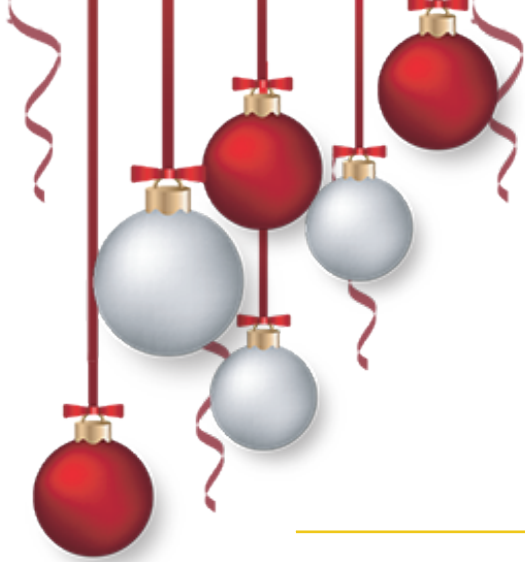


# Kenya 2020 December holiday retail survey | Shoppers Christmas wishes amid a tough year





The year 2020 is finally drawing to a close and Kenyans are preparing for the festive season despite experiencing a very challenging year due to the negative economic effects of COVID 19. The ripple effect of a struggling economy despite government intervention through PAYE and VAT relief is a net reduction in disposable income leading to budget cuts at household level.

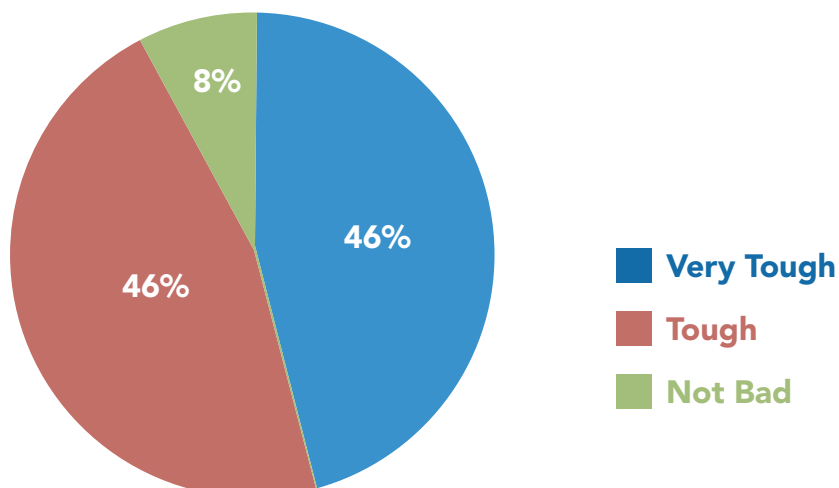
Similarly retailers in Kenya have experienced business disruption due to depressed disposable income as well as through internal challenges for some retailers.

Viffa conducted its second edition holiday retail survey between 1st to 4th December 2020 that sought to explore Kenyan consumer sentiments and planned shopping behaviour to understand what consumers seek in the upcoming holiday season. The report espouses to contribute to existing body of knowledge in the retail space in Kenya.

## Results

### 1-State of economy in 2020

**Table 1: State of the economy**



Source: Viffa Consult

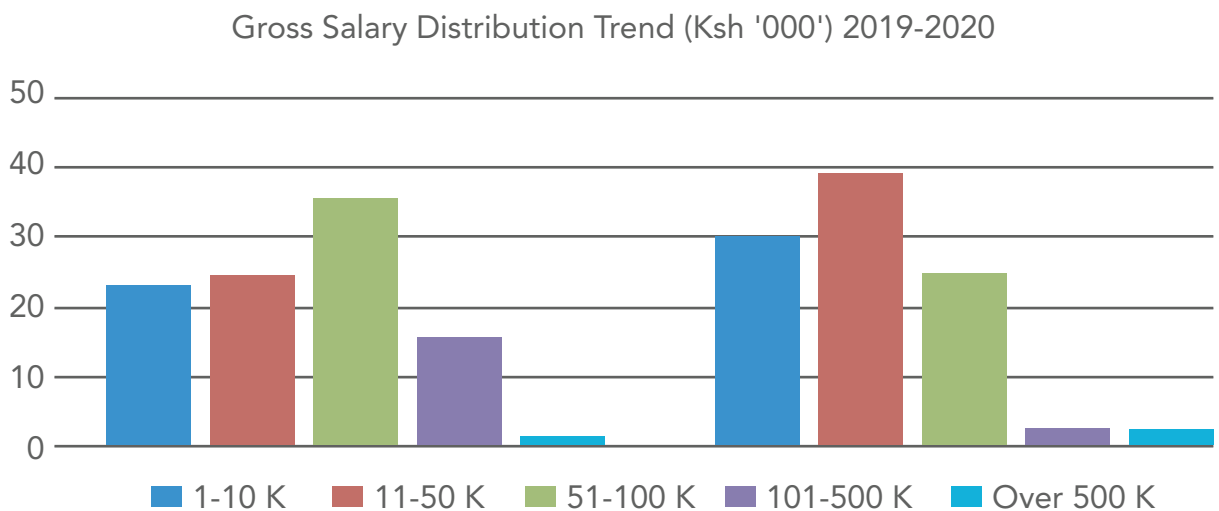
## 2-Gross Salary Distribution (Ksh)

**Table 2: Gross Salary Distribution in 2020**

Salary Scale	1-10,000	11,000 - 50,00	51,000 -100,000	101,000 - 500,000	Over 500,000
Proportion	30%	39%	25%	3%	3%

Source: Viffa Consult

**Table 3 : Gross Salary Distribution Trend**



Source: Viffa Consult

**Table 4: Gross Salary Distribution Trend Analysis**

Salary Scale	1-10,000	11,000 - 50,00	51,000 -100,000	101,000 - 500,000	Over 500,000
<b>2019</b>	23%	25%	35%	15%	2%
<b>2020</b>	30%	39%	25%	3%	3%
<b>% Point change</b>	7% Increase	14% Increase	10% Drop	12% Drop	1% Increase

Source: Viffa Consult

# Insight



There was a 7 percent and 14 percent point increase in gross salaries for income brackets 1-10,000 Ksh and 11,000-50,000 Ksh respectively between years 2019 to 2020 that can be attributed to a drop in gross salaries for income brackets 51,000 to 500,000 Ksh by a similar margin.

The shift in salaries bracket can be attributed to a slow down of the economy hence private sector activities due to COVID 19 leading to a reduction of salaries

## 3-Projected December spend (Ksh)

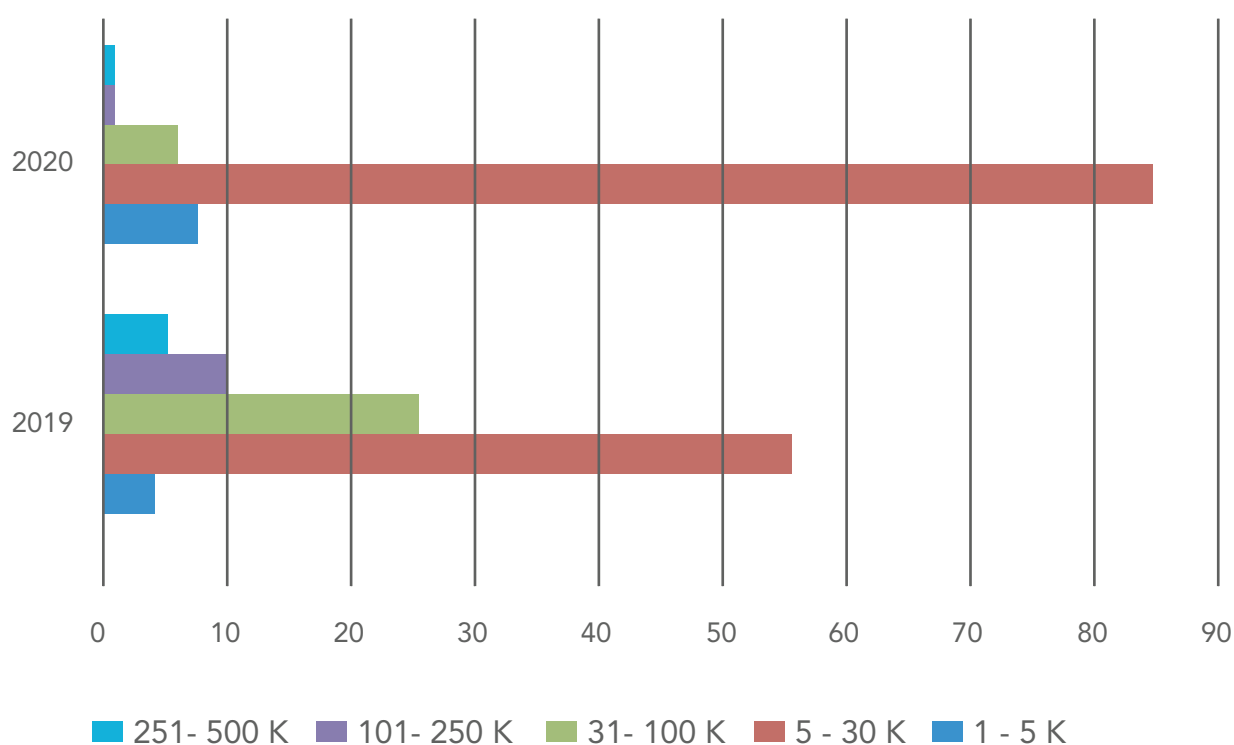
**Table 5 : Projected December 2020 spend (Ksh)**

Amount	1-5,000	5,001-30,000	31,000-100,000	101,000-250,000	251,000-500,000
Proportion	8%	84%	6%	1%	1%

Source: Viffa Consult

**Table 6 : Projected December Spend Trend**

Projected December Spend Trend 2019-2020 Ksh '000'



Source: Viffa Consult

**Table 7 : Projected December Spend Trend Analysis**

Amount	1-5,000	5,001-30,000	31,000-100,000	101,000-250,000	251,000-500,000
<b>2019</b>	5%	55%	25%	10%	5%
<b>2020</b>	8%	84%	6%	1%	1%
<b>% Point change</b>	3% Increase	29% Increase	19% Drop	9% Drop	4% Increase

Source: Viffa Consult

## Insight



There has been a significant drop of proposed spending between 31,000 to 500,000 Ksh by 32 percent point with the drop leading to an increase by a similar margin in projected spending of 30,000 Ksh and below.

This can as well be explained by a drop in disposable income due the negative effects of COVID 19 as well as precautionary measures in anticipation of increased expenditure in January 2021 if schools are opened.

## 4-Top 10 holiday purchases



Food and Drinks



Clothes



Toiletries



Personal Effects



Books and Stationary



Electronics



Kids toys



Kitchenware



Travel and Accommodation



Furniture

# Purchase Insight



All income categories indicated purchase of food and drinks as well as clothes. 40 percent of respondents expressed fear of travelling due to the risk of contracting COVID 19 as well as spreading it to their relatives if they are asymptomatic while 60 percent indicated willing to travel with strict adherence to COVID 19 prevention protocols as advised by both World Health Organization (WHO) and Ministry of Health (MOH)

## 5- Factors influencing Holiday Purchase Decision

Table 8 :Factors influencing purchasing decision



Source: Viffa Consult

## 6-Source of Holiday Shopping Research

Table 9: Source of Holiday Shopping Research

Social media sites	Window shopping	Online retailers	Retailer's website & App	Mass media (TV & Radio)	Web search engines	Print media (News paper)
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# Research Insight

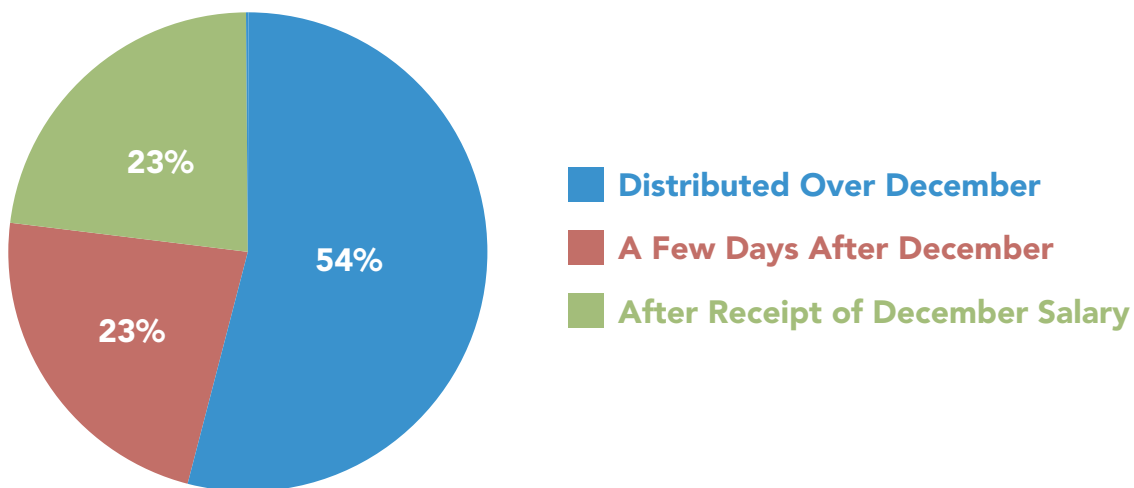


Respondents aged 40 Years and below constituted over 75% of respondents who used new media (Social media, Retailer's website and Web search engines)

## 7-Frequency of 2020 Holiday shopping

Table 10: Frequency of Holiday shopping in December 2020

Frequency of Holiday Shopping



Source: Viffa Consult

## 8-Reaction to advertisement through bulk SMS



Source: Viffa Consult

## 9-Proposed loyalty card optimization



Source: Viffa Consult

## Insight



There is a high need for linking of loyalty cards to payment platforms in the form of card as well as mobile wallet to make payments more efficient and cost effective.

There is need to redem loyalty points more frequently and have the points univerally accepted across retail as well as other merchants that customers frequent such as resturants, petrol stations among others.

Finally there is need for analysis of purchase trends which should lead to targeted advertisement based on individual needs



