



# KICHATA MICROFINANCE UPDATE

June 2024

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# WELCOME NOTE

**Welcome to the Microfinance Update 2024 by Kichata Research Ltd!**

**Look into our latest insights on Kenyan microfinance banks, exploring familiarity, customer experiences, trustworthiness, and interest rate perceptions.**

**Discover how these findings can empower microfinance institutions to enhance their services and reputation.**

**Join us as we uncover valuable insights for the future of microfinance in Kenya.**



# **BRAND PERCEPTION OF MICROFINANCE BANKS IN KENYA**

**The objective of this survey was to gauge the brand perception of various microfinance banks in Kenya.**

**This survey collected responses from individuals across the country to understand their familiarity, usage, overall experience, trustworthiness, and perception of interest rates of microfinance banks.**

**Additionally, respondents provided suggestions for service improvements and rated their satisfaction with selected microfinance institutions (MFIs).**



# METHODOLOGY

**The survey was distributed online to a diverse group of respondents across Kenya.**

**The key areas of focus included:**

1. Familiarity with microfinance banks
2. Usage of services provided by these banks
3. Overall experience with the banks
4. Trustworthiness of the banks
5. Perception of interest rates
6. Desired improvements in services
7. Satisfaction levels with the banks



# FAMILIARITY AND USAGE

The survey revealed a notable level of familiarity with microfinance banks among respondents.

Key findings include:

- **Faulu Microfinance Bank: Recognized by 85% of respondents.**
- **Kenya Women Microfinance Bank (KWFT): Known by 75% of respondents.**
- **Rafiki Microfinance Bank: Familiar to 60% of respondents.**

This indicates strong brand recognition, likely due to extensive outreach and marketing efforts.

**Overall, 90% of respondents were familiar with at least one microfinance bank.**



# EXPERIENCE & TRUSTWORTHINESS

Participants generally reported positive experiences with the microfinance banks they had used.

Key findings include:

- **High Satisfaction (Rating 4 or 5):** 70% of users rated their experience as highly satisfactory.
- **Moderate Satisfaction (Rating 3):** 20% of users rated their experience as moderate.
- **Low Satisfaction (Rating 1 or 2):** 10% of users reported low satisfaction.

Regarding trustworthiness:

- **Highly Trustworthy (Rating 4 or 5):** 65% of respondents.
- **Moderately Trustworthy (Rating 3):** 30% of respondents.
- **Low Trustworthiness (Rating 1 or 2):** 5% of respondents.



# PERCEPTION OF INTEREST RATES

Interest rate perceptions were a crucial factor in customer satisfaction.

Key findings include:

- **Reasonable Interest Rates: 55%** of respondents found the interest rates reasonable.
- **High Interest Rates: 35%** of respondents perceived the rates as high.
- **Very High Interest Rates: 10%** of respondents.

This suggests that while a majority find the rates reasonable, a significant portion sees room for pricing transparency and affordability improvement.



# DESIRED IMPROVEMENT

Feedback on areas for improvement highlighted several key themes.

Respondents suggested:

- **Reduce Interest Rates: 40% of respondents.**
- **Introduce More Diverse Loan Products: 30% of respondents.**
- **Enhance Customer Service: 20% of respondents.**
- **Increase Transparency: 10% of respondents.**





# SATISFACTION & RECOMMENDATIONS

Satisfaction levels with services provided by microfinance banks were generally high. Key findings include:

- **Highly Satisfied (Rating 4 or 5): 65% of respondents.**
- **Moderately Satisfied (Rating 3): 25% of respondents.**
- **Low Satisfaction (Rating 1 or 2): 10% of respondents.**

Recommendations for improvement included:

- **Enhance Digital Banking Services: 25% of respondents.**
- **Streamline Loan Application Processes: 20% of respondents.**
- **Expand Financial Education Programs: 15% of respondents.**



# CONCLUSION

**The survey findings provide valuable insights into the current perceptions and experiences of microfinance bank customers in Kenya.**

**The positive feedback on service quality and trustworthiness underscores the sector's pivotal role in providing accessible financial services to underserved communities.**

**Moving forward, addressing the feedback on interest rates and enhancing transparency will be crucial for MFIs to sustain and strengthen their customer relationships.**

**By leveraging these insights, microfinance banks can strategically align their services to better meet customer expectations and foster long-term loyalty in a competitive financial landscape.**

**This expanded discussion provides a deeper analysis of the survey results, highlighting key themes and implications for microfinance banks in Kenya.**



# ABOUT US

**Kichata Research Ltd, a Nairobi-based firm with over two years of experience, specializes in consumer and market research, customer and employee satisfaction surveys, qualitative and quantitative research and other data-driven insights, empowering decision-making and driving success.**

**VISION STATEMENT: To be the leading force in research, inspiring insightful exploration and precise analysis.**

**MISSION STATEMENT: Striving for breakthroughs, shaping tomorrow's discoveries.**

**GOAL: Empower businesses with actionable insights to drive growth, enhance decision-making, and achieve success in the competitive market landscape.**



# CONTACT

All the information within this report is in the public domain and is available to both Kichata Research Ltd colleagues and clients. Content is also regularly updated on our website and social media outlets.

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