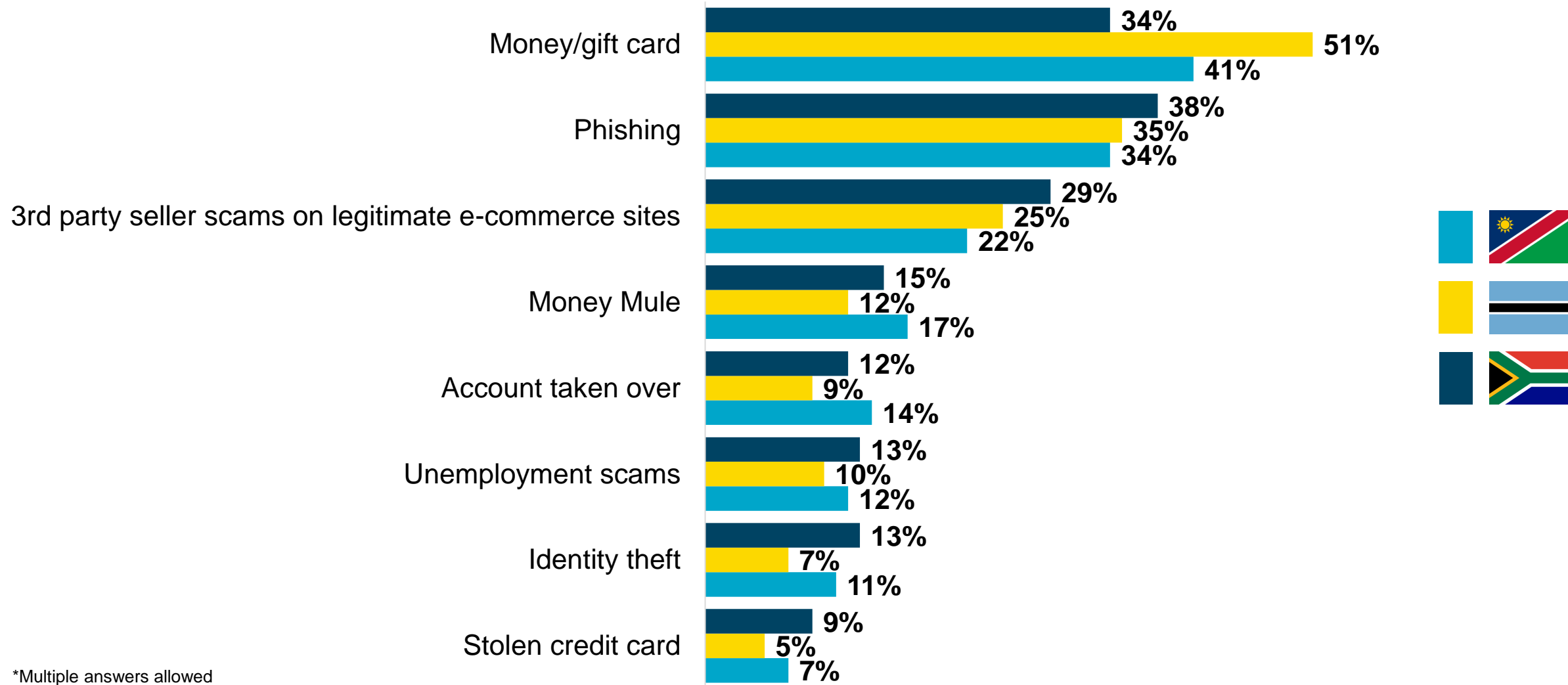
# IDENTITY PROTECTION



# Consumer experience with digital fraud attempts in the last three months



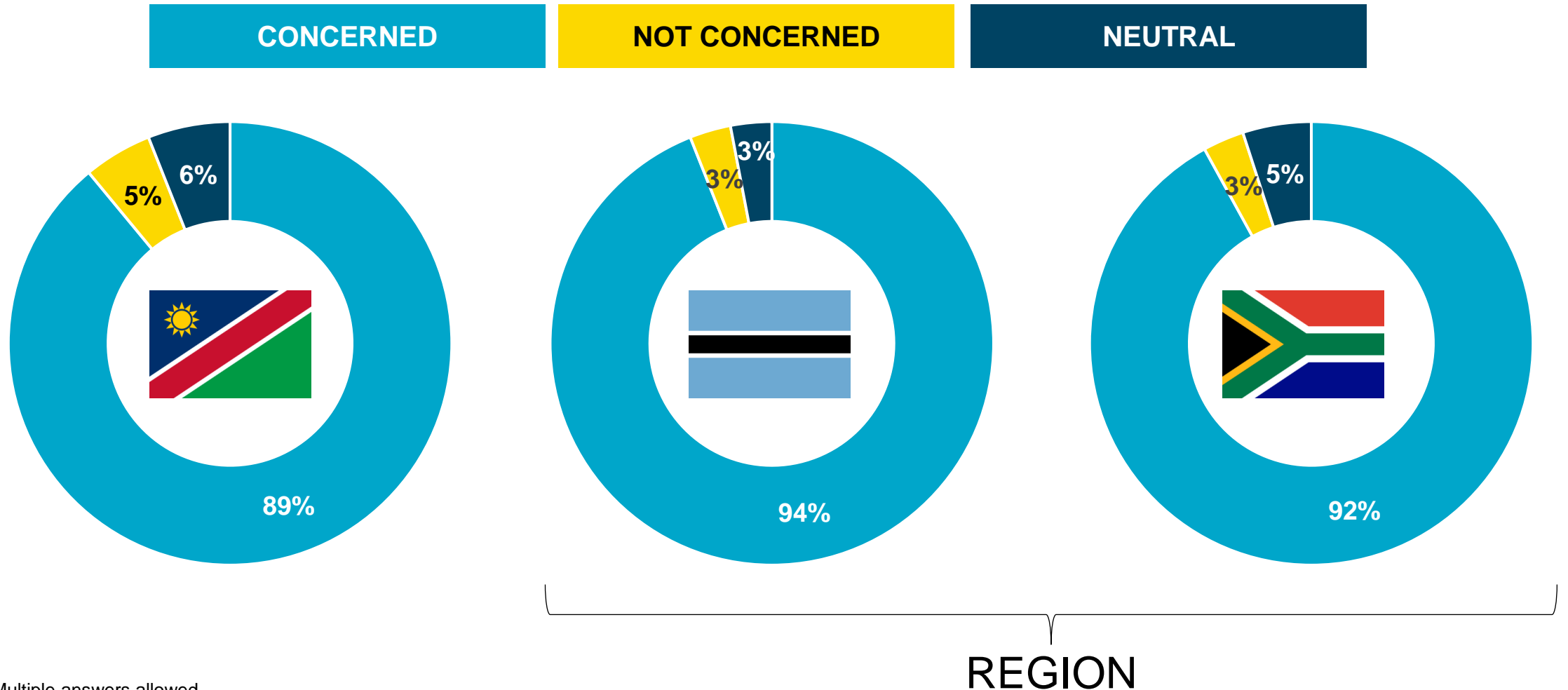
# The most frequent fraud schemes targeting consumers



\*Multiple answers allowed



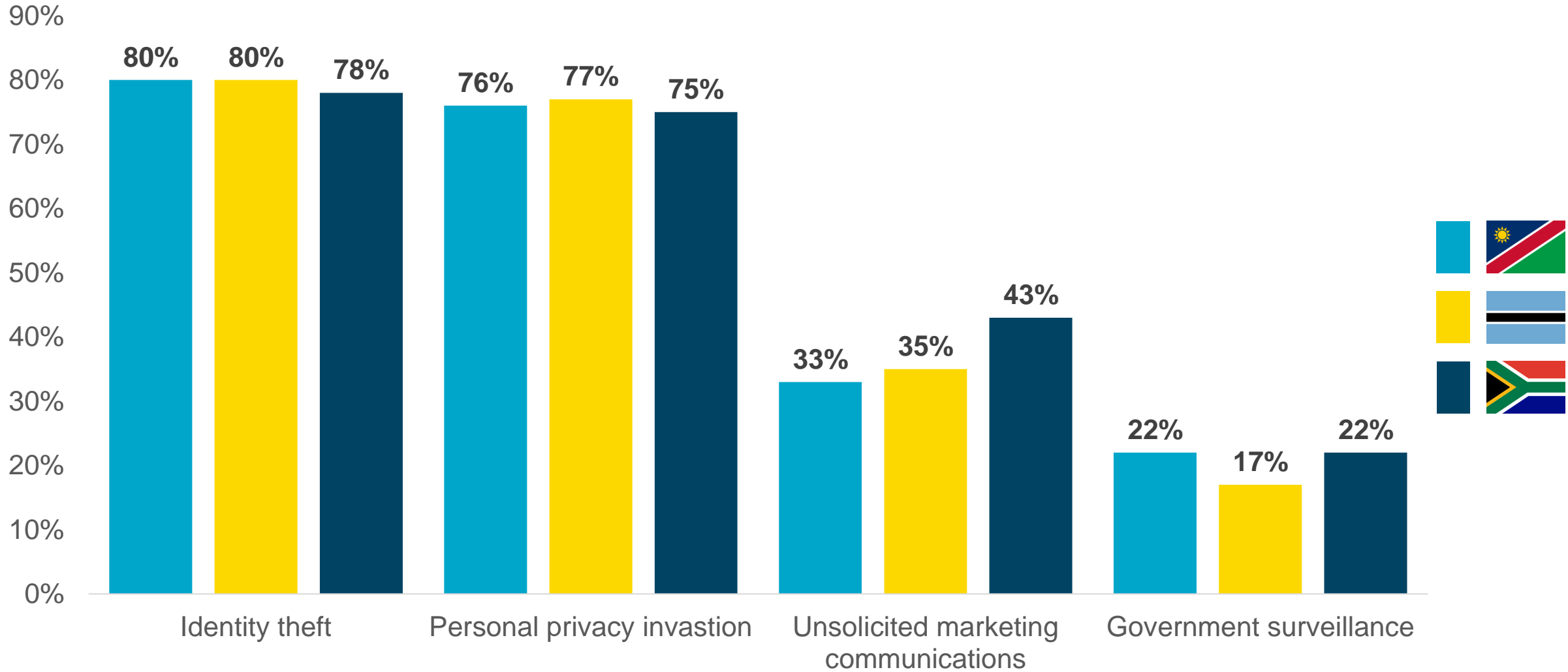
# Consumer concerns regarding sharing of personal information



\*Multiple answers allowed



# Reasons for concern



\*Multiple answers allowed



# TransUnion recommendations across the customer journey



## ENGAGE

### Leverage credit education and promote awareness

- Promote financial literacy
- Create a learning experience for stickiness and loyalty



## ACQUIRE

### Streamline the acquisition experience

- Leverage digital onboarding solutions
- Smooth out cumbersome processes
- Minimise applications abandonment

### Identify segments primed for prudent growth

- Gain more predictive insights during times of uncertainty
- Use trended credit data to reassess risk appetite
- Identify potentially profitable underserved consumers looking for additional credit
- Monitor their capacity to service their debt obligations



## MANAGE

### Recalibrate pricing strategies to enable more tailored solutions

- Leverage proactive triggers and alerts



# Thank You

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