Looking Through the LENS

Ipsos, Turning media data the right side up!

Fragmented, discerning audiences

Kenya Media Establishment Survey 2022

By Barnabas Muya

July 5, 2022

SUMMARY

Key highlights

1. Background
2. The Social-economic enablers
3. What has changed
4. Digital disruptions
5. Honorable mentions
6. Summary
7. Does platforms matter

KENYA MEDIA ESTABLISHMENT SURVEY - 2022

1

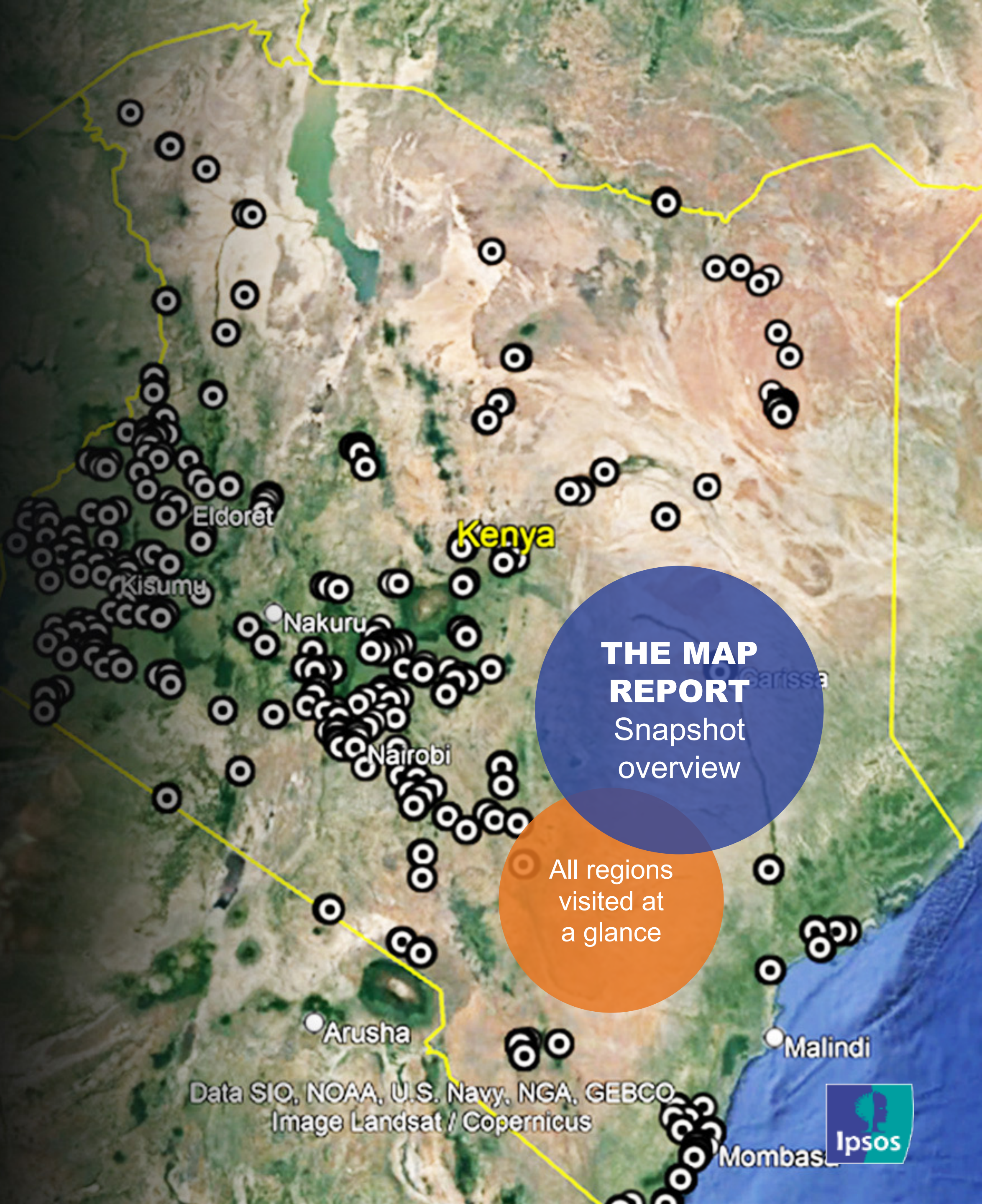
Background

WHY THE KENYA MEDIA ESTABLISHMENT SURVEY 2022 IS IMPORTANT?

ROBUST!
10,000 interviews, random

- This National media single-source survey was conducted by Ipsos between April 20th and May 20th 2022. The sampling design was provided by the KNBS. The sample targeted 10,000 households and it covered all the counties of Kenya. We used the Face-to-Face approach.
- With this kind of data, it is easier to do crosstabulations against the various demographics
- The survey covered respondents from age 12+. This was important in monitoring the changes that have happened since 2015
- The last Establishment survey was in 2015 and it happened as the Television digital migration was happening
- The media industry has been in the dark on the actual happenings on the media scene since the digital migration
- This 2022 establishment survey sought to see how much the media landscape has changed, and what has changed in relation to media reach for the different media touchpoints
- Besides media and audience habits, the Survey also captured socio-economic data that is important in the creation of target groups and other forms of segmentation

• Robust, 10,000 interviews, random



NEED TO UNDERSTAND THE EVOLVING CONSUMER SPACE

AVAILABILITY

There is a wide array of media touchpoints that are available to the consumer

- Radio
- TV
- Newspapers
- Magazines
- Internet access
- Mobile phone (basic, smart, etc)
- Tablet

Opportunities in targeting / growing new streams

ACCESSIBILITY

While availability may not be the problem, accessibility is determined by factors beyond

- Power connections
- Engagements
- Social / societal norms
- Bandwidths / geo-coverage

Opportunities in growing the pie of Audience

AFFINITY

A consumer may have no challenges with availability of accessibility of a media platform. However, they will always have preferences based on convenience, ease of use,

- Mobile phone over TV
- VOD over telenovela, etc

Opportunities in platforms

34M

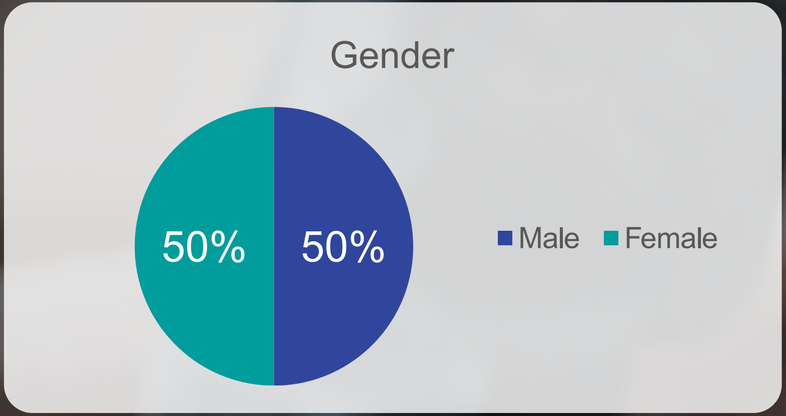
Total Audience 12+

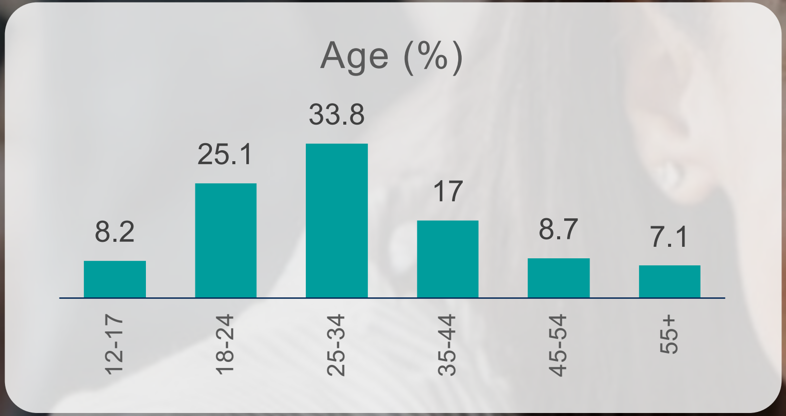
27.3M	25.5M	16.1M	6.2M
Radio	Television	Internet	Print

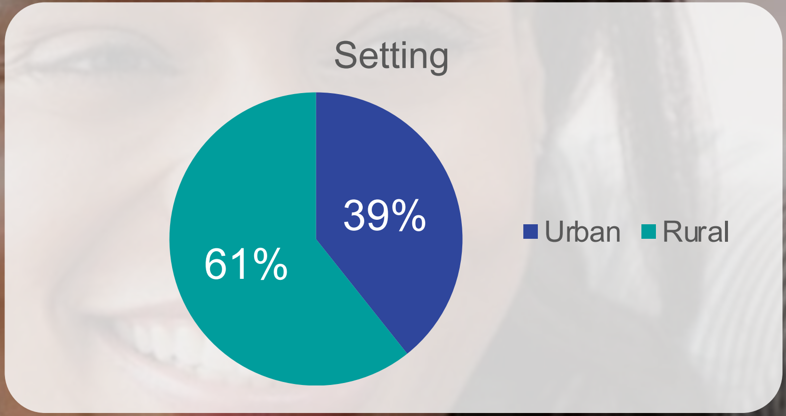
 | Kenya All Media & Products Establishment survey

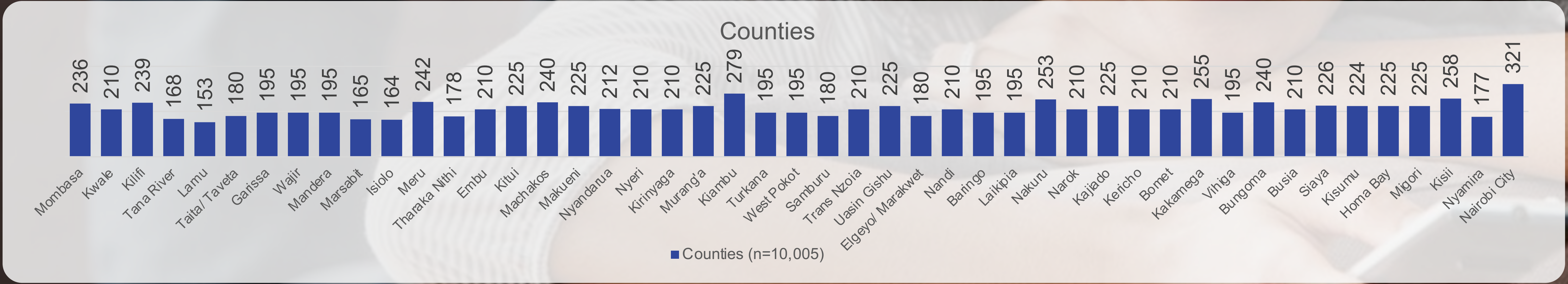
CONSUMER PROFILES

Methodology and Sample Structure









Sample Source: KNBS

THE SOCIO-ECONOMIC ENABLERS

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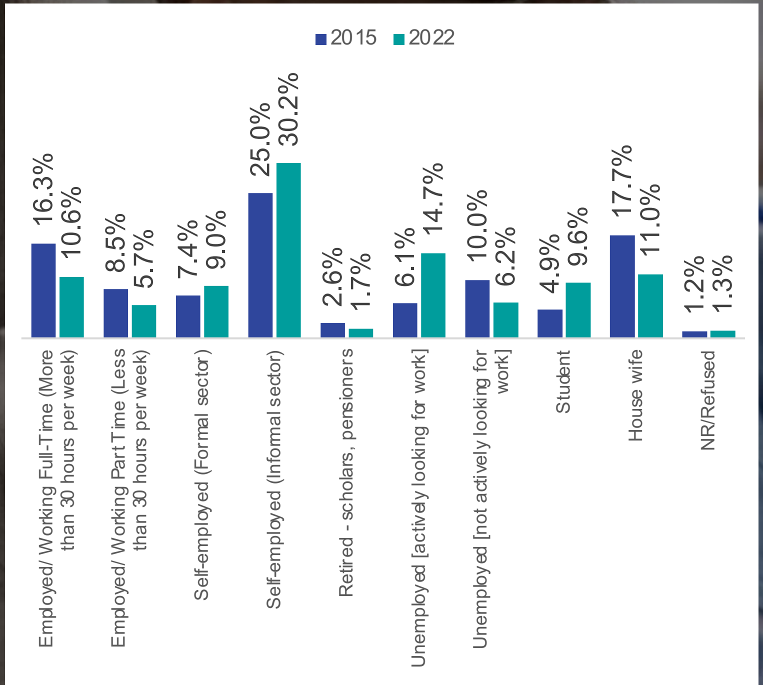
Changing fortunes

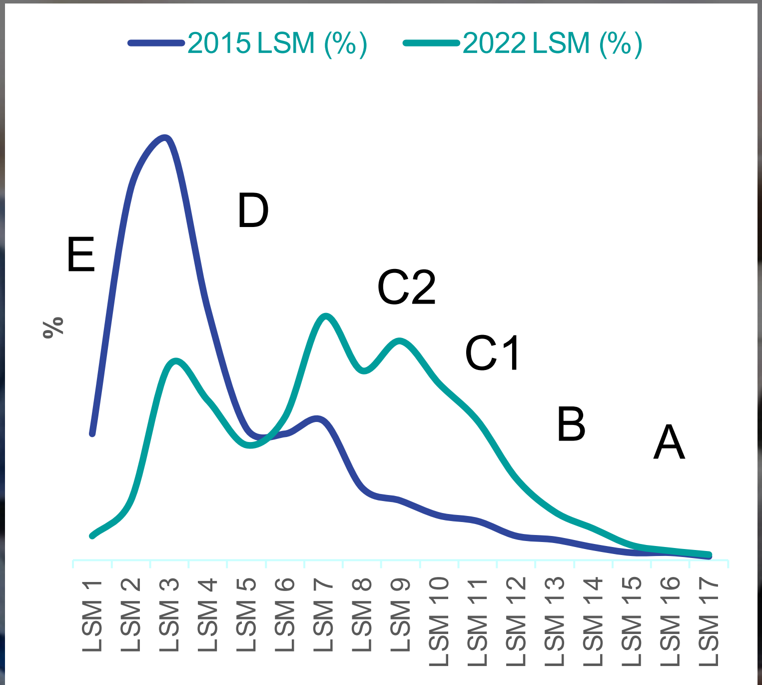
KENYANS ARE WEALTHIER

There is a marked improvement towards the middle class, led by Nairobi

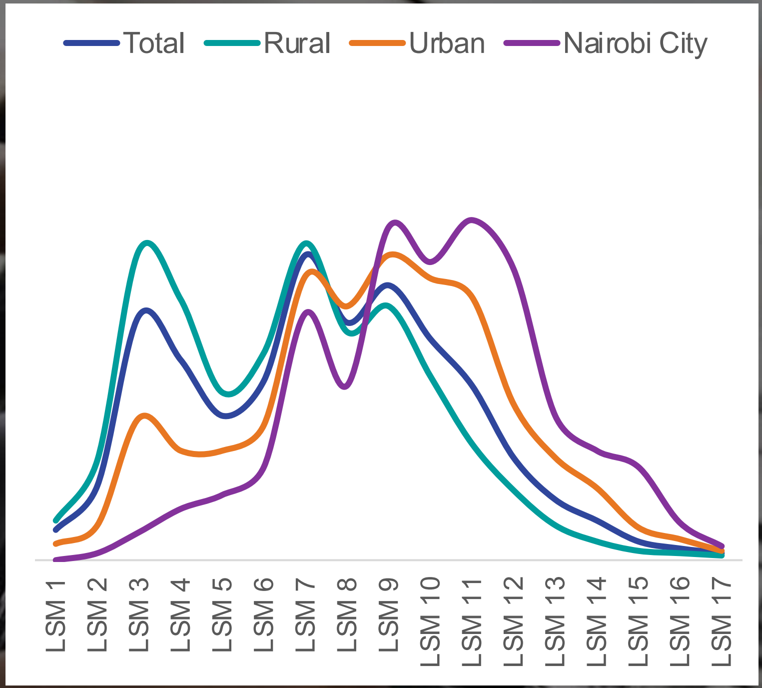
WORK STATUS



LSM SHIFTS - 2015 VS 2022



LSM BY SETTING - 2022



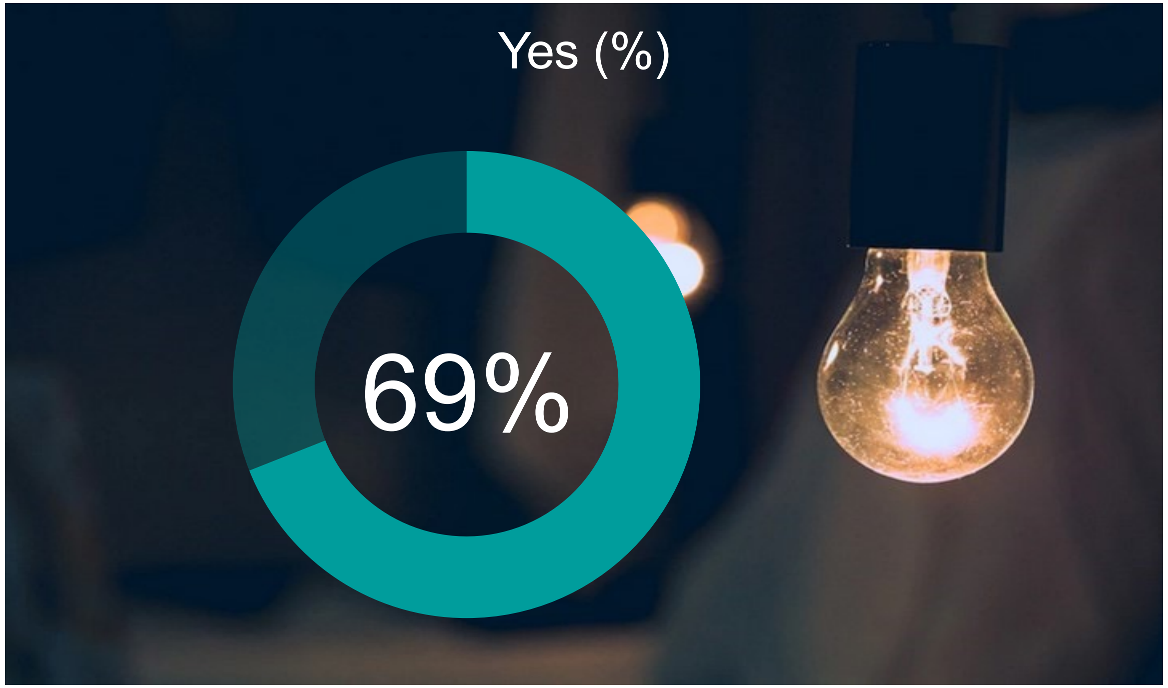
Ipsos: Based on Total Sample

The Kenyan Economy: *Kenya became a middle-income economy in 2014 with a GDP of 53.3b USD*

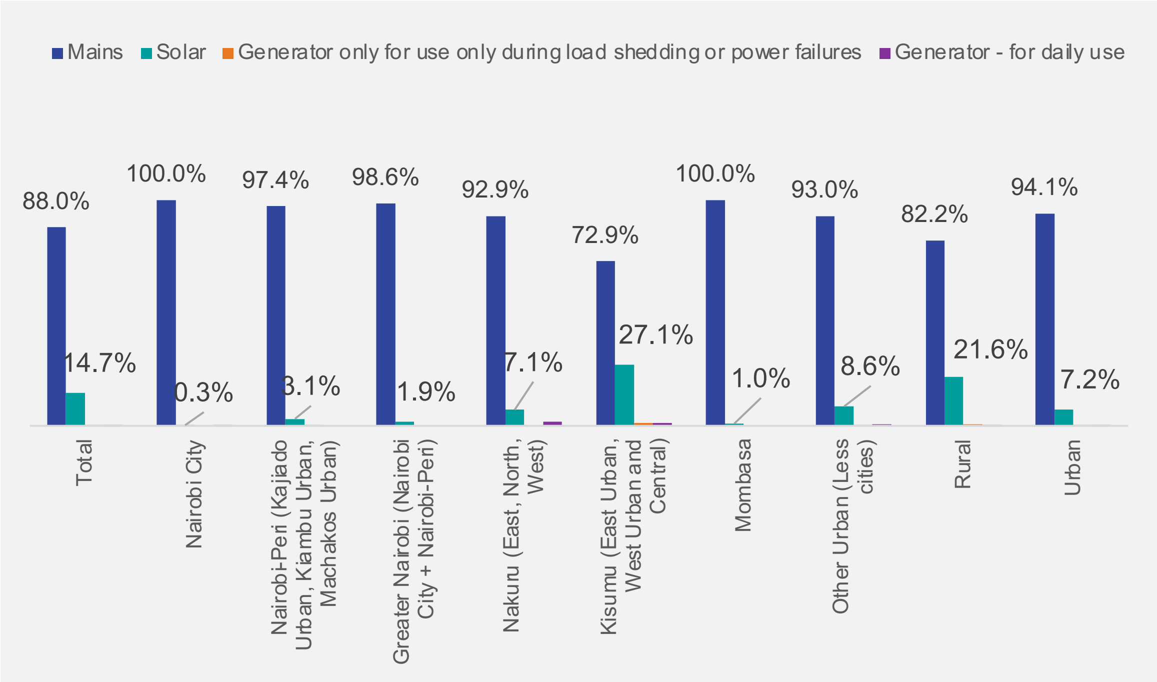
MORE HOMES CONNECTED TO ELECTRICITY.

15% of Kenyan electrified households using Solar energy. Rural Kenya leading with 22%

ACCESS TO ELECTRICITY



TYPE OF ELECTRICITY

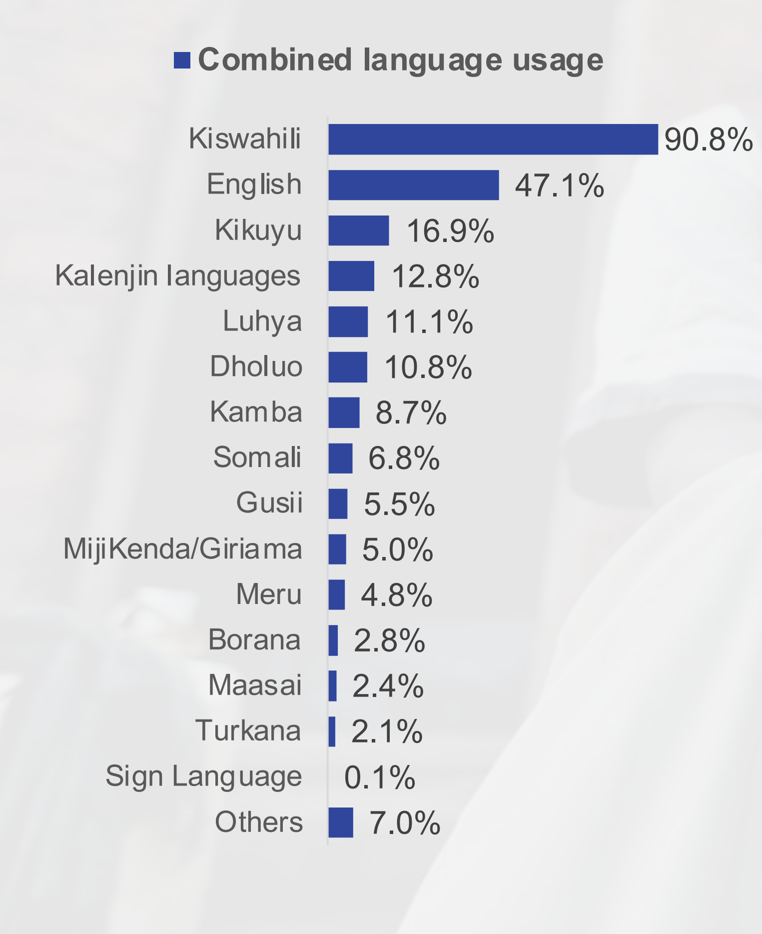


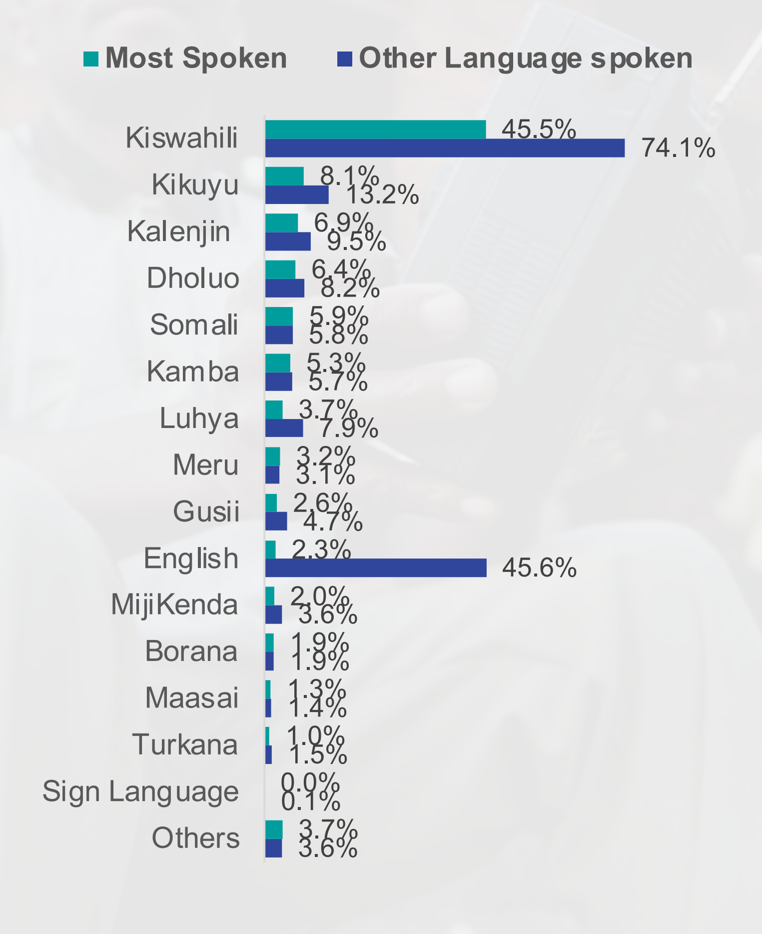
Electricity Penetration in Kenya
Comparisons:
- 2015 41.6%
- 2020 71.4%

Source: World bank

Ipsos

KISWAHILI IS THE MOST POPULAR IN DAY-TO-DAY COMMUNICATIONS AND CUTS ACROSS ALL DEMOGRAPHICS





- Kiswahili is the language of the masses, popular in public engagements.
- English is widely used as a secondary language. It is the primary media language, heavily used in social media, Television, print and niche radio outlets; popular in official functions.
- The use of local languages at homes continue to power and to drive the use of vernacular media, more so radio.

Based on all respondents

Ipsos

WHAT HAS CHANGED?

The Dynamics

3

CELL PHONE NOW AT THE CENTRE OF DAILY LIFE WITH 95% PENETRATION

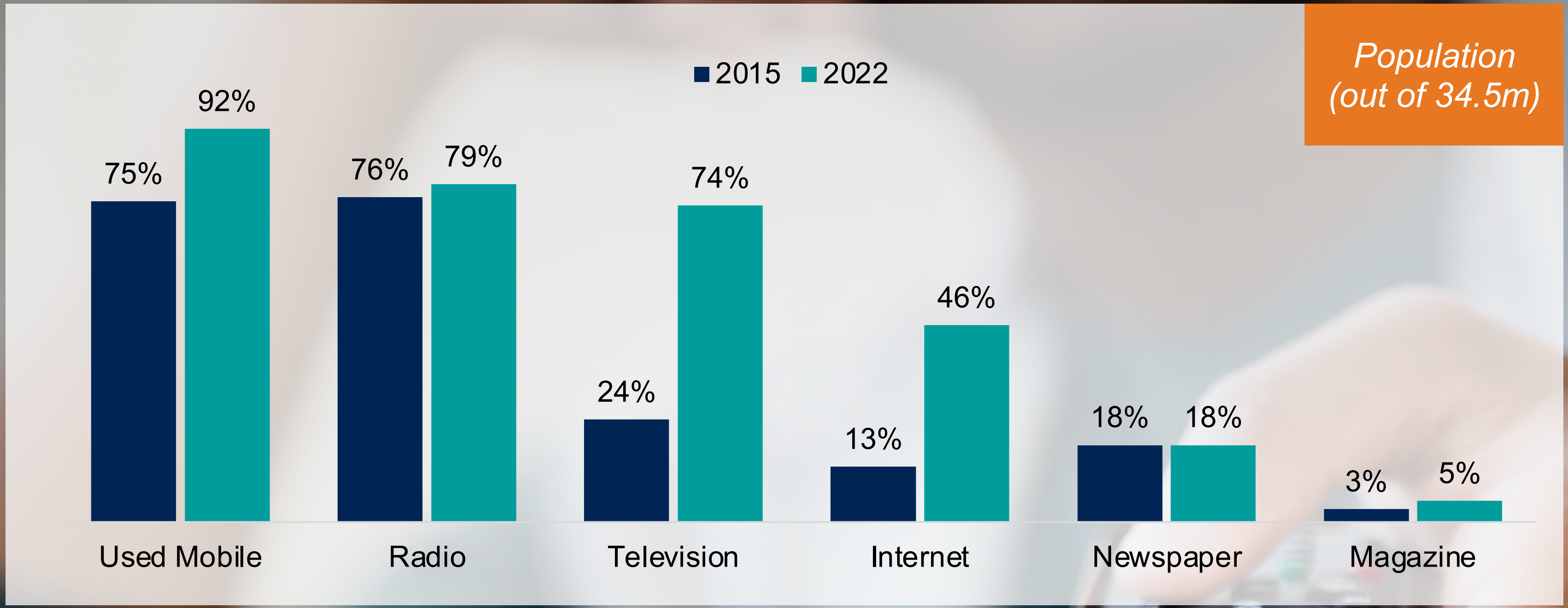
Subscription to the second screen over the years is phenomenal as radio set slowly wanes

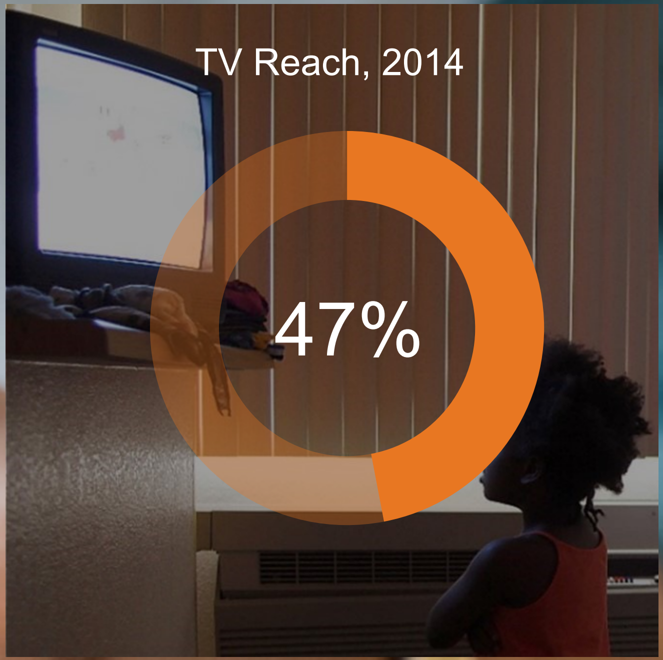
- According to CA of Kenya, there were 59m connected phone devices in Q3 2021. 67.9% were feature phones while 53.4% were smartphones
- In 2016, BusinessWire predicted a growth of digital TV from 38% in 2015 to 52% in 2021

Based on all respondents – n=12+ (10,005))

RADIO AND TV REACH ALMOST AT PAR WITH TV POISED TO OVERTAKE

Touchpoints weekly access: Cell phone, Television and Internet grew phenomenally. TV declined in 2015 due to disconnections as a result of digital migration





31.7m

27.3m

25.5m

16.1m

6.2m

1.7m

Media Touchpoints accessed in the past 7 days (All respondents – n=12+ (10,005))

DOES PLATFORM MATTER?

The changed, unchanged and outlook

4

FUTURE OF RADIO RESTS WITH THE MOBILE PHONE

2.5 hrs of listening per day

CHANGED

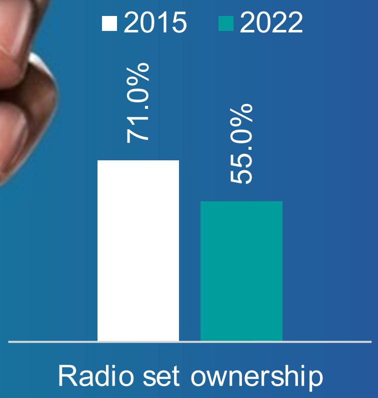
- Decrease in radio set ownership
- Radio becoming more personalized through the mobile device

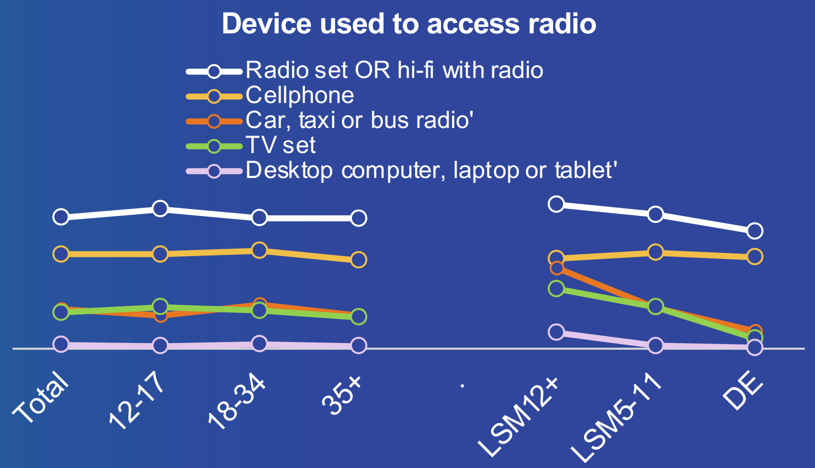
UNCHANGED

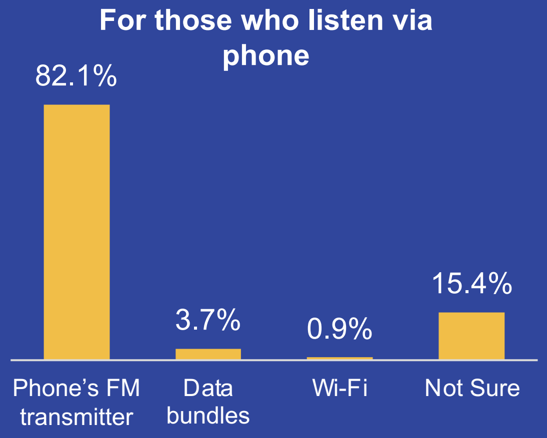
- Listening has not increased significantly since 2015 (76% to 79%)
- Popularity of radio still high
- The mobile phone listening across age and LSM uniform

OUTLOOK

- A world without a radio set
- Significance of mobile phone as the future radio listening device
- Potential of livestreaming within the populace could be hampered by data access costs



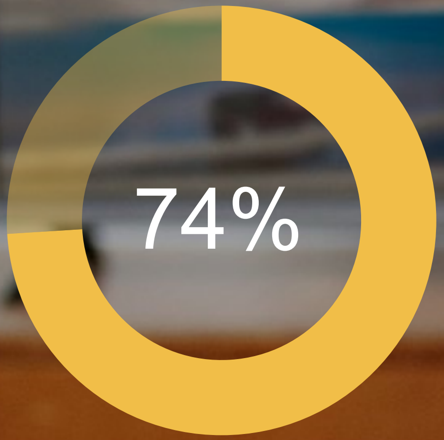




Ipsos

IMPROVED LIVING STANDARDS = MORE ELECTRIFICATION = ACCESS TO MORE TV SCREENS

2.5 hrs of viewing per day



3/4 of Kenyans **(74%)** watch Television at least once a week

CHANGED

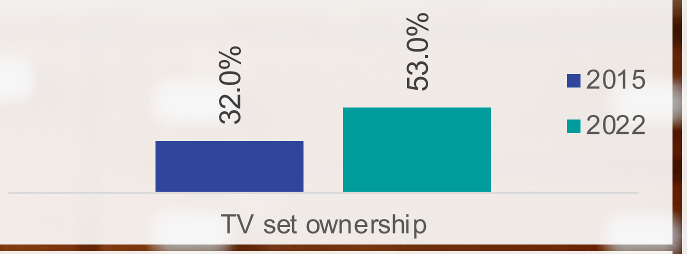
- Growing TV households
- Emergence of digital and smart TV, now at 3% penetration
- Emergence of digital Television

UNCHANGED

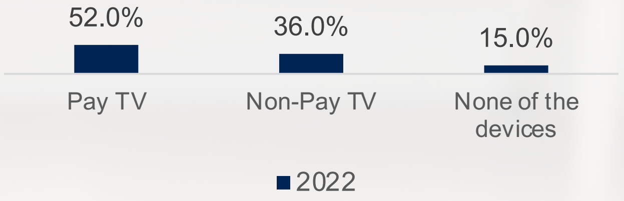
- Home viewing remains dominant.

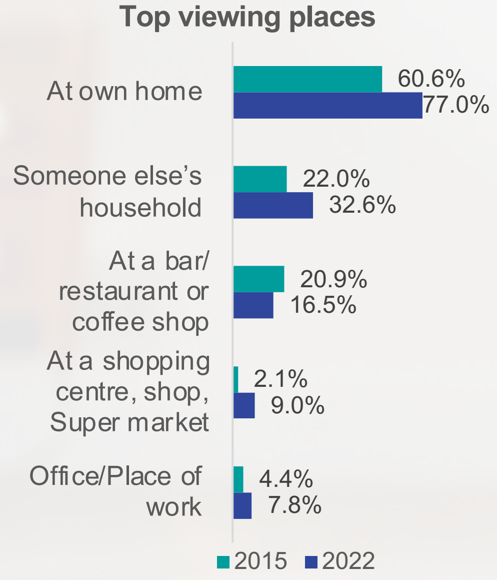
OUTLOOK

- Children's Television
- Impact of digital, Smart and mobile livestreaming in the market – future of Pay TV



15% of viewers in Kenya do not use the conventional methods to watch TV



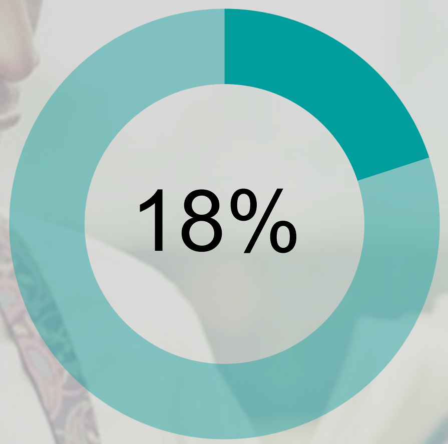


45% of the households visited have young children. 87% of these households do watch kids content – **two-thirds** of the guardians do watch their children occasionally.

Ipsos

THE PRINTED WORD IS NOT DEAD, BUT IT IS NOT GROWING. SO, WHAT IS THE FUTURE?

54 mins of reading per day



Percentage of Kenyans reading a newspaper per week, same as 7 years ago.

CHANGED

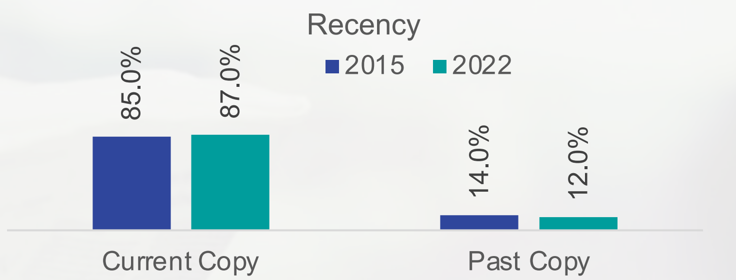
- The print slowly transitioning to the digital space
- Shift to electronic and digital media

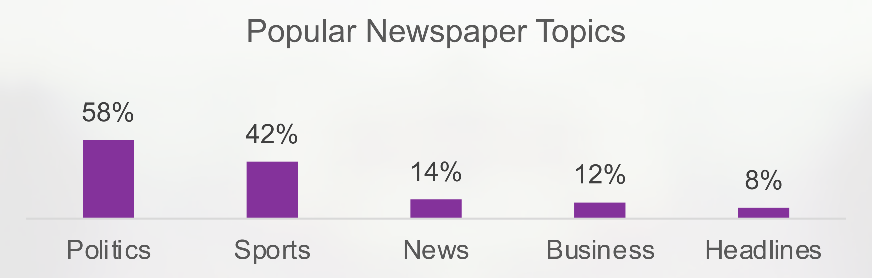
UNCHANGED

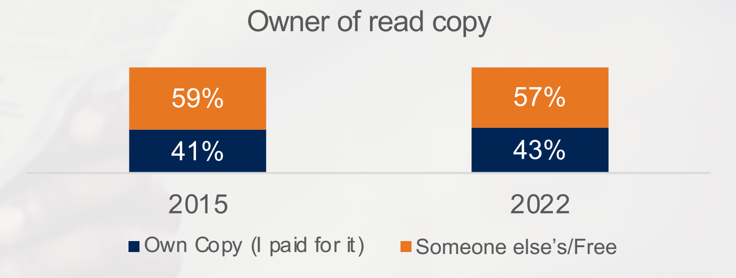
- Stagnation in readership (8%) per week
- Paper copy still leading
- Reading patterns remain the same

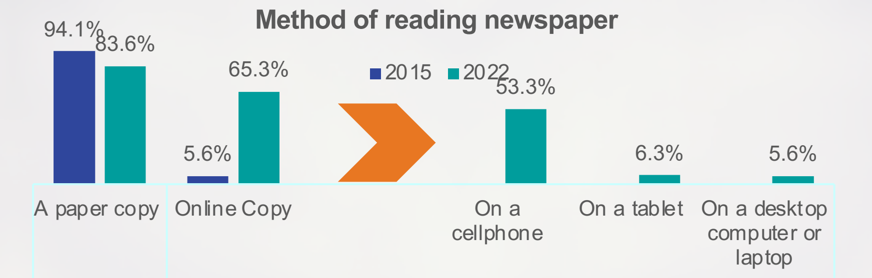
OUTLOOK

- Reaching out to Masses more affordably in this digital dispensation
- Improve the reading culture





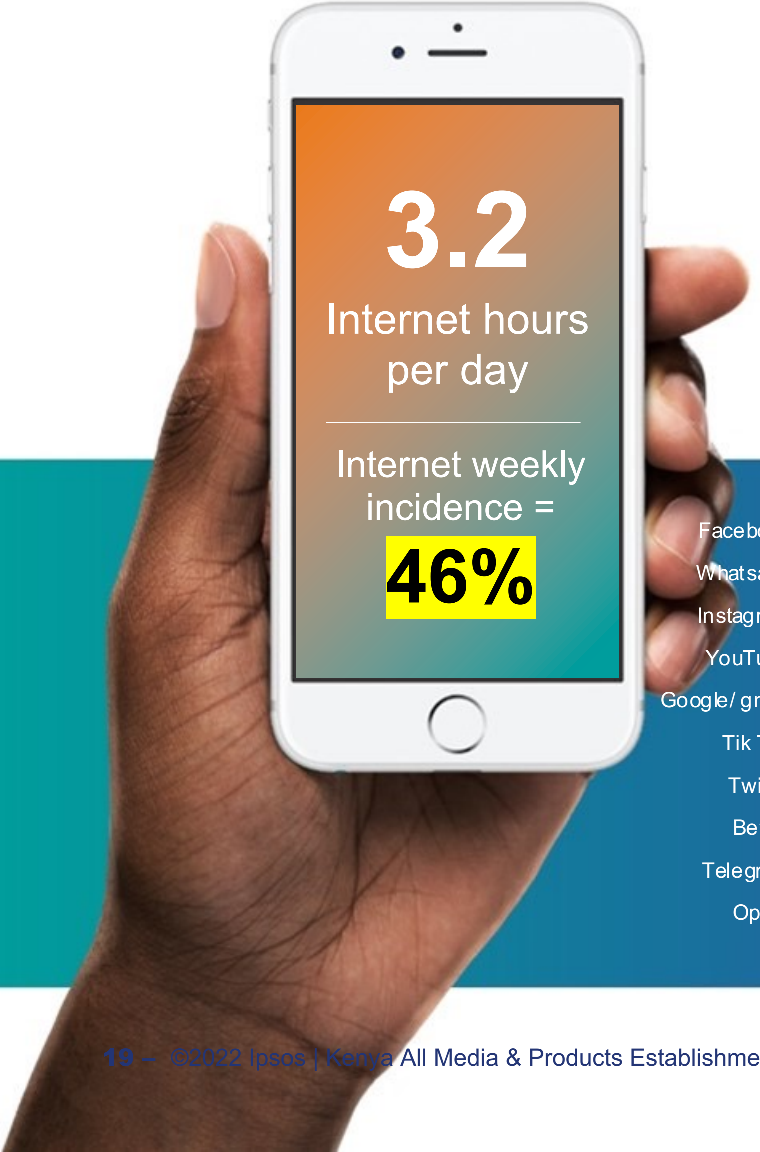




Based on readers of each copy

SOCIAL MEDIA HAS EXPLODED!

New apps such as TikTok, 'Betting', Telegram rising to the disadvantage of the older platforms



CHANGED

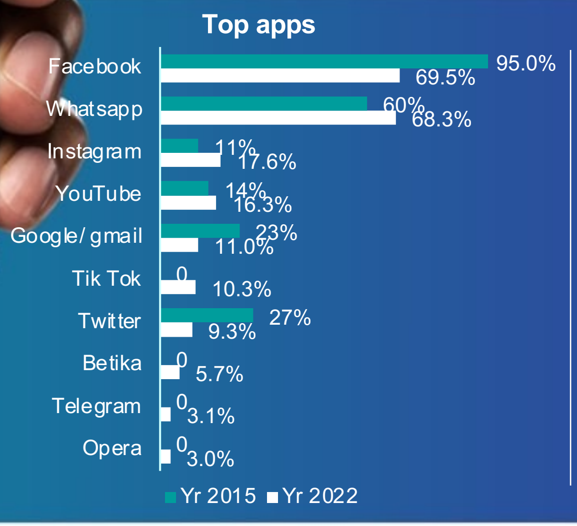
- Internet usage triples – 13% to 46% mainly drive by social media
- Dominant players being challenged

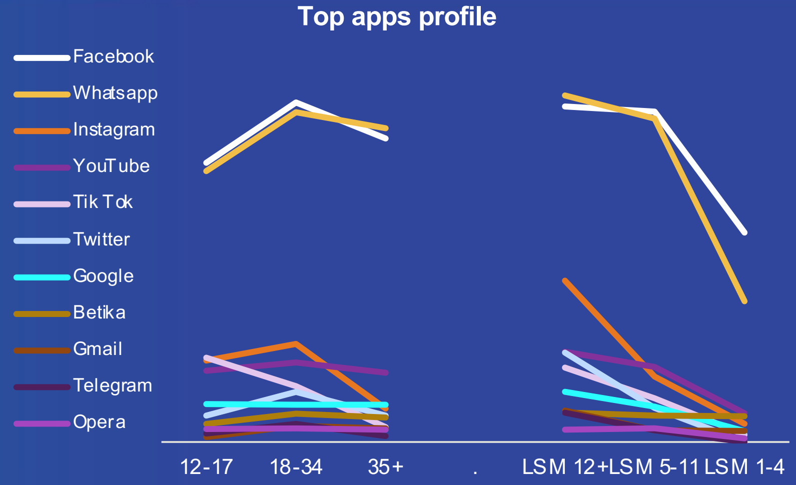
UNCHANGED

- Growing influence of social media
- Main players still around

OUTLOOK

- Exploiting the new apps content to understand the changing motivations, attitudes and perceptions especially among youths





Why Popular – quoted POV ?

- **TikTok –** said to be one-stop video platform; Short (Source: Makeuseof.com)
- **Betika –** offers high odds and winning opportunities (Source: Telecomasia)
- **Telegram –** Popular for enhanced privacy and encryption features and support for large group chat features (Source: Businessinsider.com)
- **Opera:** Opera has a built-in ad blocker which eliminates the need to use a third-party ad blocker. *(Source: www.hongkiat.com)*

Social media apps; based on weekly internet users

DIGITAL DISRUPTION

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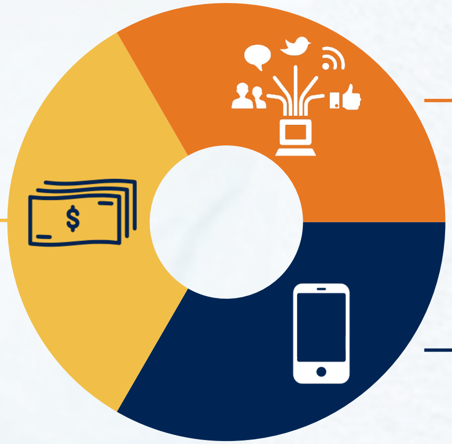
Down the rabbit hole…

THE SMART PHONE

POPULARITY of the Second Screen is evident

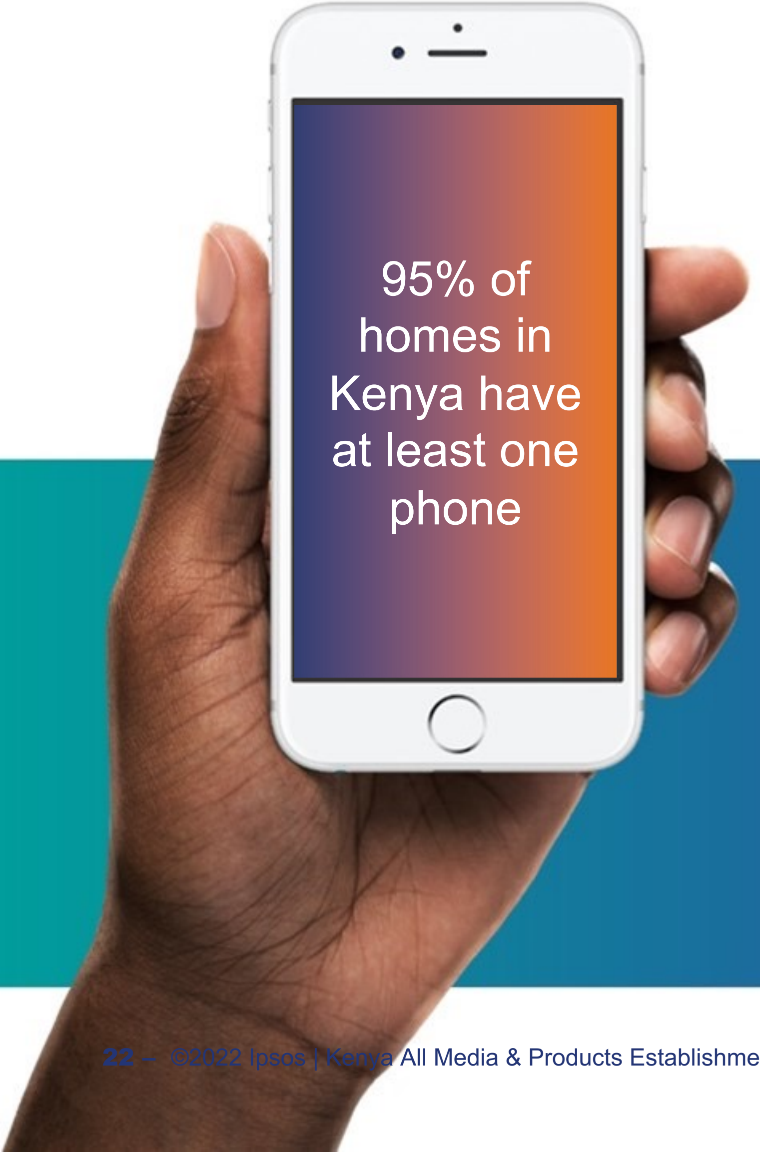
Now smart phones are more affordable and available as a ready touchpoint on the go



They offer an unrivalled access to cross-media opportunity – Radio, TV, Social media, print etc

The mobile screen is the greatest piece of technology causing the greatest disruption in this market (and beyond) so far

NINE OUT OF 10 KENYANS USE A CELL PHONE AT LEAST ONCE IN A WEEK



CHANGED

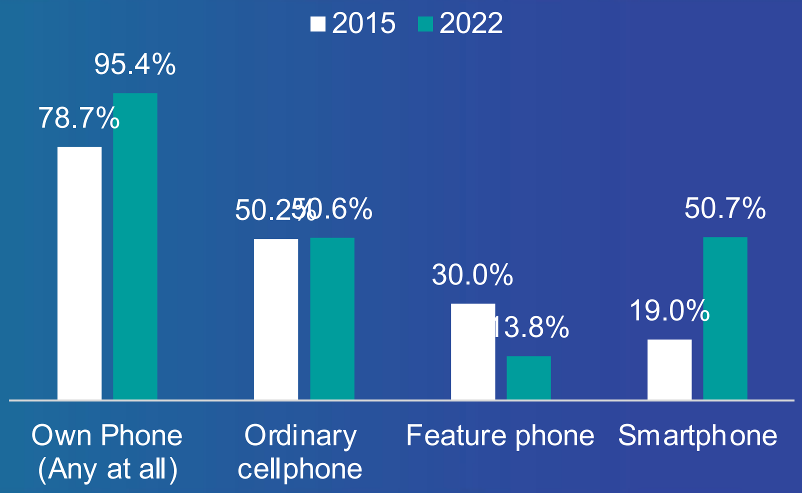
- Increase in mobile device ownership (from 79% to 95%)
- Growth of smartphone from 19% to 51%

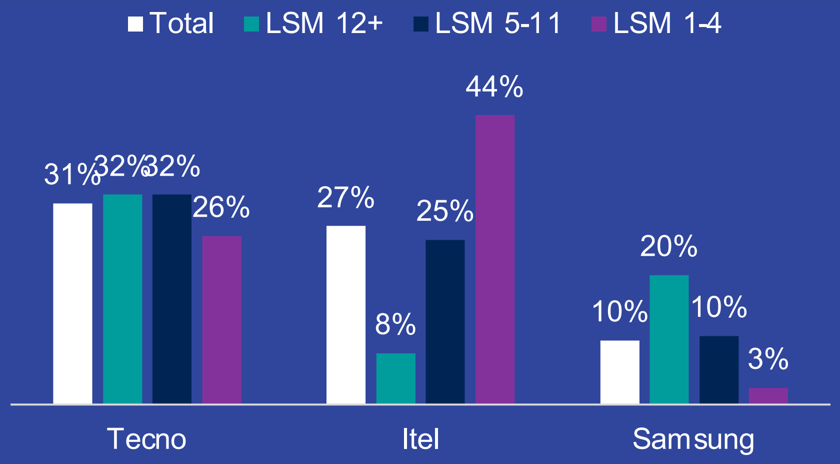
UNCHANGED

- Ownership of ordinary/basic phone (maintains at 50%)

OUTLOOK

- Evolution of phone devices as technology advances
- Price sensitivity in the marketplace that leads to segmentation and unequal distribution of information

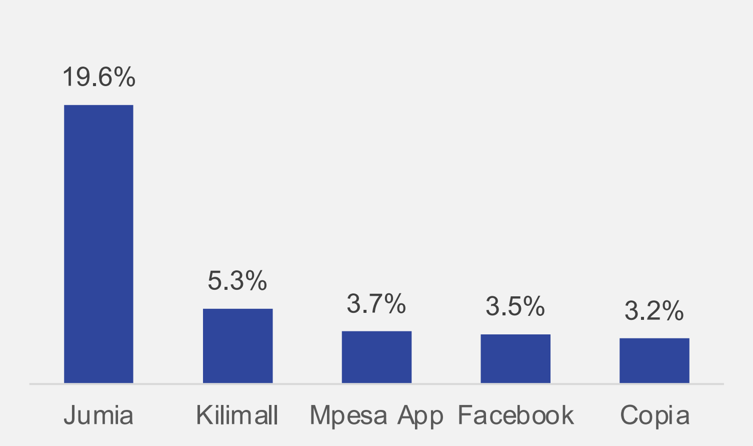




ECOMMERCE: HIGHEST TRANSACTIONS FOUND AMONG YOUTHS AND THE AFFLUENT

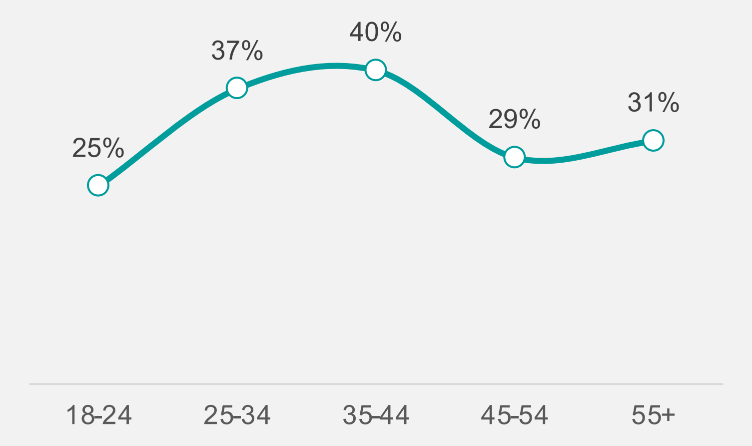
Q: Base: Past 4 weeks internet users (52% of sample)

ECOMMERCE - TOP 5 MOST USED PLATFORMS



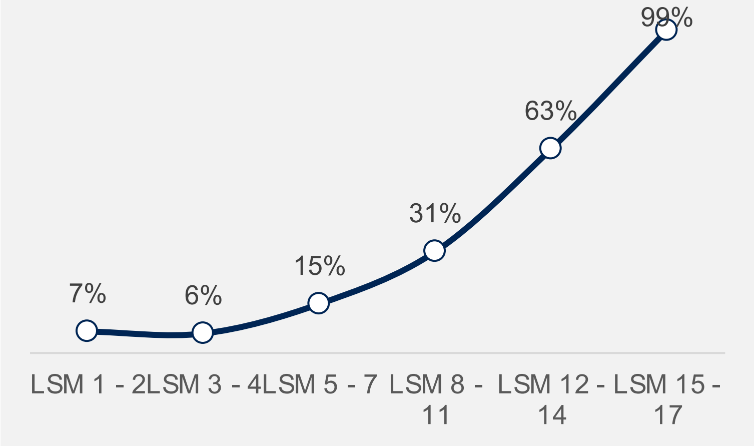
- 1 in 5 monthly internet users have transacted using Jumia

TOP 5 CUMULATIVE PERFORMANCE BY AGE



- Biggest pushers of ecommerce transactions are the millennials and early Gen ‘x’

TOP 5 CUMULATIVE PERFORMANCE BY LSM

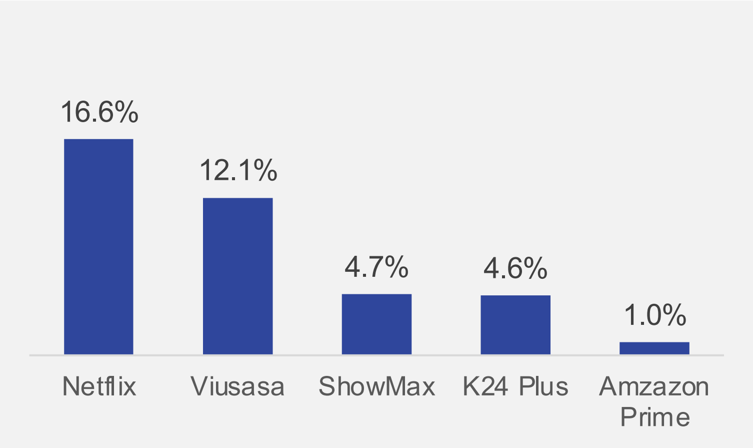


- Most used by Kenyans in the upper LSM echelons
- Currently inaccessible to the economically deprived socio-economic groups DE

PAY VOD: TOP DRIVERS OF DIGITAL ENGAGEMENT IN THE BUSINESS AND ENTERTAINMENT SPACE

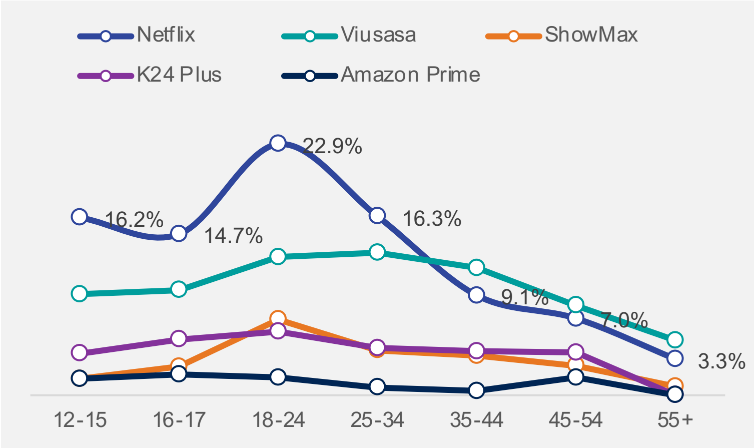
Q: Please tell me all Online Video Services accessed in the past 4 weeks?

PVOD – TOP 5 MOST USED PLATFORMS



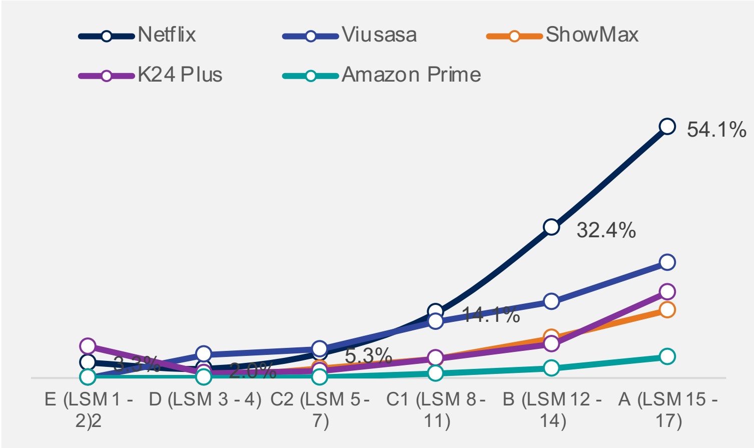
- Kenyan apps, Viusasa and K24 Plus doing fine in this field

YOUTHFUL DOMINATION



- Netflix has captured the imagination of millennials

…AND AFFORDABILITY



- The affluent have their way in the Pay VOD market
- The means mainly include access to smartphone, data and subscription

HONOURABLE MENTIONS

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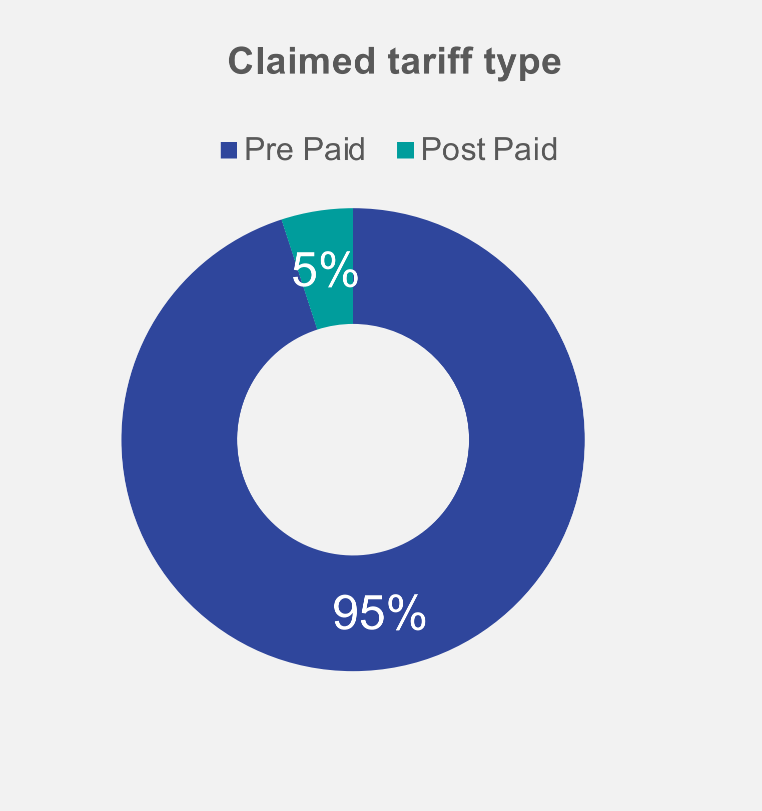
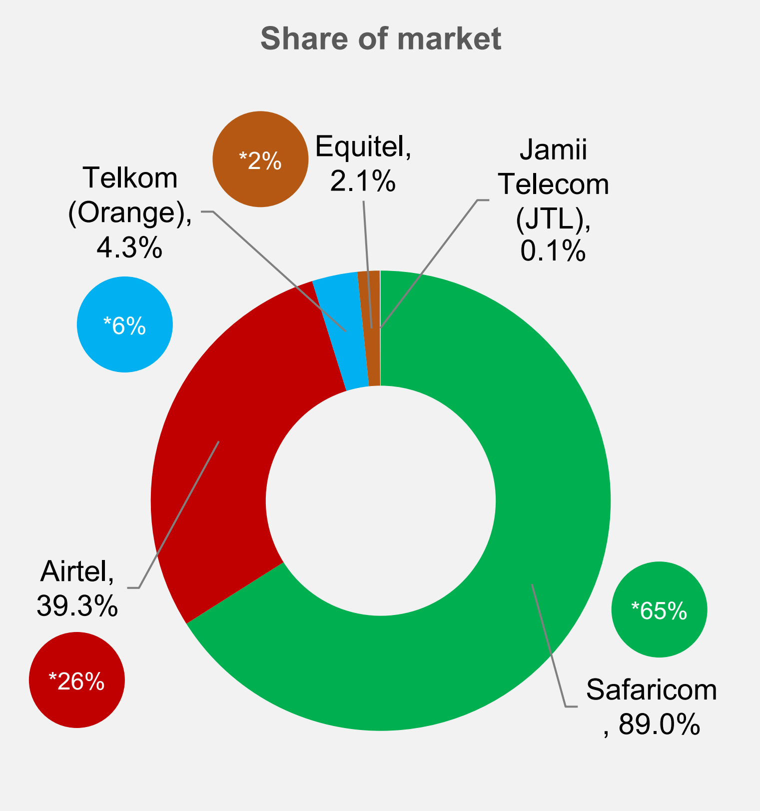
Financial, telco and Personal Care

TELCOS; THE FORCE BEHIND THE CHANGING LANDSCAPE

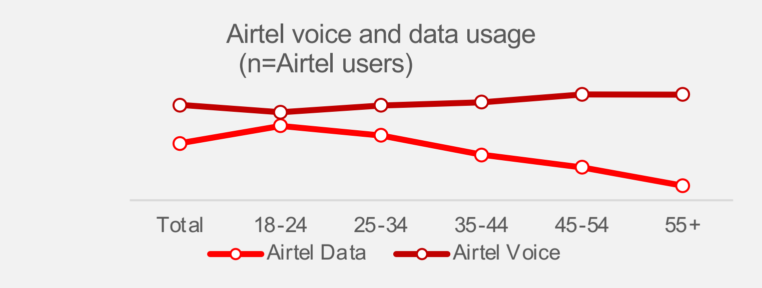
The usage of data among millennials is high in all networks and is closing in on Voice

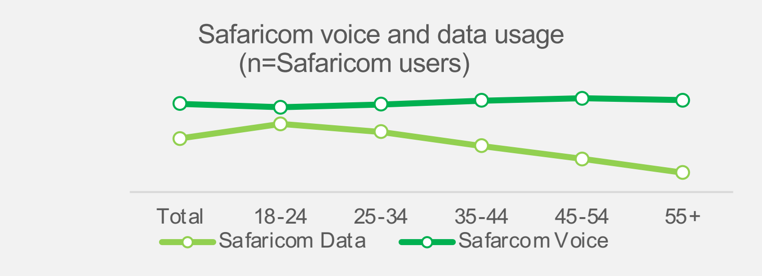


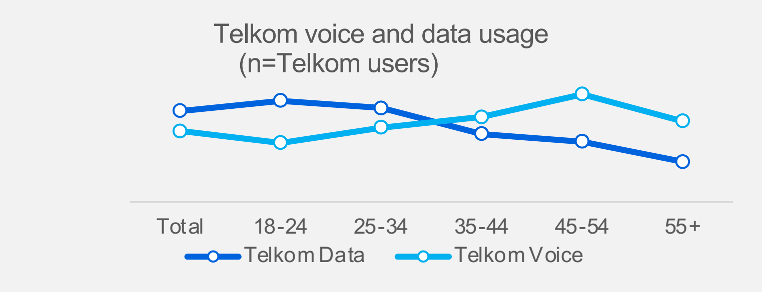
According to CA of Kenya, 98% of mobile devices are on Pre-Paid while Post-paid commands only 2%



* Source: CA of Kenya market share for mobile subscription statistics for September 2021

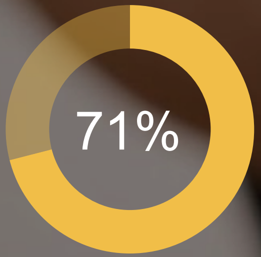






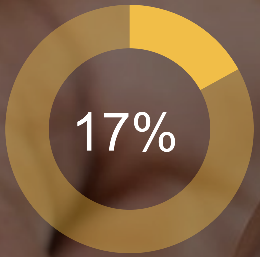
FINANCIAL SERVICES…

…dominated by the cell phone



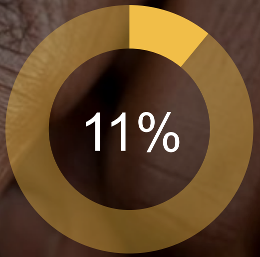
NON-BANK SAVINGS
71% of Kenyans

- 38% through mobile money
- 30% through mobile banking
- 17% through chama/table banking
- 6% through Sacco
- 4% at Micro Finance



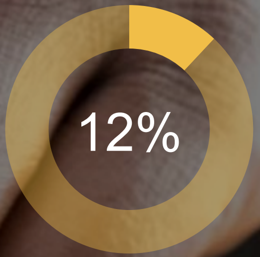
FINANCIAL LOAN
17% of Kenyans have accessed

- 7% from Mobile banking
- 4% from family and friends
- 3% from chama



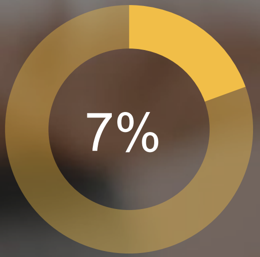
BANK ACCOUNT
11% of Kenyans

- 3% current account
- 3% ATM/Debit account
- 3% savings/ investment account with interest
- 3% general savings account



INSURANCE
12% of Kenyans

- 12% NHIF
- 0.5% other medical



PENSION
7% of Kenyans

- 6% NSSF
- 0.2% employment scheme

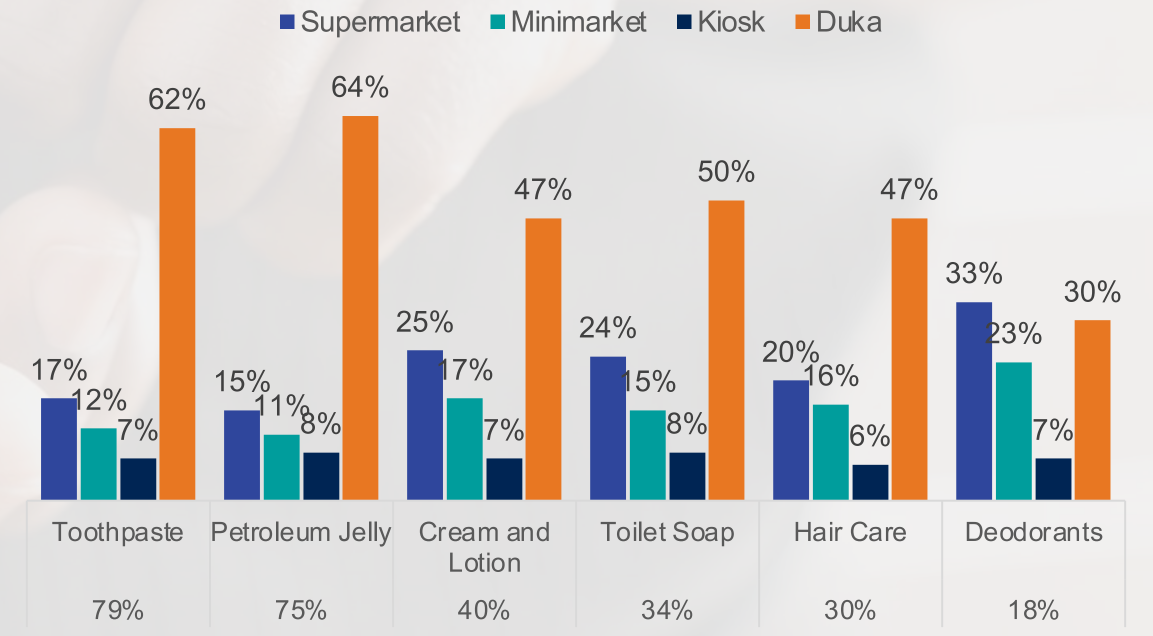
MOBILE MONEY…

…an enabler to buying and selling

Mama mboga at the centre of subsistence economy

Most consumed products in HH	Claimed daily purchase	Most utilized point of purchase	
Fresh Vegetables	54%	Mama mboga	50%
Milk	46%	General shop/ Duka	68%
Bread	46%	General shop/ Duka	79%

Personal Care products enjoy multiple purchase points



Weekly consumption

Based on those who are responsible for shopping


IN
CONC-
LUSION

WITH THE DISRUPTED MEDIA SCENE, WHAT NEXT?

ADAPT!

ADAPTATION TO THE TWO-SCREEN-SOLUTION

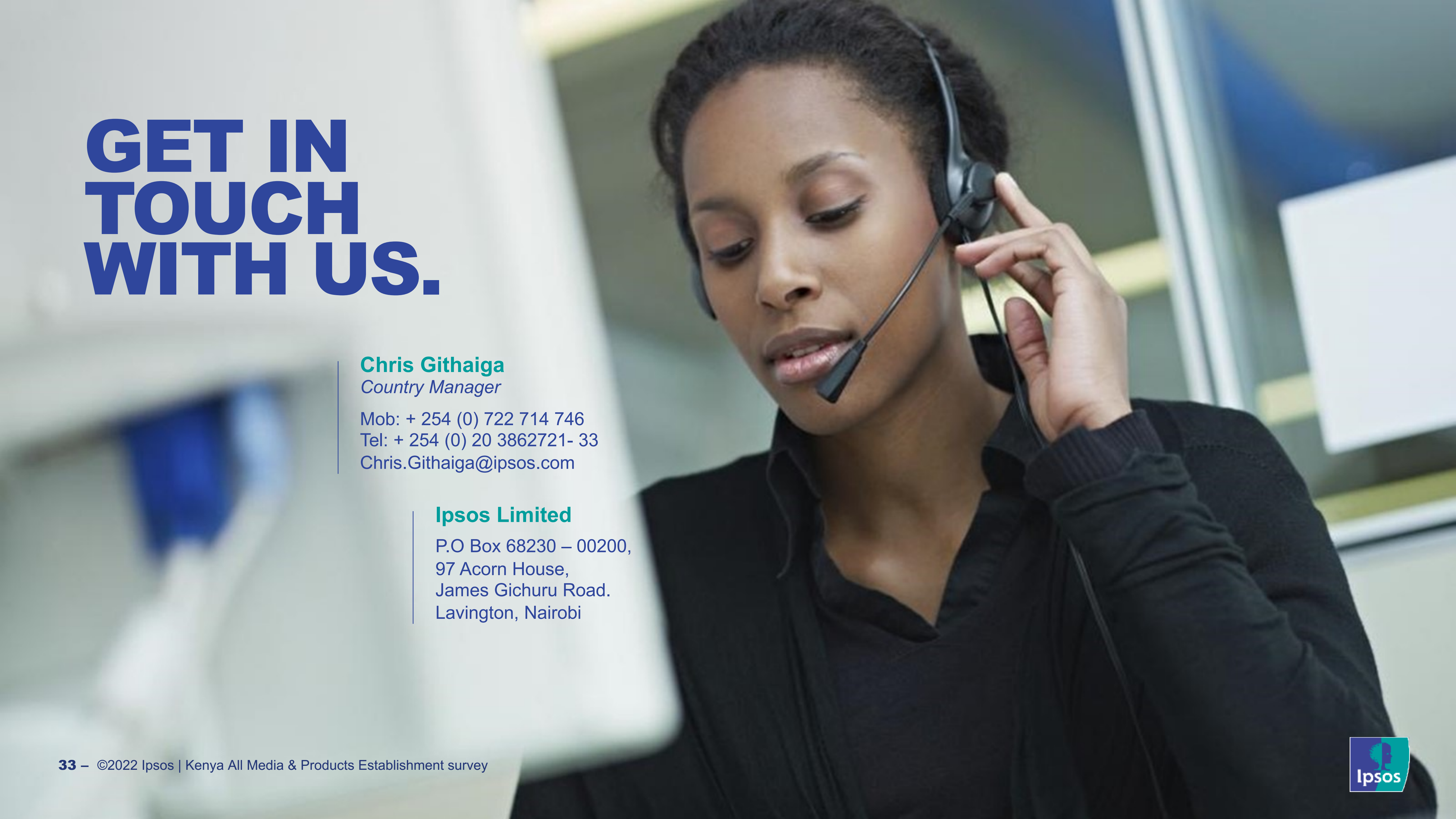
- This is upon us
- The TV set is loved
- The phone is an adored necessity

ADAPT TO NEW TECHNOLOGIES

- The future is digital
- Audience are quickly adapting to new technologies – follow them
- Early adaptation is better and safer

CONTENT IS KING!

IKAT Q2 OUT END OF JULY 2022!



GET IN TOUCH WITH US.

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BE SURE. GO FURTHER.

GAME CHANGERS

Ipsos

IPSOS

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- Ipsos Kenya is a key members the Market and Social Research Association of Kenya
- MSRA is an industry regulating organization that was forged to drive quality assurance.

ESOMAR

- The world association for market, social and opinion research, unites a global membership of 4900 members from 130 countries
- The ESOMAR Membership mark signals an endorsement of ethical standards and provides a valued means of recognition within the wider marketing and research industries.

ISO 20252 CERTIFIED

- Our methods & practices are as per ISO. We are in compliance with ISO 20152.

OUR CONFIDENTIALITY STATEMENT ON DATA INTEGRITY

We would like to state that we work with multiple clients. We also understand how sensitive & dynamic this industry is & are willing to protect the client confidentiality in a full proof manner.

Our current security plan revolves around system firewalls that ensures that none of the teams not working on this can get access to the server folders that store competition data. In addition we encourage you to provide us with your Non Disclosure document for us to commit on safe guarding your data.

We welcome your evaluation of our current firewalls and any suggestion towards further fool proofing the system.

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Ipsos is the third largest market research company in the world, present in 90 markets and employing more than 18,000 people.

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“Game Changers” – our tagline – summarises our ambition to help our 5,000 clients to navigate more easily our deeply changing world.

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GAME CHANGERS

In our world of rapid change, the need for reliable information to make confident decisions has never been greater.

At Ipsos we believe our clients need more than a data supplier, they need a partner who can produce accurate and relevant information and turn it into actionable truth.

This is why our passionately curious experts not only provide the most precise measurement, but shape it to provide True Understanding of Society, Markets and People.

To do this we use the best of science, technology and know-how and apply the principles of security, simplicity, speed and substance to everything we do.

So that our clients can act faster, smarter and bolder. Ultimately, success comes down to a simple truth:
You act better when you are sure.

THANK YOU

GAME CHANGERS

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