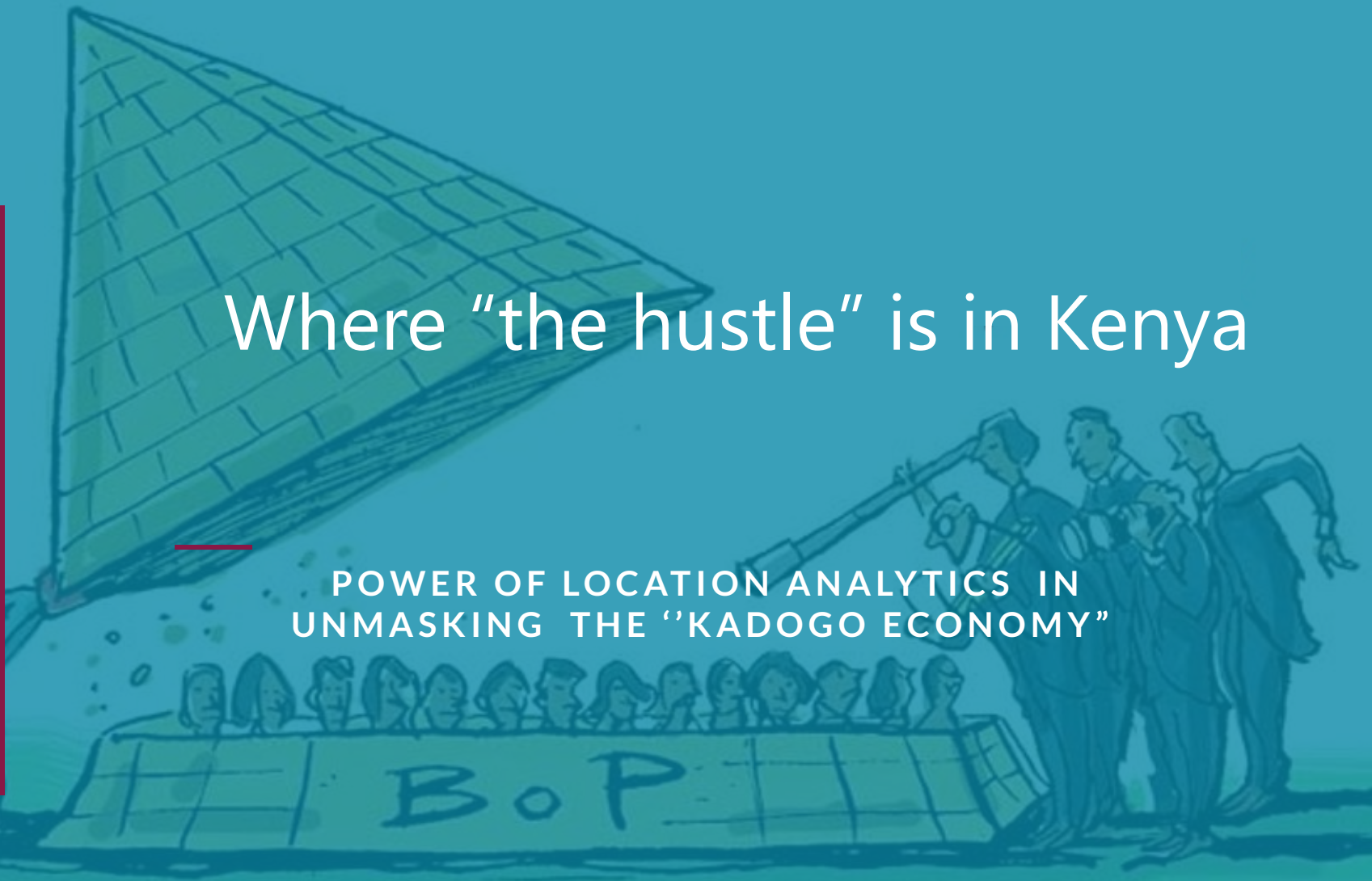


Where “the hustle” is in Kenya

Dalberg
Research

POWER OF LOCATION ANALYTICS IN
UNMASKING THE “KADOGO ECONOMY”



Understanding the Kadogo economy through the use of location analytics as a compliment to the traditional market research

Business Activity

- This is our own in house developed index to measure the level business activity for different locations in Kenya
- The 2016 FSD Kenya Dataverse data was used
- We identified density of Financial retail outlets
- The Business Activity Index has been used to identify high and low business activity areas

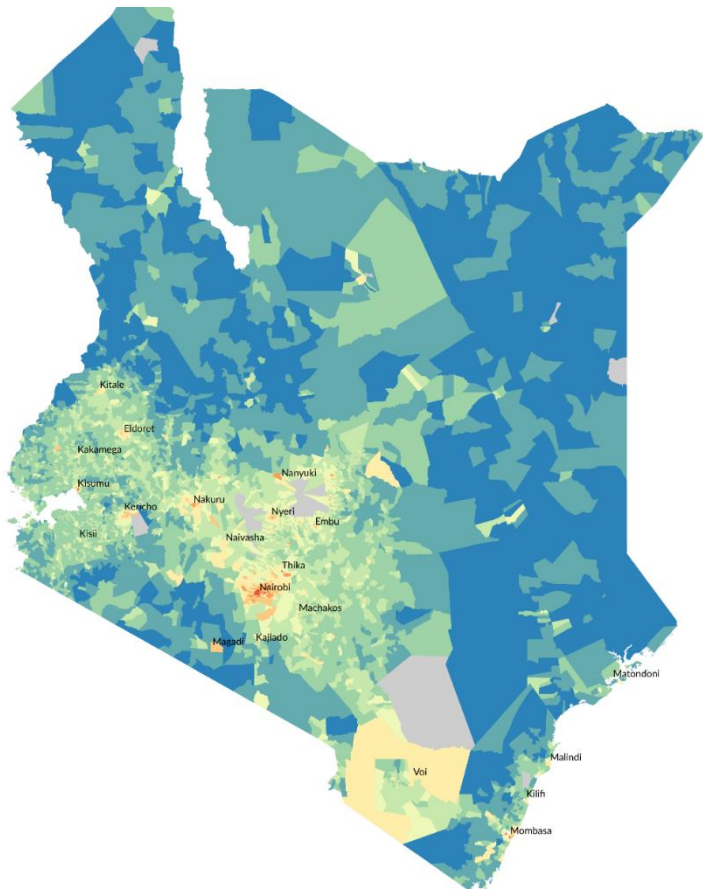
Economic Strength Index

- This is our own in house developed index to measure the Economic Strength for different locations in Kenya
- We combined 9 carefully selected variables to calculate the economic strength index using the KNBS Census data 2009
- It measures economic well being of an area as well as the purchasing power of households in those areas.
- ESI has been used to measure the purchasing power of the informal trade hubs

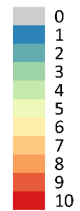
Population Density

- Population density is a measurement of population per unit area for different locations in Kenya
- We used the 2009 KNBS census data
- It identifies the Formal and informal businesses operating in Kenya and also high and low population areas

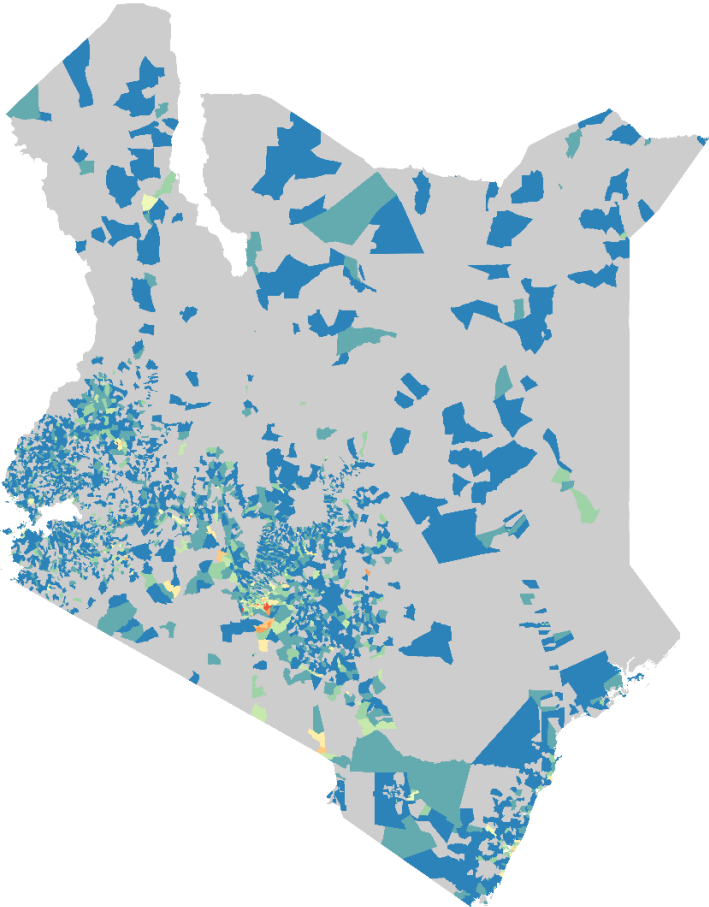
Areas of low ESIs are prime spots for targeting the BoP



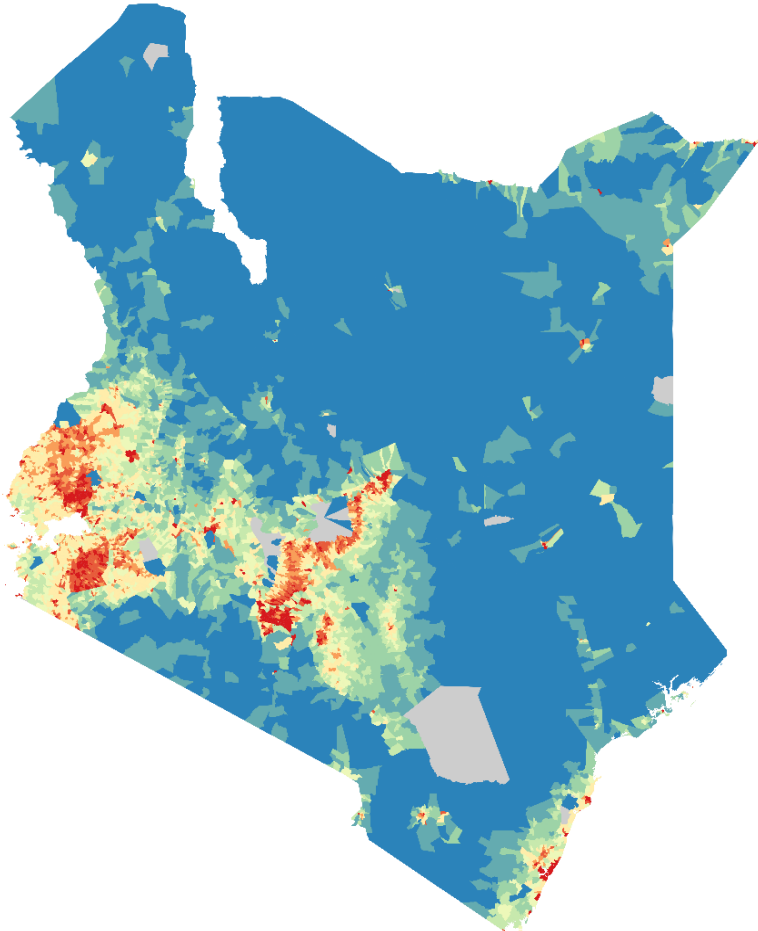
ESI Classes



BoP locations are characterized by both high population and high business activities

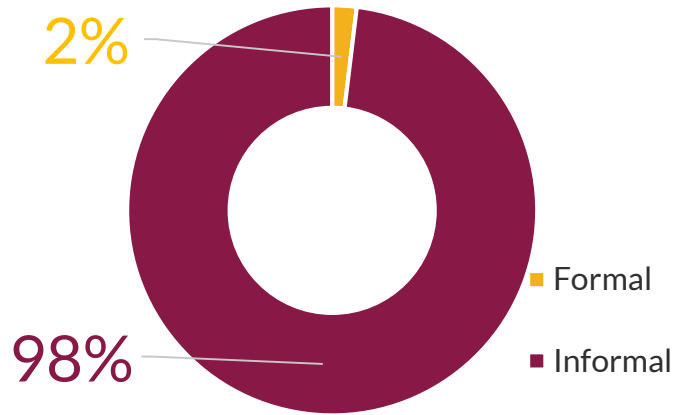


Business Activity
Low
High



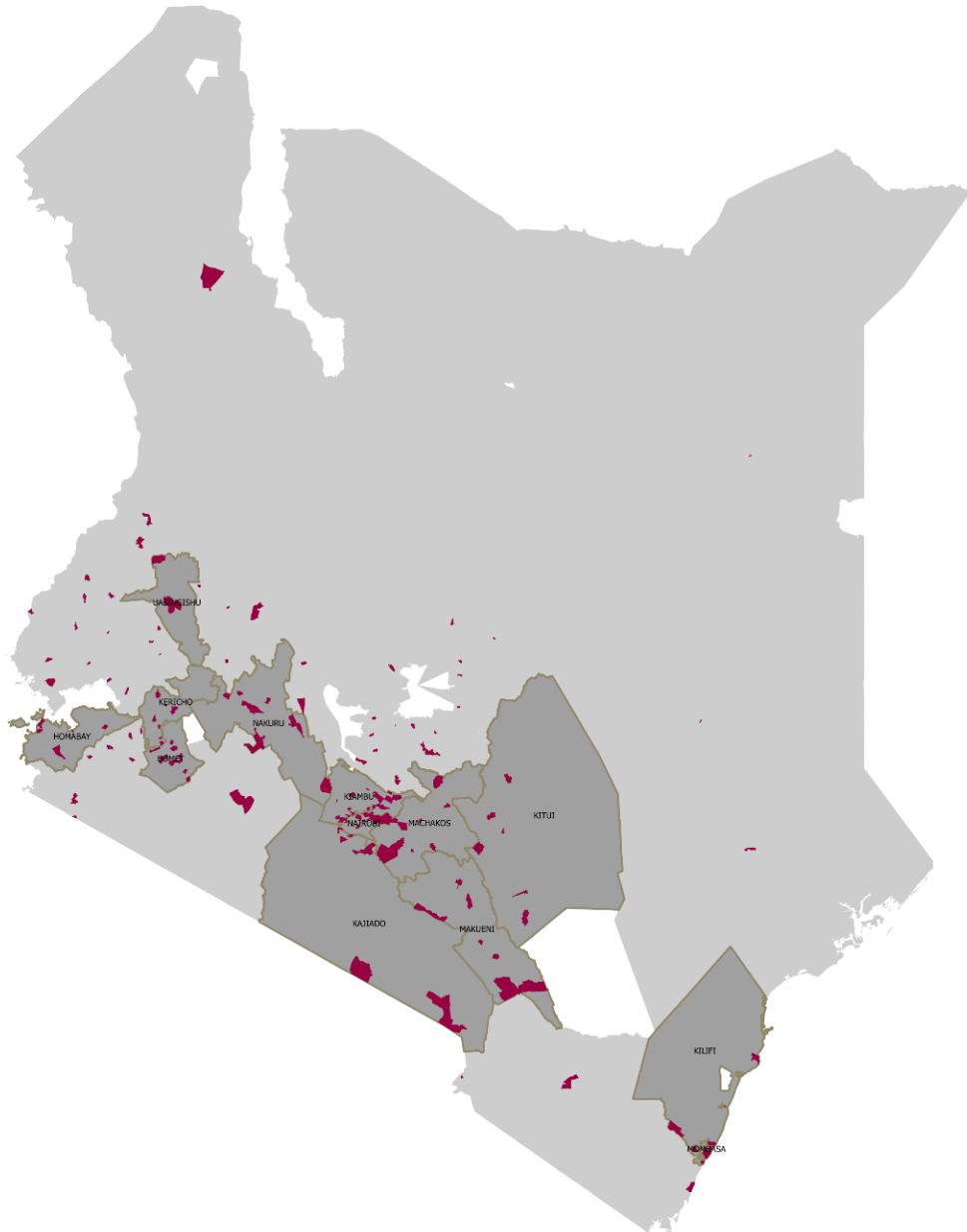
Population Density
Low
High

Where the hustle is in Kenya?



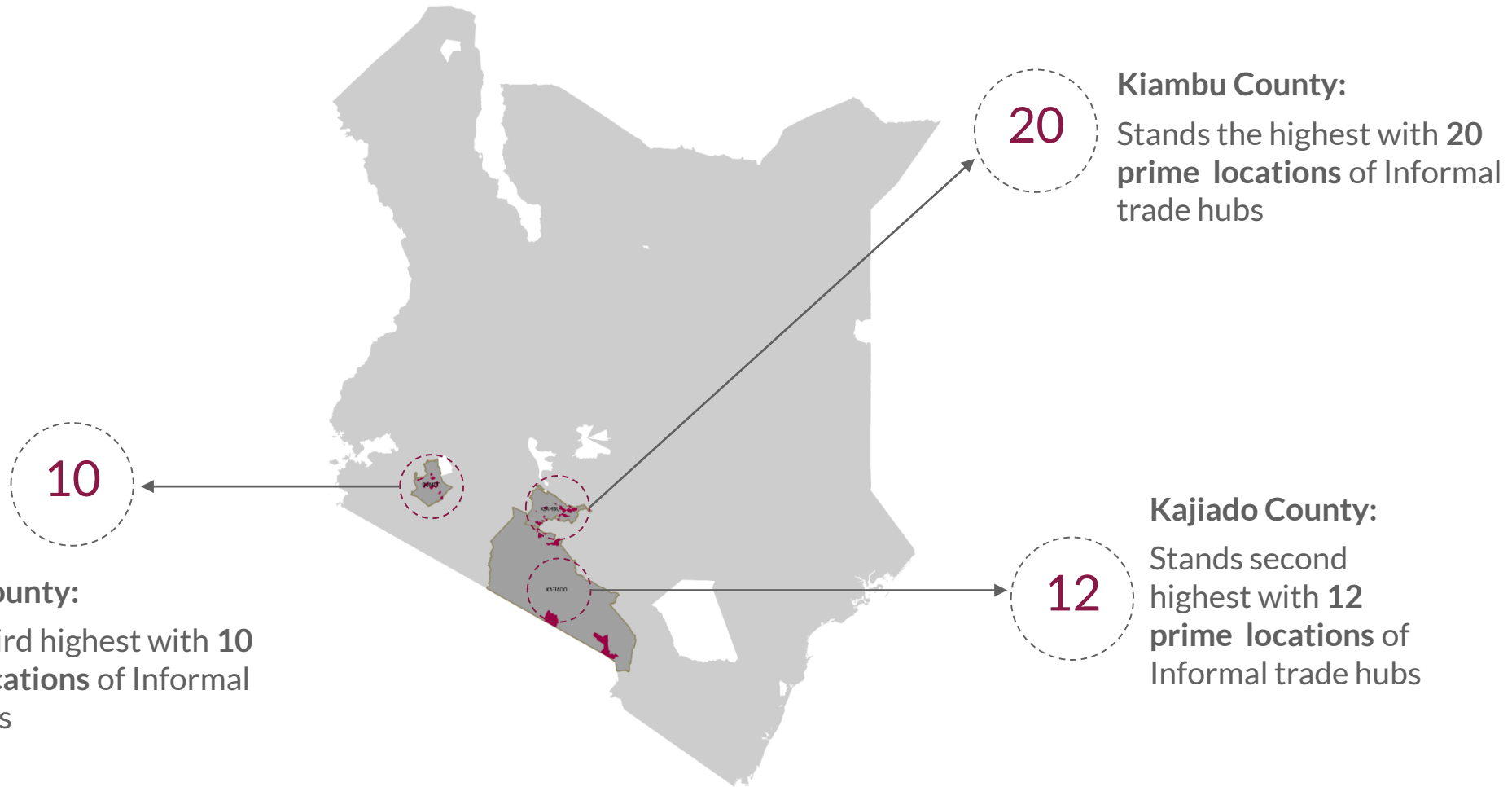
Prime areas which support a myriad of Informal business activities as standalones

Informal trade hotspots in Kenya



County	No of Locations
BUNGOMA	4
KISUMU	4
MERU	4
MIGORI	4
HOMABAY	5
KILIFI	6
KERICHO	8
KITUI	8
MACHAKOS	8
MOMBASA	8
NAKURU	8
UASINGISHU	8
MAKUENI	9
BOMET	10
KAJIADO	12
NAIROBI	16
KIAMBU	20

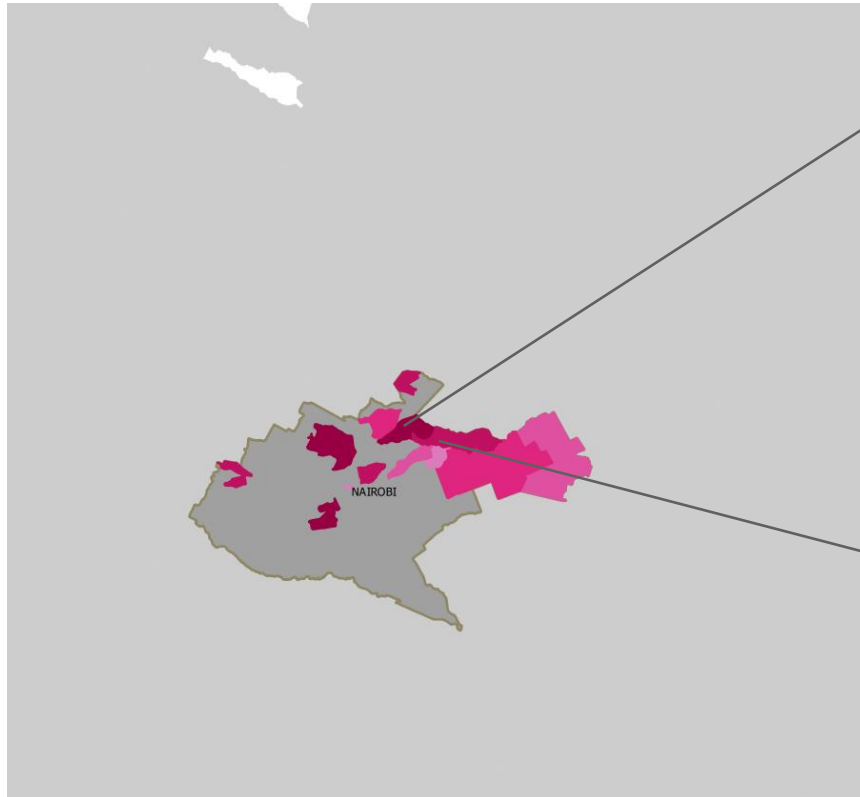
Emerging markets for the Kadogo economy



The prime locations recording low ESIs form a good market of the BoP



Hubs of informal trade existing side-by-side with formal trade in Nairobi



1 Kasarani (Formal Trading Hubs):

Kasarani is home to many enterprises. Kasarani is served by several shopping malls such as Mountain Mall, Thika Road Mall (TRM) and Garden City.

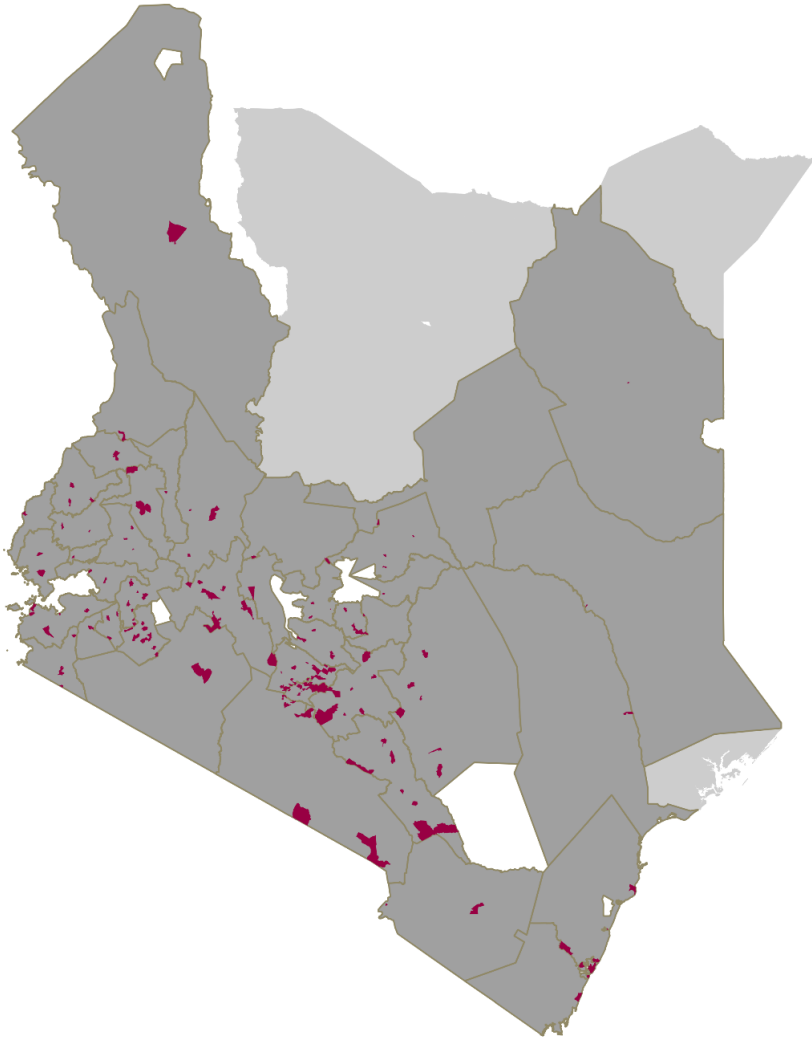
Super Markets within the area include Naivas, Powerstar, Nakumatt and Uchumi.

2 Mwiki (Informal Trading Hubs):

Finds itself adjacent to Kasarani and mainly serving middle and lower income earners

Source:[Wikipedia], [[Kasarani Notable Business](#)]

The Hidden gems of Kenya's Retail universe



- Retail giants need to focus more on these prime locations that define the “building blocks of the Kadogo economy”.
- Targeting the BoP in these prime locations would help in gaining strategic competitive advantage that is **sustainable and profitable** within your various business eco-systems.

Location Analytics in unmasking the “Kadogo Economy”



Through the Power of Location we were able to unmask the “gold” within the Kadogo Economy.

Source: [The Economic Times], [[Business at the Base of the Pyramid], [<http://economictimes.indiatimes.com/slideshows/corporate-industry/10-business-jargons-that-caught-fancy-of-corporate-world/bottom-of-the-pyramid/slideshow/39623273.cms>]

ASANTENI/THANK YOU

QUESTIONS