UNRAVELLING THE BoP WALLET

Over **60%** of the Kenyan BoP consumers own a mobile phone, but very few use applications other than M-PESA

Challenge at Hand

M-PESA is currently our largest revenue growth driver, contributing to just over half of our total service revenue growth

Shs 185bn

Total social impact of M-PESA in 2016. Most of the value arose from M-PESA customers being able to receive, save and send money freely and jobs created by M-PESA agents.

Zero Charges

P2P M-PESA transactions below Shs100 do not attract charges. Buy Goods tarrifs for transactions of up to Shs 200 attract no charges.

Over **66%** of Africa's economy is informal

How can we get reliable data on spending?

800 MILLION CONSUMERS

The BoP Challenge

1. Highly Informal Market

2. More Frequent Purchases

3. Unpredictable Cross Category Purchase Decisions (Coping mechanisms …)

4. Diverse, Stochastic Spending – Betting!

What is Consumer Wallet?

Conversations through mobile messaging that ask Kenyan consumers daily:

What did you buy yesterday?

How much did you spend?

How did you pay?

Answering Spending Questions

Consumer Wallet collects daily spending information from Kenyan consumers and breaks down this information into four key areas:

Wallet size

Monthly average amount spent per person

Wallet Share

Proportion of wallet spent across 11 categories

Spending breakdown

Purchase frequency within each category

Payment method

Purchases made with cash, mPesa or credit card

Allowing you to answer three important questions:

1 How do consumers across various classes spend?

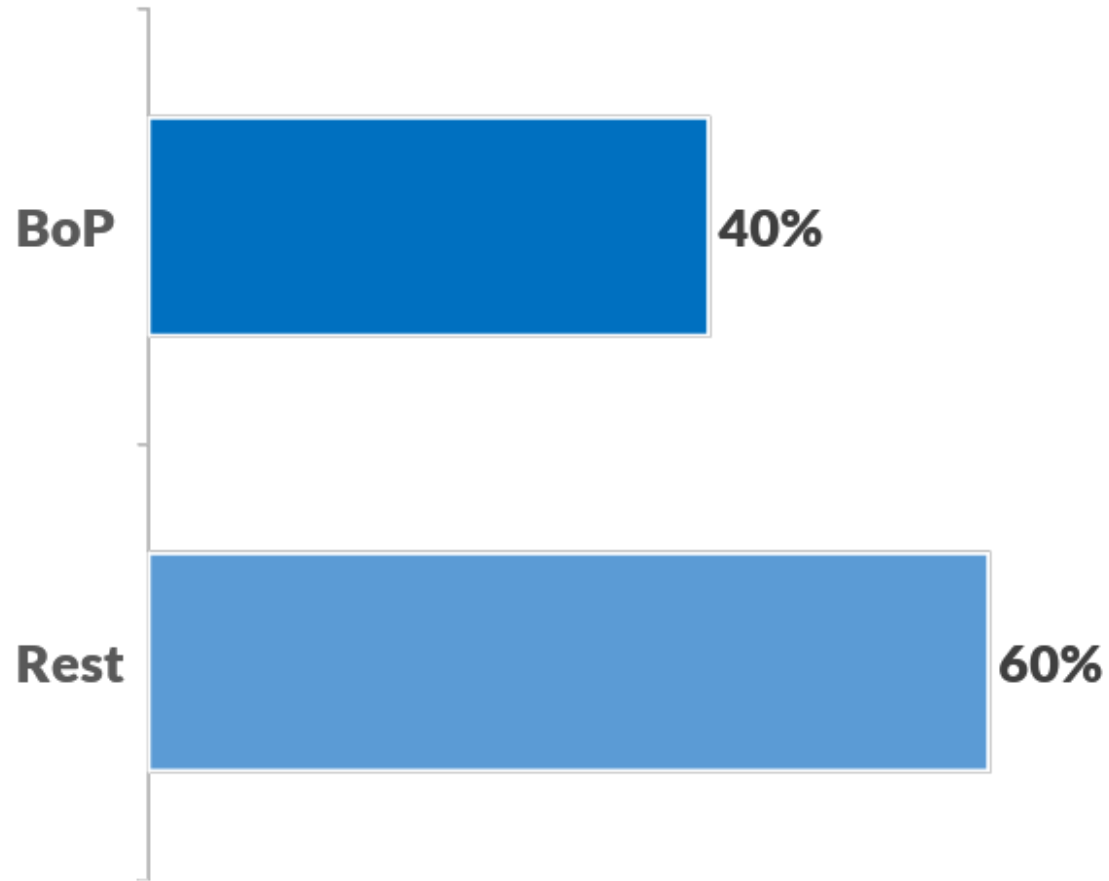**2** Who is your brand's *real* competition?

3 How does this change over time?

Deepening BoP Understanding through Consumer Wallet

BoP Consumers in CW

BoP	40%
Rest	60%

LSM <6 with proportional representation across Gender, age and region
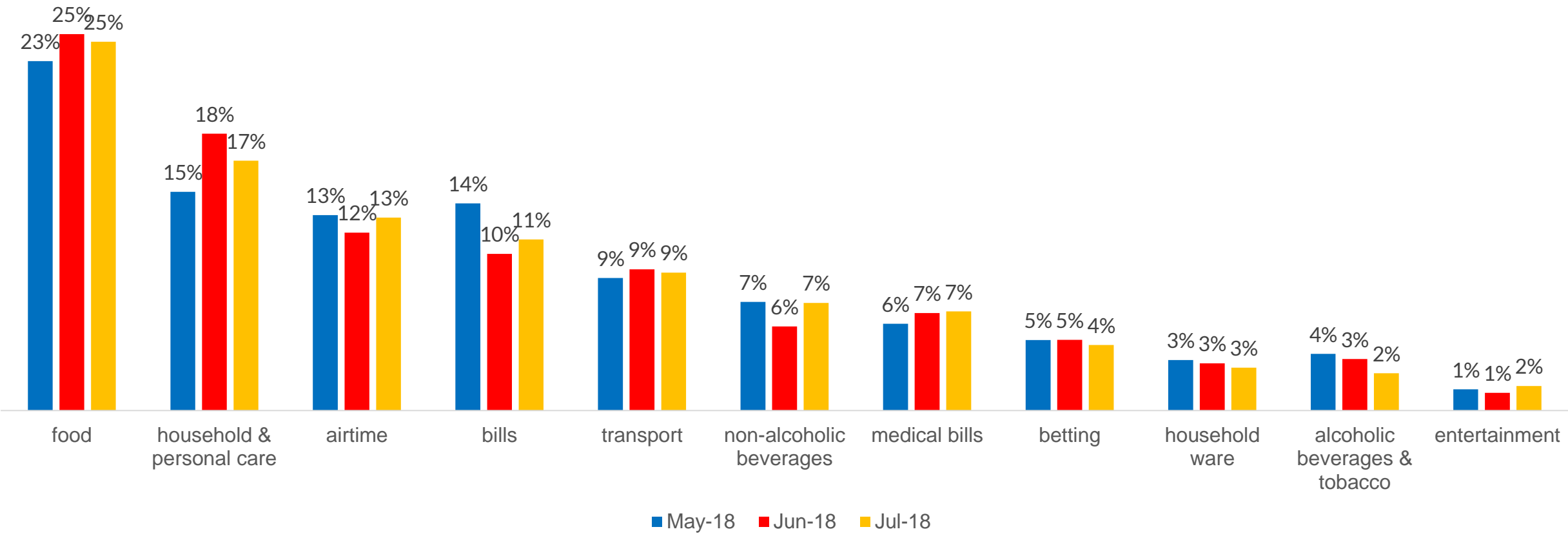
45% Difference in Average Income

Mobile Phone Possession (Basic, Feature Smart)

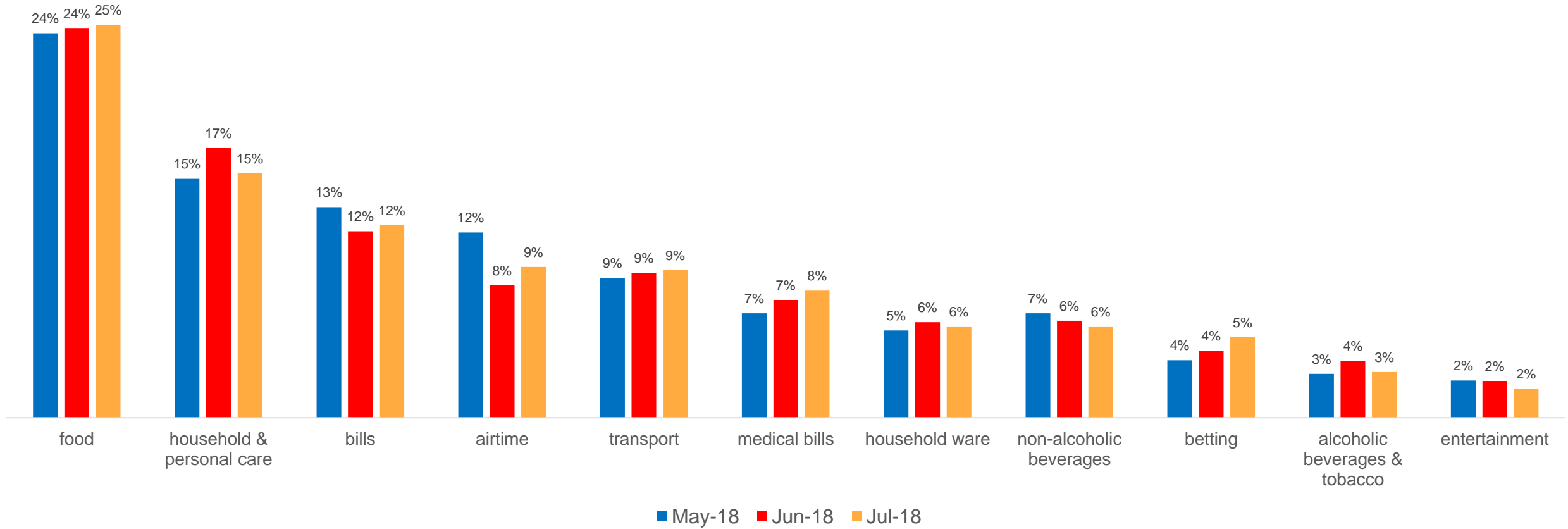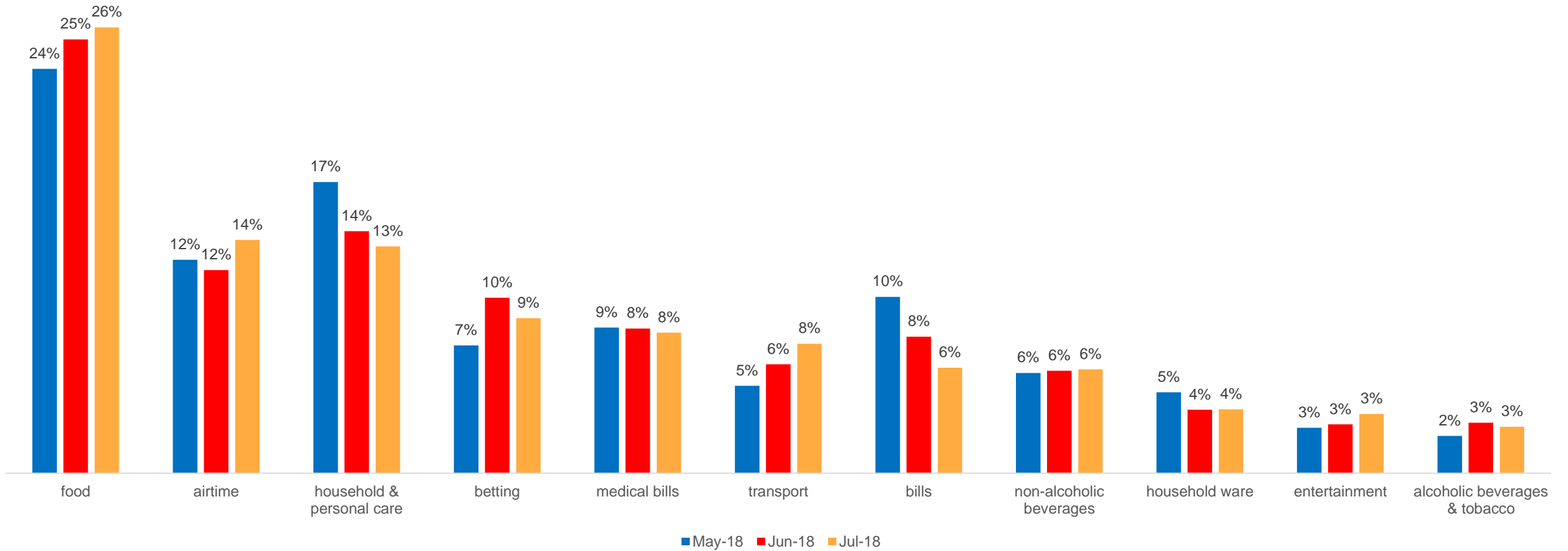1 in 5 BoP Consumers forgoes an expenditure to buy Airtime

- World Bank

Overall Wallet Share Trend

May-18 ■ Jun-18 ■ Jul-18

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Wallet Share Trend – Rest of Consumers

	food	household & personal care	bills	airtime	transport	medical bills	household ware	non-alcoholic beverages	betting	alcoholic beverages & tobacco	entertainment
May-18	24%	15%	13%	12%	9%	7%	5%	7%	4%	3%	2%
Jun-18	24%	17%	12%	8%	9%	7%	6%	6%	4%	4%	2%
Jul-18	25%	15%	12%	9%	9%	8%	6%	6%	5%	3%	2%

■ May-18 ■ Jun-18 ■ Jul-18

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Wallet Share Trend - BoP

	food	airtime	household & personal care	betting	medical bills	transport	bills	non-alcoholic beverages	household ware	entertainment	alcoholic beverages & tobacco
May-18	24%	12%	17%	7%	9%	5%	10%	6%	5%	3%	2%
Jun-18	25%	12%	14%	10%	8%	6%	8%	6%	4%	3%	3%
Jul-18	26%	14%	13%	9%	8%	8%	6%	6%	4%	3%	3%

■ May-18 ■ Jun-18 ■ Jul-18

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Wallet Share Trend - BoP vs Rest

Wallet Share from May-July 2018

BoP

13% Airtime
7% Betting
17% Household & Personal Care
8% Transport
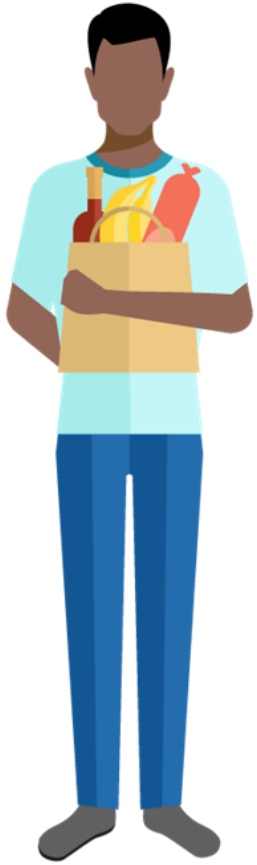
Rest

9% Airtime
4% Betting
15% Household & Personal Care
9% Transport

Understanding the BoP Coping Mechanisms

Increase

- 2.2% Food
- 1.6% Personal care
- 2.2% Transport
- 2.2% Entertainment

Decrease

- 3.8% Airtime
- 3.8% Medical expenses
- 2.4% Bills

Kenyan consumers are under pressure, Consumer Wallet has shown that as expenditure continues to normalize consumers are cutting down on what they consider to be non-essential purchases.

ACTIVATING BoP VOICES

Activating BoP voices

More than 90% mobile phone ownership

80% of Phone activity is texting

Generating high definition Consumer Profiles

Understanding the non-digital transactions

Even more Opportunities

1 More Spending Data than there has ever been in Africa

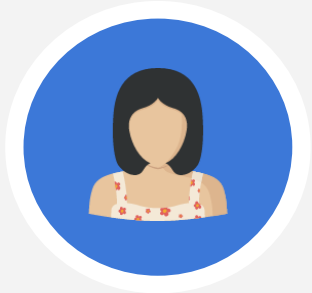**2** Moderate **Volume** and **Velocity**; Controlled **Variety**; Zero **Veracity**

3 Opportunity to Develop Market Segments using Robust Clustering Algorithms

Using Clustering Algorithms to segment and profile
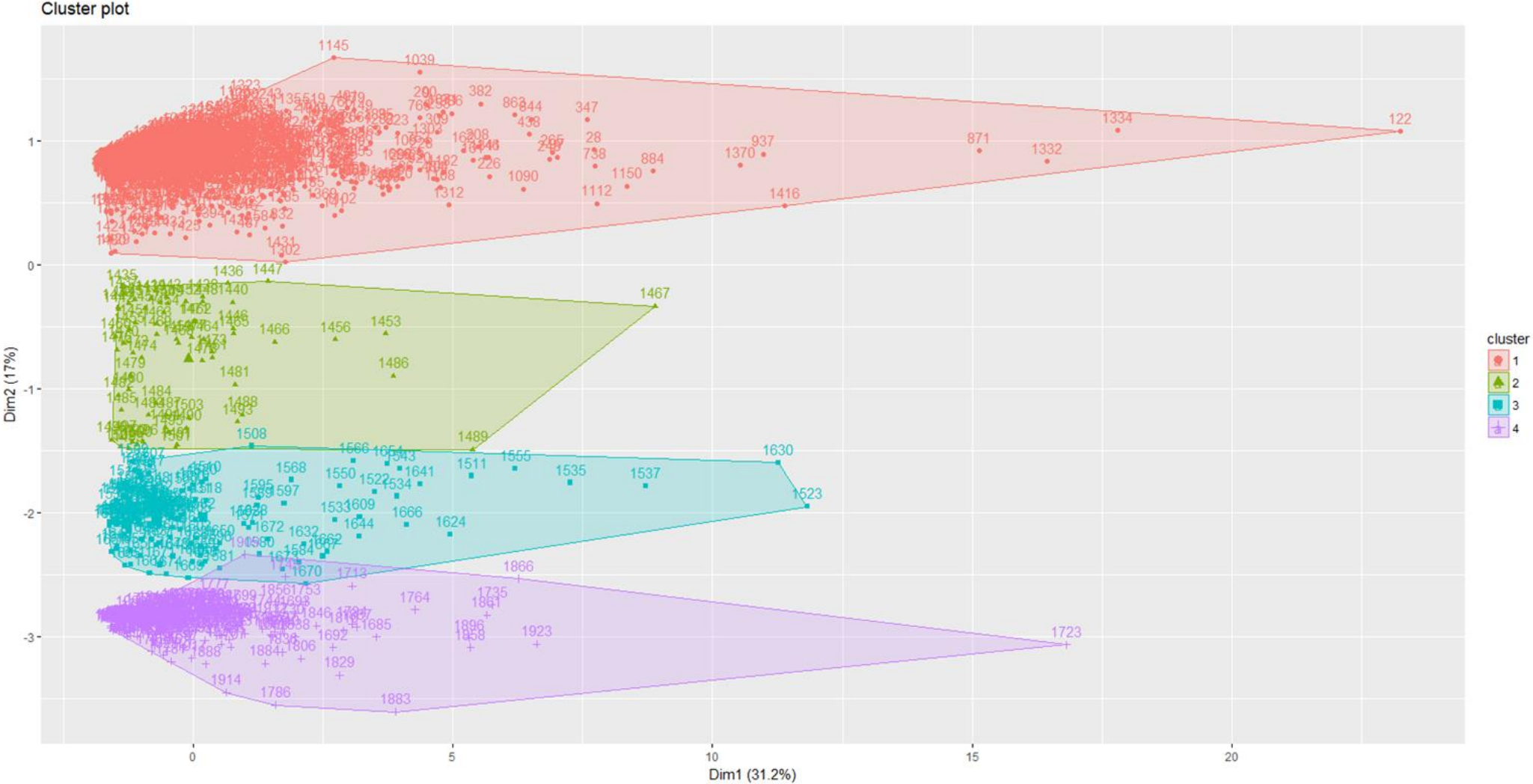
Segmentation

Using CW to build powerful unique consumer demographic profiles.

#profile_001

Gender: **Female**

Age group: **30-34**

Region: **Rift Valley**

Living standard measure: **3**

Total amount spent in 12 days: **KES450.50**

Approx. spending/month: **KES3,130**

SHOPPING CART

Category	%
Food	36%
Transport	19%
Other Household bills	14%
Household and Personal care	12%
Airtime	10%
Non-Alcoholic drinks	8%
Home Ware & Appliances	0%
Alcoholic drinks & Tobacco	0%
Entertainment	0%
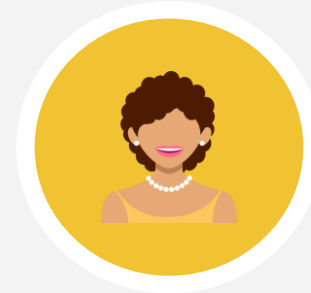
#profile_002

Gender: **Female**

Age group: **18-24**

Region: **Nairobi**

Living standard measure: **5**

Total amount spent in 12 days: **KES770.88**

Approx. spending/month: **KES3,940**

SHOPPING CART

Category	%
Food	24%
Transport	7%
Other Household bills	5%
Household and Personal care	5%
Airtime	14%
Non-Alcoholic drinks	7%
Home Ware & Appliances	10%
Alcoholic drinks & Tobacco	26%
Entertainment	1%

Search Wallet...

Search

Occupation: Constuction worker...

Gender:

☐ Male   ☑ Female

Age:
18   34   90

Period:
📅 18-01-2018 — 📅 Today

Region: Likoni - Mombasa

Income (KES):   Between:
0   26,000   100,000

LSM: 1   2   3   4   5   6   7   8   9   10
◉ ○ ○ ○ ○ ○ ○ ○ ○ ○

View   Create

More
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