

2020 Digital Trend Report



What's Inside

Recap of 2019 Digital Stats And What They Mean For 2020

Read On What Kenya's Industry Experts Say On The Trends That Matter

Pinpoint The Social Media Trends You Should Act On



Table of Contents

03	Acknowledgements	
04	State of the Digital Landscape, 2020	
	<ul style="list-style-type: none">• Top 30 Mobile Apps of 2019 (By Downloads)• Top Searches of 2019 (via Google's Year in Search)• "Big Bang" of Kenyan Internet Statistics	
08	2019 Year in Review	
10	Social Media Platforms That Will Rise and Fall	
11	2020 Digital Trends	
	<ul style="list-style-type: none">• Short Form Mobile Video Apps To Watch: TikTok vs. vSkit• Reworking Your Influencer Marketing Strategy• Revisiting Social Media and Mental Health in 2020• Are Kenyan Digital Agency Budgets Going Up or Down?• There Will Be More In-sourcing and Digital Marketing Training• What The Future Of Chatbots Means For Your Business	
35	Appendix/Endnotes	
36	About Nendo	

About Author

Mark Kaigwa is the Founder of Nendo - a insight-driven research and marketing firm delivering Advisory, Academy and Agency services across the continent. As a professional speaker, Mark has travelled to over 37 countries around the world in a quest to deliver projects, workshops and insights about connected African consumers. Kaigwa is passionate about innovation, technology and social media in Africa. Mark Kaigwa is married to Wanjiru Kaigwa and is a proud dad to two girls.



Acknowledgements

This report would not be possible if it weren't for the work and support of key members of Nendo's team. I recognise Vanessa Mwangi's persistence in the vision-bearing work, edits, and follow through behind this report.

My appreciation to my assistant Njoki. Nendo's designer George. As contributors, I'm grateful for Nduta, Dennis, Anthony, Kanorio's ideas. As has been the case with previous reports, my gratitude to Makena for her editing support to bring these words to life.

First published in March 2020 from Nairobi, Kenya, by Nendo Limited. This report is published under a Creative Commons Attribution-NonCommercial ShareAlike 4.0 International licence. This means that you can share and distribute this work and you can even modify it, as long as: - You do not use it for commercial gain - You share all modifications and you credit Nendo (Kenya) Limited. For more information, you can learn more about Creative Commons at <https://creativecommons.org/licenses/by-nc-sa/4.0>.

State of the Digital Landscape 2020

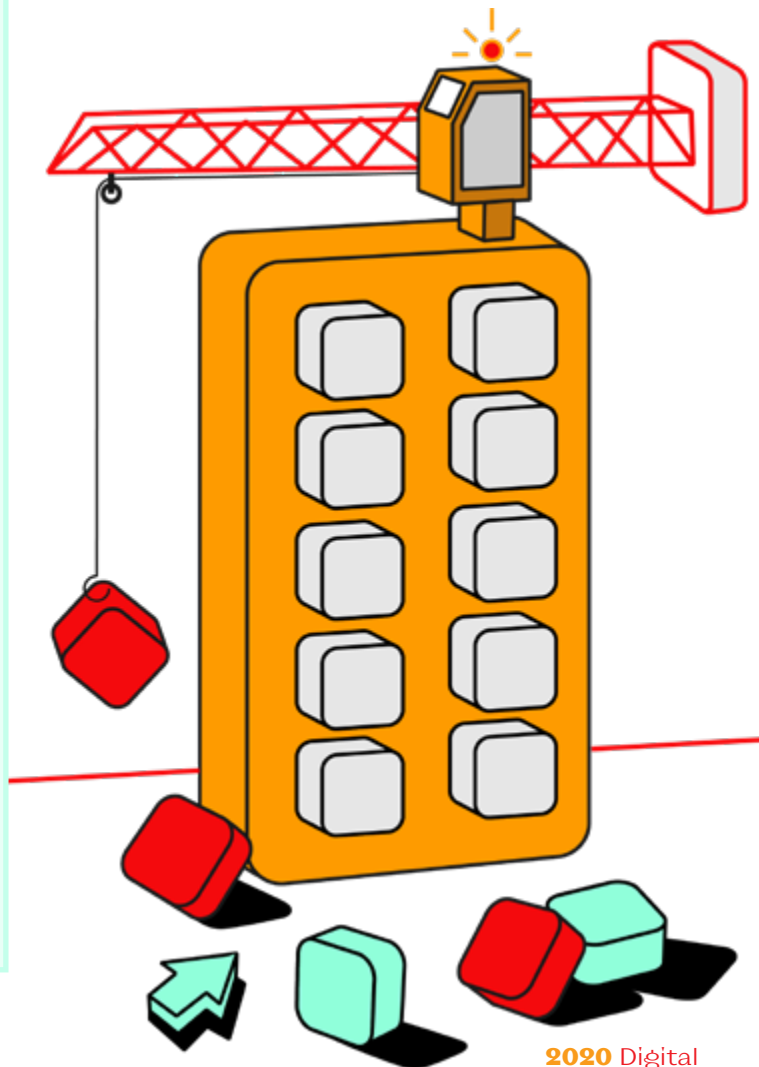
01

Top 30 Mobile Apps of 2019 (By Downloads)

1. Facebook
2. WhatsApp Messenger
3. Tala Kenya
4. Facebook Messenger
5. Xender
6. OPesa - Fast Credit Loans To M-Pesa
7. OKash - Best Loan App in Kenya
8. Opera Mini
9. Branch - Personal Finance Loans
10. Instagram
11. Zenka Loan App - Kenya
12. Jumia
13. Truecaller
14. Viusasa
15. iPesa - Easy and Fast Credit Loans to M-PESA
16. mySafaricom
17. Opera News
18. TikTok
19. Telegram
20. Twitter

Source: App Annie

21. YouTube Go
22. Timiza
23. Uber
24. Status Saver
25. Snapchat
26. WPS Office
27. Vskit
28. KCB
29. Boomplay Music
30. Eazzy Banking



“Big Bang” of Kenyan Internet Statistics

Platform	Monthly Active Users (where applicable)
Internet Users	22.86 Million
Facebook	9.9 Million ¹
TrueCaller	8 million Kenyan users ² , 1.5 million (Daily Active Users) ³⁴
Boomplay	5.3 million (Total Users) ⁵
Instagram	1.5 Million
LinkedIn	2.3 Million
Twitter	+953.5 Thousand
Snapchat	+585 Thousand

Source: WeAreSocial, Nendo, LinkedIn, Techweez

Top Searches of 2019

(via Google)

Trending How To (General)

01	How to file returns using P9 form
02	How to apply for a passport
03	How to start a business
04	How to make money
05	How to drive a manual car
06	How to be successful in life
07	How to get a baby boy
08	How to check CRB status
09	How to check KCPE results 2019
10	How to get pregnant

Trending How To (Tech)

01	How to download videos from YouTube
02	How to create a website
03	How to take care of a phone
04	How to hack Wi-Fi
05	How to track a phone number
06	How to convert pdf to word
07	How to hack a phone
08	How to track a lost phone
09	How to create a YouTube channel
10	How to pay parking in Nairobi

Trending Local Personalities

01	Bob Collymore
02	Eliud Kipchoge
03	John Demathew
04	Joyce Laboso
05	Ken Okoth
06	Tob Cohen
07	Mike Sonko
08	Jonathan Moi
09	Ivy Wangechi
10	Esther Arunga

Trending Movies & TV Shows

01	Bird Box
02	Avengers Endgame
03	Game of Thrones Season 8
04	Money Heist Season 3
05	When They See Us
06	Sex and the City movie
07	Captain Marvel
08	Lion King
09	Hobbs and Shaw
10	Joker

Trending News

01	Form One Selection 2020
02	Huduma Number
03	Likoni Ferry Tragedy
04	BBI Report
05	Ethiopian Air Crash
06	Ethiopian Air Crash
07	Kibra Elections
08	Dusit Riverside Attack
09	Eliud Kipchoge INEOS
10	Census 2019

Trending What is

01	What is census
02	What is huduma number
03	What is xenophobia
04	What is cancer
05	What is INEOS
06	What is housing census
07	What is population census
08	What is BBI
09	What is aflatoxin
10	What is happening in Sudan

2019

Year in Review

Is the Kenyan internet ecosystem growing, is it stagnating or is it in a form of moderate decline? This question opens up big decisions for the next decade. Socio-economically, does the internet population have the means and resources to stay connected? Following Nendo's 2019 State of Mobile Data: Context, Consumption, and Control report, this question requires data and intuition to determine an answer.

2019 saw an increase within the realm of data privacy, limiting sources of data on how the public interact with various platforms. Facebook determined it would continue its quest as a 'privacy-focused social network' with its focus on Facebook Groups and Messenger for private conversations. In Kenya, the Data Privacy bill was signed ushering in a new age in the privacy landscape with compliance and enforcement expected in the coming two to three years. While the decade opened up with Kenya declaring itself as Silicon Savannah and inviting global and local forms of innovation built atop mobile money and internet-based technology, 2020 and the decade ahead is where Kenya defines its ability to redefine this with the user in mind.

If we take Twitter, a microcosm for the internet in Kenya but a source of great influence. The website has continued its rise among the top 10 most visited sites on Similarweb, it was also ranked 20th most downloaded app in Kenya by App Annie in March 2020. The fall in activity during recent years may topple over to 2020, which may see even less tweets and retweets by the end of the year. In 2019, there were a total of 130,423,387 tweets including retweets sent in Kenya. A decrease compared to 2018's 137,668,894 tweets, and a significant fall from 2017's 168,940,568 total tweets.



130,423,387

In 2019, there were a total of 130,423,387 tweets including retweets sent in Kenya.

Nendo's lens says the years of double digit year-on-year growth of internet users are behind us with more moderate growth expected. Sustaining monthly active users will be the challenge. Giving people the power to control their megabytes and their spending online. Raising the value of one's online community. If the 2010s were spent building audiences in the hundreds of thousands and millions, the 2020s are about moving past adding numbers, and deepening the impact and income of audiences.

In 2013, Nendo published its A to Z of Kenyan Twitter and the microblogging social network's ability to influence cyber culture, politics, business and society remains. Not every brand or organisation will have the same level of impact on Twitter, but it is one to listen and tune to as Kenya's digital equivalent of the public square. Kenya doesn't have its own 'front page of the internet' a phrase used to describe what Reddit.com represents in the United States. Tanzania has JamiiForums.com while Nigeria has Nairaland.com. These websites represent local platforms that

give Kenyans a digital 'watering hole' to interact and be informed without joining established gated communities.

There's never been a better time for us to look at the trends and the landscape to make projections on what it takes to influence, persuade, convince and convert audiences in Kenya.



Nendo's lens says the years of double digit year-on-year growth of internet users are behind us with more moderate growth expected.

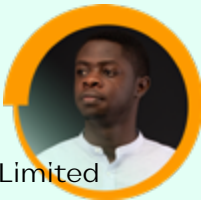


Social Media Platforms That Will Rise And Fall In 2020

“Facebook could see a decline in users aged 18-24. I say this because I work with numerous content creators and influencers who’s audiences fall in that age group. The same creators are not keen on using Facebook. If they aren’t sharing content on the platform and at the same time encouraging their audiences to follow them on Instagram and to subscribe to their YouTube channels, the net effect would be a decline in active Facebook users and an increase in active Instagram, YouTube and Tik Tok users.”,

Kamarichi Mbarani

CEO, Medios Limited



“Rise - LinkedIn - A platform that also shares viral content and takes a lot of blogging space for people in specialized industries. Fall - Facebook - the numbers of new accounts have been stagnant. Most people hardly post or engage on Facebook.”

Ahmed Salim

Managing Director



“YouTube will rise as video continues to grow in importance. Messenger and WhatsApp will continue to grow in importance as people prefer 1-to-1 communication over 1-to-many. Integration of payment gateways eg WhatsApp Pay will only make the platforms even more important in our lives. Facebook will stagnate as younger audiences continue to shift to instant messaging platforms like Messenger and WhatsApp.”

Fred Kithinzi

Founder & CEO of Belva Digital



“Any social media platforms that integrate payments or are e-commerce focused will have more engagement. So WhatsApp for Business and Instagram Shopping (if they finally activate that for this region) should experience growth in engagement. Snapchat will also experience continued growth. My dark-horse growth app prediction is Discord which competes effectively against WhatsApp Groups in the business team communication and business/community feedback space.”

Makumi Wanjohi

Service Designer

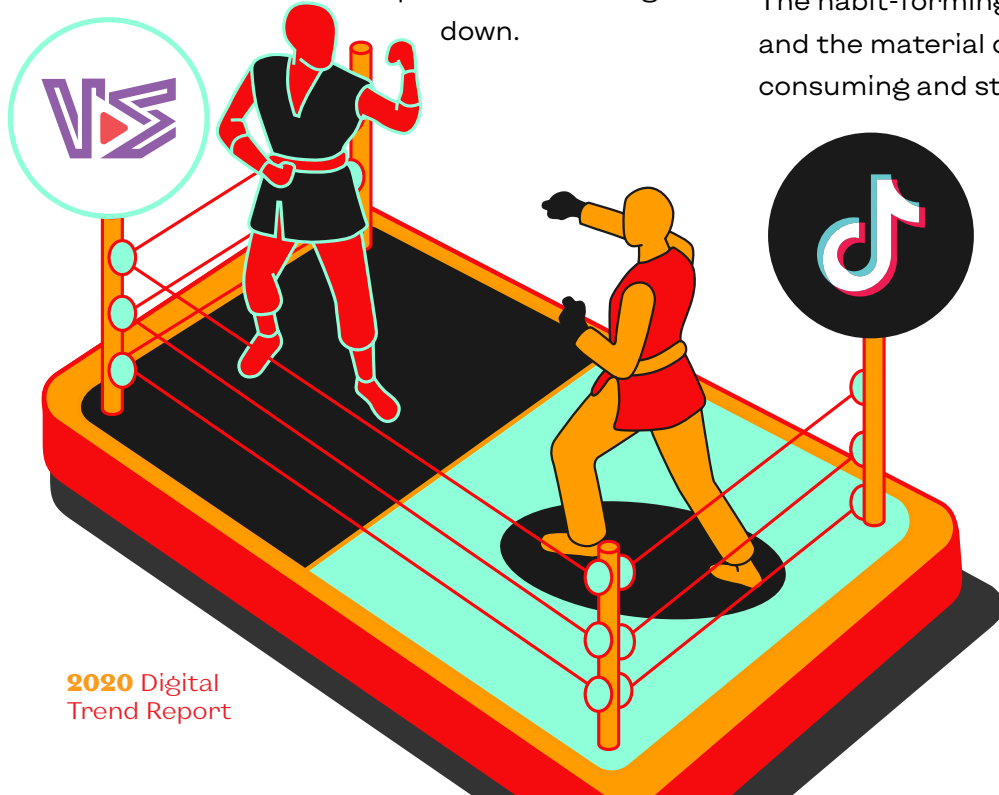


Short Form Mobile Video Apps To Watch: TikTok vs. vSkit

Pivot-to-video' became a popular refrain in 2015, when media publishers realized that audiences were spending more time watching videos than reading. Social media platforms were also adjusting their algorithms to favour video content. In response, global publishers began the "pivot to video" move associated with large layoffs of writers and editorial staff in favour of video production teams.

This gamble wouldn't pay off as video didn't yield the anticipated commercial and audience success. The larger content ecosystem of producers has since shifted with global publishers like BuzzFeed, Conde Nast, Vox Media, Mic.com and Mashable laying off, being acquired and shutting down.

In Kenya, however, 2019 was a year of success for video which took a larger share of the pie in the digital ecosystem. This was surprising because one of the key challenges in Kenya, as recorded in Nendo's The State of Mobile Data: Context, Consumption, Control, is that users struggle to manage their megabytes. As a result, this caused users to disincentivize from the consumption of video, in favour of other content such as social networking or browsing websites. The introduction of a specific YouTube mobile bundle in April of 2019 by a local mobile network operator took things to a new level. For the same price, subscribers could enjoy additional megabytes (gigabytes in some cases) redeemable only on YouTube. The habit-forming incentive removed a barrier and the material costs, building familiarity with consuming and streaming video.



But YouTube was not the only boat to rise as the wave of video consumption grew. Short-form mobile video apps also enjoyed increased popularity.

One such winner in 2019 was Tubidy. The website which often gets hit by copyright strikes and appears with a different URL every few months e.g. Tubidy.io, Tubidy.xyz, Tubidy.blue or the current popular version Tubidy.mobi. All over East, Central and West Africa, this video website appears to be among the most searched-for terms each year on Google. The website, in its many forms, allows for downloads of videos in .3gp, .mp4 and various other formats with clear indication of the number of megabytes and quality of video. In fact, the popularity of Tubidy encouraged Google to launch YouTube Go, a slimmer version of its Android mobile app in February of 2018 that featured options to download videos within the app and data-free transfer between phones. Youtube Go also consumes fewer megabytes as compared to the regular YouTube app.



13,783

The total volume of conversations mentioning "TikTok" in Kenya in Kenya.

Source: Brandwatch

TikTok was another 2019 winner. Globally heralded as one of the breakthrough apps of 2019, it is anticipated to remain among the fastest-growing apps in 2020. The app ranked 18th overall in 2019 in Kenya with 799,811 downloads. TikTok was globally ranked as 2019's second-most downloaded app, displacing western counterparts including Facebook.⁶ In addition, according to SimilarWeb,⁷ TikTok Lite is among the top ten best ranking free apps in Kenya and continues to gain relevance. In 2019, the total volume of conversations mentioning "TikTok" in Kenya is more than 13,783.



799,811

Total TikTok app downloads in Kenya for the year 2019, that made TikTok rank 18th overall in downloads according to App Annie

TikTok's strength is its ability to lure global creators away from YouTube, Snapchat and Instagram and create a unique mix of new social media influencers the world over. TikTok is built with sharing in mind. While western social media giants like Instagram, Facebook, and Twitter all made the push to native video (videos uploaded uniquely to the individual platform), TikTok is built for sharing and spreading video content. This means that it has a share button on every video and the ability to export it to WhatsApp, Facebook, Twitter, Instagram and elsewhere. This trait has seen TikTok videos trend on other social networks, raising awareness and visibility.

TikTok videos have also achieved a high level of virality in total video views, rising to the tens of millions in some cases. The startling aspect of this is how egalitarian TikTok's algorithm is. On Facebook, Twitter, Snapchat or Instagram, it is rare and unlikely for a newcomer to achieve virality. On TikTok, this is an everyday occurrence. The app has ushered in a new paradigm in achieving fame on social networks. It promotes and showcases talent from far and wide.

TikTok is using its algorithm, global influence and built-in capacity for virality to build its influence. Furthermore, in Kenya, Bytedance, TikTok's parent company, has hired a local representative and engaged various creators by providing verified accounts, weekly challenges and support to aid them in their journey as its early league of star content creators and social media influencers. From dancing teenagers to comical impressions and characters, quips and quotes from everyday Kenyan society are being given a new lease of life on TikTok.





“The numbers don’t lie. The hashtag #tiktokkenya has over 266 million views while #kenya has 123 million views. While the platform is global, these specific hashtags are mainly driven by Kenyan content creators like Avril Kenya (close to 70k followers and the official Tik Tok account with 52k followers),”

Fred
Kithinzi

Founder & CEO of
Belva Digital



“I think 2020 is gonna be an interesting year for Tik Tok in Kenya. We have an abundance of short-form content video creators. Brands will begin to explore partnerships with them and Tik Tok will be stable in media strategies in a way that it previously wasn’t.”

Makumi
Wanjohi

Service Designer



Major attention has been given to TikTok, but video app vSkit is not too far behind. vSkit was created by Transsion Group, the creators of the Tecno, Infinix, Spice and itel phone brands. The Shenzhen-based firm made a conscious effort from 2015 to shift from their dominant hardware position into software and mobile apps. vSkit, made in collaboration with Chinese gaming firm NetEase, comes pre-installed on certain Transsion Group phone brands.

In 2019, vSkit is ranked 27, and had 604,392 downloads in Kenya. Across Africa, the app has an estimated over 10 million users.⁸

Using their hardware advantage through Tecno and Infinix phones means they have a larger base to showcase local faces, voices and talent for new and returning users.



10,000,000

Estimated vSkit users across Africa in 2019

Reworking Your Influencer Marketing Strategy

Online content creators who cultivate and grow an audience for the content they publish have been referred to as influencers. Influencer marketing has been through its highs and lows over the past five years. There has been a global question among brands, agencies and the digital marketplace on whether the impact of 'likes' being removed on Instagram and other social networks is a significant challenge in the industry. For Kenya, this is not the case.

According to a report by the Odipo Dev⁹ team, 82% of Kenyans think influencer marketing doesn't affect their purchases, moreover very

few Kenyan consumers, 14% of the audience surveyed, actually trust influencers to recommend brands or products to them. With the main reason for following influencers being entertainment purposes. There are three things that pose as more significant challenges for Kenyan brands in 2020, namely;

- **Achieving trust**
- **Enforcing disclosure**
- **Providing value**

The relationship consists of a love triangle; the brand believes that the influencer holds the trust of their audience. The audience, in turn, proves this with time and attention spent interacting with the content published by the influencer. In 2014, when Nendo published its first trend report, the trend warned would-be influencers that audiences would grow sceptical and cynical of endorsements without proper disclosure.

Nendo's prediction in 2014 was that if trust continued to be eroded and commoditised at the expense of advertising and endorsements, that consumer engagement with influencers would deteriorate and so would value in the market overall. In 2019, according to Brandwatch, there were a total of 97,072 mentions about Kenyan influencers.



97,072

Total mentions about Kenyan influencers

Source: Brandwatch

Reworking Your Influencer Marketing Strategy

Sentiment towards them was neutral at 61%, and negative at 16%, mostly as a result of the perception that influencers have sold their credibility for advertising shillings. There is already wide skepticism across the marketing industry about the effectiveness of influencer marketing on consumer perception and sales conversion. Seemingly, the majority of influencers are feeling this pressure considering 92% have been reported to have fake followers, and 42% have fake engagement activity.¹⁰

In Kenya, there is still no official regulator of the influencer industry, but self-regulation has been taking place led by international brands. For example, at Diageo, as part of enforcing their marketing standards, known as the Diageo Marketing Code, selected creators/ influencers must commit to always include the phrase “Paid partnership with Diageo” in their online posts.



Kenyan influencers that have been reported to have fake followers

Nendo Insights



In 2020, Nendo's prediction is that despite the challenges of disclosure and the perception of value, influencer marketing will continue to grow. To support this growth, Nendo published a 3-way framework aimed at helping influencers increase their value on Digital Africa with Mark Kaigwa, Nendo's YouTube channel. First, brands must be able and willing to perform an objective selection and shortlisting of creators and influencers.

This will introduce greater opportunities to gain value and includes finding 'micro influencers' and 'nano influencers', those with medium-scale and small-scale audiences respectively. According to a report by Influencer Marketing Hub, nano-influencers with fewer than 1,000 followers enjoy an engagement rate of 7.2% on Instagram, compared with 1.4% on Twitter. On the other extreme, influencers with over 100,000 followers have 1.1% engagement on Instagram, compared to a mere 0.3% on Twitter.¹¹

Second, creating compelling briefs that are guided by clear terms of engagements and founded on a digital strategy will be key. Thirdly, brands will need to continue holding influencers accountable, for disclosure to their audience. Brands must demand this and the influencers that independently enforce it, even under pressure from brands to make their posts indistinguishable from regular content, will foster deeper trust and greater value in the long term.

Experts Insights



"I believe micro-influencers will outrank major influencers in 2020."

**Ngina
West**

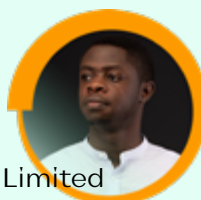
Area Retail
Marketing Manager



We are likely to see many creators and influencers taking a not-so-indirect approach to sell products with brands they have collaborated with. Making purchases from the same influencers will be quite easy.

**Kamarichi
Mbarani**

CEO, Medios Limited



Revisiting Social Media and **Mental Health in 2020**

According to Nendo's The State of Mobile Data: Context, Consumption, Control report, the 5 S's of internet use in Kenya paint a portrait of the priorities of the country's +18 million internet users. With the 'currency' of their mobile bundles being finite, the websites they

frequent and online activities they undertake require deep scrutiny for any brand seeking to win them over. Each time someone picks up a mobile phone and turns data on or checks into a cyber cafe, he or she contributes to 270 million gigabytes consumed in Kenya annually.

- **Search**

The most popular pastime. Google dominates the smartphone market and the search engine market.

- **Sport**

The most popular search term of 2016, 2017, 2018 and half of 2019 was driven by interest in "SportPesa" a sports betting company that had its license revoked. In the top 10 most-visited websites, SportPesa was quickly replaced by Betika.com, a rival.

- **Sex**

Kenya has two adult websites in its top 10 most visited websites.

- **Social**

Covers Kenyan use of social networking platforms like WhatsApp, Facebook, Twitter, Instagram, Snapchat, vSkit, and TikTok.

- **Stories**

A hunger for music, entertainment, news stories and current affairs is fuelling an appetite for local content. Internet publishers are exploring and uncovering subgenres catering to a host of interests and groups. Established media houses now each have a flagship digital publishing brand (often focused on gossip).

With consumers spending significant time online, mental health has become of concern. Technology, smartphones and social media are gaining criticism for being designed deliberately to be addictive.¹² To consider this argument we must think of the business environment that drives this. The venture-funded business models of Silicon Valley and Shenzhen startups and digital platforms all prioritise one core metric: growth. New users signing up to the platform, and existing users remaining on the platform. All users continue to create, consume and react to content on the respective platform.

The currency being traded here is time and attention. The more time spent in front of a screen, looking at notifications, scrolling through an infinite 'feed', or interacting with content, the better. This time and attention spent on the platform are sold, along with the data about the individual to an advertiser to provide a message. This is fuelling a range of mobile apps bringing algorithms to change the

way news is delivered, that the web is surfed, following a playbook perfected by search engines and social networks.

An article by Bloomberg measures the intrinsic value of social media with a term often used by Economists called 'utility'.¹³ Utility is simply how much people want something. If someone works hard to save and buy a car, then that car has a lot of utility to that person. Economists investigated how much money they had to pay Facebook users in order to get them to deactivate the Facebook app for one or two months.

Some asked for as much as \$180, to cut off from something that did not necessarily bring joy, and resulted in improved mental health afterward. This suggests that Facebook, which is free to use, generates a huge amount of utility. This bolsters the argument of those who believe that free digital services have added a lot of unmeasured output to the global economy.



News anchor Larry Madowo, who pioneered a television show powered by social media banter and conversation, took a two-month social media break in 2019

But even more importantly, we don't always want what makes us happy. This backdrop is important, as it sets the scene for those using the internet and finding their mental health being affected by the content (generated by fellow users or advertisers) that is presented to them.

A study found that many people suffer from "Facebook envy"¹⁴, where someone can't help but compare their lives with others online. The

same report found that those who avoid social media completely felt more satisfied with their lives.

Aside from this, there were feelings of pressure to perform. This can be evidenced by the number of personalities¹⁵ who chose to take a break from social media, including popular names such as Sharon Munda, Natalie Tewa and Larry Madowo.

How Can Marketers or Advertisers Deal With This?

Nendo Insights

In Kenya in 2020, a focus on mental health as a national conversation will continue and is anticipated to manifest in several instances:

- Parents of urban pre-teen and teenage children sending their children to camps aimed at addressing an overreliance on technology such as social media or video games.
- Jobseekers choose their benefits packages and employer selectively because of their policy around mental health breaks and support in the workplace.
- As was seen in 2019, conversations evaluating medical insurance providers based on how they cater to mental health such as therapy and counselling.

Brands may have to reckon with their role as the advertisers seeking to reach users on social networks. The introduction of tools such as Google's Digital Wellbeing, Apple's Screen Time and other apps and experiences controlling time in front of devices may grow in popularity. In addition, taking time to be offline and disconnected is seemingly an ideal for those who can afford to be offline for that amount of time since some depend on being connected for their business and enterprise.

In Kenya, Facebook will continue to dominate its role as leading social network. Instagram will hold the lead as the visual network of choice. YouTube as the preferred video streaming service. Twitter as the breaking news platform and an influential network. All this with the backdrop of questions on the value and price paid by persistent connectivity to social networks.



“Marketers can take advantage of this need by consumers to detox by encouraging them to get involved in below-the-line (BTL) activities. For instance, marketers can have an app that tracks and rewards consumers who abstain from social media with a voucher to get their products for free. This way, they are aligning with consumer needs and still giving them opportunities to interact with their brand.”

Margaret
Ileri

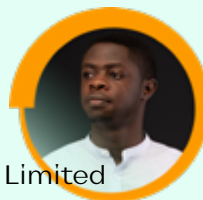
CEO, Tifa Research
Centre Limited



“Marketers would need to utilize other avenues where their target audiences frequent. I believe it’s all about meeting your consumers at their point of convenience. Below the line marketing and events have been seen to work really well for brand engagement especially where social influencers are involved. The affinity that participating influencers have with the consumers usually drives footfall to events. The influencers we have today use mediums outside social media. Our (Medios) influencers have SMS and email lists. This enables them to reach their core audience regardless of their social media usage. If you were to hold a concert today sponsored by Brand X, our influencers would communicate this using all mediums available to them, still reaching that consumer who’s on a social media detox and once they are on-ground, Brand X can deliver a human interaction that could go a long way and unlock lifetime value from this consumer.”

Kamarichi
Mbarani

CEO, Medios Limited



Enjoying Nendo's 2020 Digital Trends So Far?

Let us know.

Take a screenshot of the image below, upload it and tag us on any of our social media platforms, using the hashtag #NendoTrends2020



Are Kenyan Digital Agency Budgets Going Up or Down?

A trend that is expected to continue is the growth and depth of digital spends in 2020. This claim has little empirical evidence to cite on this except for informal conversations with major global advertising networks that work with Kenyan companies. When questioned, there's a case that Kenya's growth is two-fold. What is driving total spend? It is driven by marginal increases in spend (by the millions) by large brands. These include venture-funded startups and global organisations promoting campaigns. For the volume of unique spenders and advertisers, this is being driven by micro, small and medium-sized businesses. Some of whom are engaging online marketplaces on e-commerce websites like Jumia, Goby, and Sky Garden.

Besides Facebook, Google, and Eskimi, the companies that are would-be disrupters in 2020 are Transsion and Jumia's advertising network.

Transsion is the parent company of the Tecno, Spice, Infinix and iTel phone brands. The Shenzhen-based company has been making disruptive moves such as branching away from purely hardware, towards the software market. By launching platforms such as Boomplay, which has over 5.3 million total users in Kenya and tens of millions across Africa, it is the largest music streaming platform in the continent. This advantage comes by building on top of its over 100 million smartphones shipped to Africa each year. Transsion Group has created an advertising network that turns its mobile phone users and their mobile operating system into an opportunity for brands to engage their user base.

Jumia, in January of 2020 announced Jumia Advertising Services, capitalising on the e-commerce company's dominance in its space. After Google and YouTube, one can argue that Jumia's search presence places it akin to Amazon overseas as a top search engine in Kenya and the 11 countries it occupies. Nendo expects to see performance-based online advertising campaigns to present competition and alternatives in the market.

As far as brands and larger spenders are concerned, to see an increase than the marginal gains that take place among blue chip organisations, 2020 has to be the year when marketing effectiveness is questioned. Between agencies and clients there is a case to be made for building out the metrics between the business goals inside and outside of the marketing department, the customer, and the marketing strategies and tactics that are deployed.

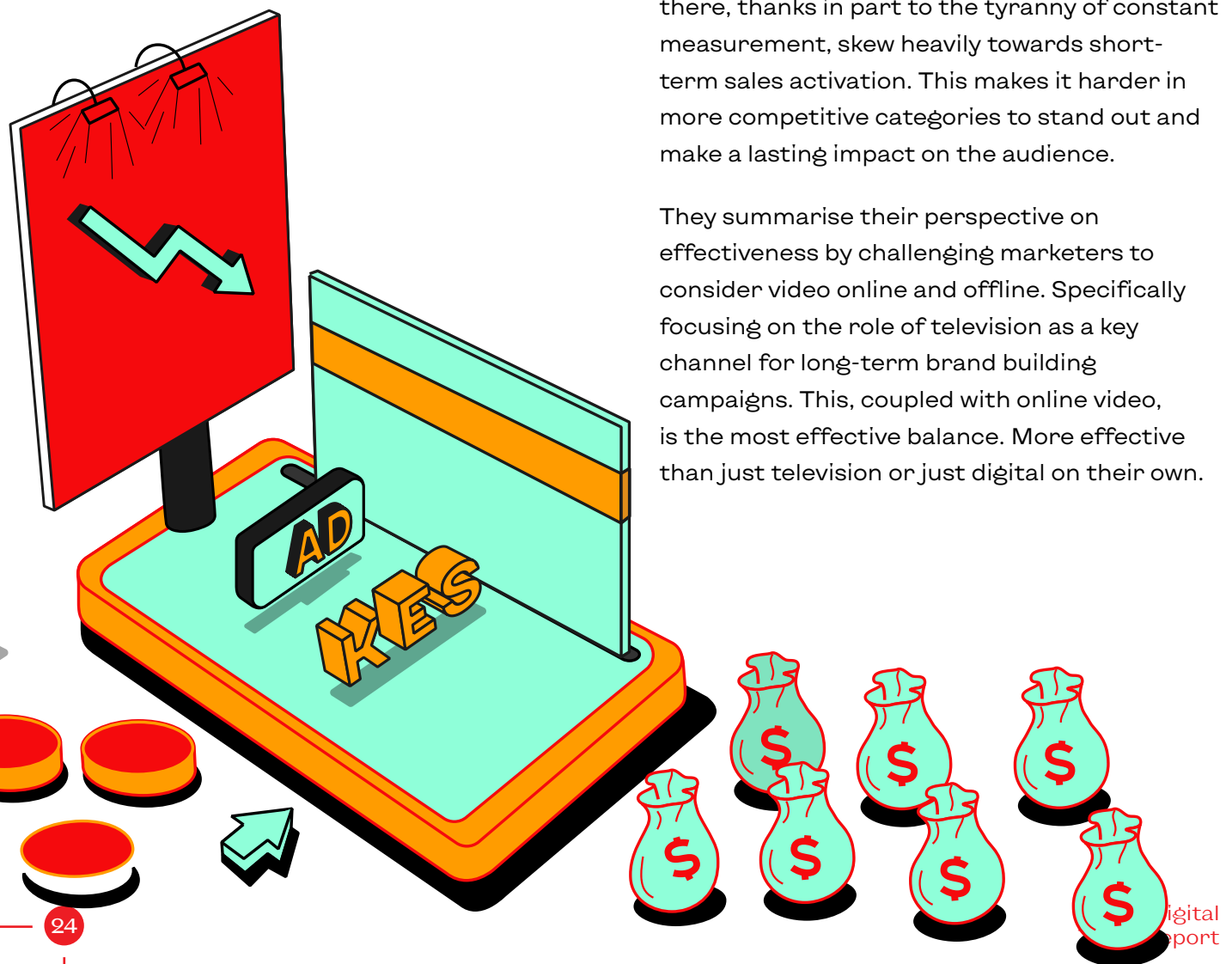
Leading thinkers in the marketing effectiveness space globally such as Byron Sharp (author of *How Brands Grow*) and Les Binet and Peter Field (joint authors of *The Long and the Short of It*) have for years built compelling cases around this topic.

Binet and Field posit the question that effectiveness can be boiled down to long-term emotional brand building contrasted with short-term sales driven activation. Both these categories of marketing have a return on investment, that from their research, suggests they should both happen.

A challenge that Binet and Field warn against is, with the desire for business results pressuring marketers, there's been a tilt towards short-term sales driven activation campaigns. This might show short-term sales uplifts, but doesn't drive long-term sales growth. Brand building campaigns do that, they say.

Binet and Field argue that the downside of digital is that the majority of campaigns ran on there, thanks in part to the tyranny of constant measurement, skew heavily towards short-term sales activation. This makes it harder in more competitive categories to stand out and make a lasting impact on the audience.

They summarise their perspective on effectiveness by challenging marketers to consider video online and offline. Specifically focusing on the role of television as a key channel for long-term brand building campaigns. This, coupled with online video, is the most effective balance. More effective than just television or just digital on their own.





In 2020 in Kenya, conversations on marketing strategy and the ability to create a body of evidence and results internally will make the difference. Brand leaders that build a case for themselves for the investment in a long-term brand building campaign to differentiate themselves will win in the long run (greater than 6 months, by Binet and Field research).

When it comes to digital spend, evidence-based marketing book *Eat Your Greens* (Oct 2018) publishes a chapter by Jerry Daykin titled *It's Time to Rethink Social Media Marketing*. In the chapter Daykin, the EMEA Senior Media Director at GSK, brings a strong evidence basis to confirm a Nendo video from the year prior on marketing effectiveness. Nendo's Digital Africa with Mark Kaigwa YouTube series (October 2017) titled *The Content Calendar Is Dead* showcased a world where fewer items of content ought to be created and published by agencies and this act would lead to greater outcomes for brands.

Additional media budget to focus on reach, resonance and reaction is key¹⁶.

- **Reach** - how many of the right people did we reach?
- **Resonance** - did it make them think the right things?
- **Reaction** - did they ultimately take action and buy from us?

There are hundreds of thousands of online posts by brands across Kenya and Africa that are achieving the wrong goal. With an

'assembly-line' approach towards publishing, the quality of the posts generally is lower. The messaging, visual, focus and creative output being diluted by a desire to maintain a high-rate of publishing to achieve a volume target in the content calendar such as 20 posts per month. On top of this, once published, the posts receive inadequate amounts of media budget to promote them.

For spends to go up in 2020, marketers will be required to put aside their desire for the quantity of content, and instead invest increasingly on the quality of the content created. Most importantly to amplify the content that's there to reach as many people as possible. Nendo's trend would suggest that if these approaches are followed, marketing effectiveness will be raised for brands, while achieving strong performance.

Experts Insights

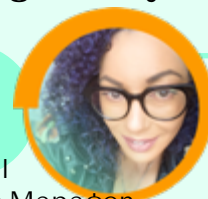


Budgets Going Up

"Digital Marketing is the future, no longer does the usual above the line advertising hold any water to digital."

**Ngina
West**

Area Retail
Marketing Manager



“The reach, agility and interaction properties of Digital Media means that it’s only going to continue to grow as more and more campaigns are exclusively digital.”

Makumi Wanjohi

Service Designer



“Advertising spends are and will continue to shift from radio and TV to digital media. Also, digital media is becoming cheaper than TV. Social media analytics enables advertisers to gauge impact almost immediately. Media houses have no option but to bundle off-line and digital media offers to advertisers.”

Margaret Ireri

CEO, Tifa Research Centre Limited



“It’s the only way. Organic reach will not have much impact - again these are all mediums. If the idea is good no one should have an issue backing it with budgets.”

Ahmed Salim

Managing Director



Budgets Going Down

“Perceived value continues to decline and client demands/expectations for ROI continue to grow. And often agencies aren’t able to justify the spending. The tough economic climate means marketing spends will be slashed. We are also seeing a trend where clients are in-housing.”

Fred Kithinzi

Founder & CEO of Belva Digital



“With the current economic shift, many advertisers have become keen on ROI which in most cases, is the revenue generated as a result of digital marketing and not the number of people liking and following the brand online. So most advertisers would prefer a performance marketing model. Marketing agencies whose clients are big on the brand could receive a higher retainer budget but those whose clients are keen on ROI are likely to receive lower retainer budgets as their clients look for avenues that have a direct positive impact on their revenues”

Kamarichi Mbarani

CEO, Medios Limited



There Will Be More In-sourcing and Digital Marketing Training

Around the world, brands realised that the battle to win when it comes to branding, marketing and communications comes down to talent. The client-agency relationship has historically been one where the “creatives” reside inside of a department at the advertising or creative agency. The client then briefs the agency to provide marketing concepts and approves them based on their understanding of the market, their resources and the feasibility.

In 2020, Nendo anticipates that clients will get more aggressive at in-sourcing. That is, competing for creative talent to bring within the organisation. This can include media buyers, account planners, strategists, designers and social media managers. The cost/benefit analysis of hiring an agency will be questioned, provided that the talent is available to join the “client-side.”

Around the world, clients are renegotiating contracts to feature dedicated teams from their agencies. Some contracts require staff to be present on-site. Korea's Samsung brand owns Cheil Worldwide, an advertising,

communications and public relations agency. The global brand gives this agency priority in all of its markets. Chiel also has to compete for other business in the markets it operates in.

In Kenya, there have been insourcing breakthroughs with corporations such as Safaricom hiring media buyers to join the organisation. There are key benefits to the business including benefitting from stronger negotiating power and leverage for the corporation. Media buying agencies often make money from rebates from Google, Facebook and other online advertising platforms. These deals are now enjoyed directly by the client. The in-house talent can outsource specialised parts of the media buying work. The budgets and payments be made from client to advertising platform without the agency as intermediary.


A key to this in the short term is the investment in training and equipping of digital skills. To compete and to keep headcount the same, corporates will consider internal 'digital academies' to upskill staff. This transfer of knowledge and expertise allows for minimised overheads while contributing to the goal of professional development will be key in retaining top talent in a competitive business climate.

The future of work is dictating that corporations around the world explore new models such as contractors and work for hire agreements. The brands that can move quickest and have the talent closest to them stand a better chance of competing. A fast-moving consumer goods corporation in Kenya hired a trio of a copywriter and two designers to provide internal support for staff-facing communications as well as competing against external agencies for requests for proposals. A venture-funded renewable energy provider hired a creative department that would rival established agencies to work purely on its brand. This created the equivalent of what established brands like Pepsi have which is a brand studio.

This will only grow in 2020, fuelled by venture funded organisations that have the funds, work culture and offers to attract talent from the agency side. Media houses and mainstream media organisations will continue to explore this to compete for a larger slice of the budget than promotion. By incorporating creative talent, they can pitch to clients 360-degree campaigns and benefit from the additional revenue from production.

Training offerings in 2020 will need to be insight-led and local. Training courses that only fulfill education requirements with generic information will be challenged and come up short of the goal of an informed and activated staff who can deliver creative insights and delivery internally. Experiential learning localised to suit African and Kenyan perspectives will continue.

Companies like Google have recognised this with their Digital Skills for Africa courses, taken by hundreds of thousands of people across the continent. Facebook has created Boost, a program that aims to train and equip SMEs in Kenya with digital tools and technologies to help grow their business. So instead of an SME outsourcing its advertising work, Facebook is raising the owner, operator and staff proficiency in creating digital communications and advertising ¹⁷ in partnership with Wylde International.



In 2020, Nendo anticipates that clients will get more aggressive at in-sourcing.



“SMEs will gain the basic skills for social media marketing and do it themselves. However, the biggest challenge SMEs will face is the inability to run a complex analysis of their social media campaigns as they cannot afford analytics tools such as Top Walker. Agencies will have to shift their offering to more consulting services like measuring impact or advisory to SMEs on how to improve their social media strategies.”

Margaret
Ileri

CEO, Tifa Research
Centre Limited



“Looking at this through a Service Designer’s lens, I feel that we are still trapped inside the “what you order on Jumia vs what you get” meme. Training for SMEs still mainly focuses on articulating a brand promise and should move on to address how to deliver the promise.”

Makumi
Wanjohi

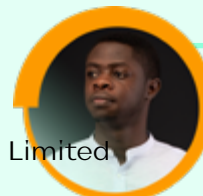
Service Designer



“The need for digital marketing agencies by SMEs is likely to decline. SMEs are already hiring their own social media teams. Through training, they build knowledge and expertise on how social media works, enabling them to get close enough to agency results, at a lesser cost. However, agencies that offer digital marketing training will be in business. From my experience, SMEs that hire an internal social media team and at the same time work with an agency usually reap the most from their digital marketing efforts. It’s important to note that agencies work across many industry verticals, broadening their knowledge, as opposed to internal social media teams who are likely to limit their expertise to one field/product.”

Kamarichi
Mbarani

CEO, Medios Limited



“It’ll positively impact the industry since it will create value for digital marketing in their businesses. Currently, they perceive digital as just opening an Instagram account and occasionally posting offers.”

Fred
Kithinzi

Founder & CEO of
Belva Digital



What The Future Of **Chatbots Means For Your Business**

In 2017, it became possible on chat and instant messaging platform Telegram, to purchase prepaid electricity tokens. These were, at times, processed faster than the actual SMS messages that would confirm payment. This utility, where the chatbot experience allowed for tasks to be performed without installing a separate mobile app and faster than using the ordinary mobile money payment process remains a source of potential future chat experiences.

In January of 2018, WhatsApp launched its long awaited standalone app aimed at small businesses. WhatsApp for Business opened the door towards 2020 where a fully functioning application programmer interface (API) is available. This means that businesses and software developers can build chat-based experiences on top of the WhatsApp platform.

Still in 2018, on Facebook Messenger, Safaricom launched Zuri. The chatbot sought to address and build with the end-user in mind.

Growing from 40,000 to over 150,000 users, the chatbot is available on Facebook Messenger and Telegram. Zuri solves key consumer pain points such as being able to unsubscribe from promotional messages, managing bills and M-Pesa mobile money reversals if money is sent to the wrong recipient.

Safaricom has very recently made Zuri available on WhatsApp to reach its subscribers with ease, over 20 million users.¹⁸ A measure that substantiates our next point.





In 2020, the conversation on chatbots will diminish from niche chat and messaging app Telegram, and continue its steady rise on Facebook's Messenger platform and explode, once WhatsApp integrates payments within its chat experience.

For 2020, WhatsApp holds the key in its strong and committed user base. In a 2014 Nendo trend report, WhatsApp was predicted as the 'default social network' for Kenya. This has since come true and the chat app continues its dominance in the country. Government, corporate offices, schools, churches, and all cadres of Kenya's connected society revolve around WhatsApp and its Groups feature. To supercharge this, the consideration of a chatbot experience that solves a pain point and builds with the end-user in mind will mark a turning point for chatbots.

In 2020, live chat will be a key functionality to competing and preserving client relationships. Website visitors on mobile and on desktop,

where stuck and needing assistance, could 'talk to a human' through exchanging text messages in a live chat box. For the companies that have a mobile app experience, a full knowledge base and the ability to perform in-app chat (provided it is well laid out) can aid retention.

What chatbots presume is that there is an intimate understanding of the end-user's needs and the ways that they speak to a brand or organisation. This is best learnt through active and scientific community management. As organisations like Facebook have shown, they will prioritise groups and posts that engage 'friends and family.' Since this 2018 declaration, community has become currency on Kenya's largest social network. For brands, it isn't simply a case of responding to customers one at a time, but a scientific exercise in learning their habits, tracking their sentiment, social listening and experimenting with responses. This work is the foundation on which a chatbot is built. Chatbots are not about technology but an understanding of how customers speak.



In 2020, live chat will be a key functionality in competing and preserving client relationships.

In a Nendo training, a client adjustment of language from using the phrase “upper case and lower case” to “CAPITAL LETTERS and small letters” made a double digit difference in lowering customer replies and confusion with the instructions. This insight is what a chatbot can help alleviate when it comes to being a first point of contact and delivering a superior customer experience.

For WhatsApp in 2020, it ranks among the mobile apps that users spend a considerable amount of time from its over 3 million downloads in 2019. The integration of brands prepared to pay WhatsApp’s messaging fees will see greater familiarity in the WhatsApp chat experience. The integration of mobile payments into the chat experience will catapult the chatbot experience to hundreds of thousands, including small businesses who use the chat app to engage customers through WhatsApp Status, broadcast lists and direct messaging.

Across Africa, in countries where MTN is present they’ve launched Ayoba!, an instant messaging service that builds on top of their mobile payment and content requirements. In over 6 countries under review, the chat app features in the top 25 downloaded apps. Ayoba’s wide feature set positions it as akin to a Chinese ‘super app’ similar to WeChat. Integrating news, information, chat, groups and payments in one interface.

The integration of brands prepared to pay WhatsApp’s messaging fees will see greater familiarity in the WhatsApp chat experience.





“Chatbots will

- a. Cut down on costs as less staff will be required to engage with customers. Once AI is integrated into the chatbot then FAQs from customers will be answered by a machine.
- b. Better customer service - Chatbots enable companies to offer quick support to customers and solve repetitive customer queries. In return, this will free customer service reps to handle more difficult queries - hence better service to the customers.”

Margaret
Ileri

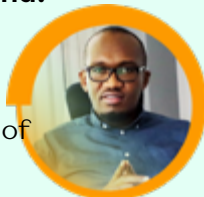
CEO, Tifa Research
Centre Limited



“It will gain importance as generally more businesses seek automation to drive efficiency. We are seeing more users on WhatsApp and Messenger and both platforms provide an API for businesses to develop various use cases at scale. Think of booking a bus, airline ticket but on WhatsApp, making reservations, ordering food, making utility bill payments and so forth. We call this conversation commerce and we are optimistic it will catch on in 2020 and beyond.”

Fred
Kithinzi

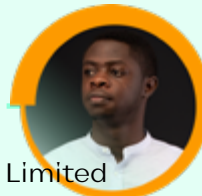
Founder & CEO of
Belva Digital



“There will be a rise in chatbot marketing by brands as it is efficient and cost-effective. Chatbots will be preferable in some sectors and human interaction in others. I believe consumers will take time to adopt chatbots. Kenyans prefer human interaction. For example, if a Kenyan experiences issues in the middle of an online banking transaction, they will want to speak to a customer care representative. They will find a chatbot extremely frustrating. But in the case of an online purchase, it could be pleasant. Picture an Instagram store with a chatbot that asks you what shoe size you wear after you’ve made your pick, preferred method of delivery, your contact information, etc. then without human interaction, your shoes are delivered. That works well, doesn’t it?”

Kamarichi
Mbarani

CEO, Medios Limited



How will you **apply** these trends to your **organisation?**

At Nendo we work with leaders and teams to turn trends into actionable projects to deliver income and impact.

- Book a speaker to walk your team through a customized talk based on these trends as applied to your industry and audience.
- Engage Nendo to review and reimagine your digital strategy for the next 3 years and the next decade based on our unique insights and our proprietary data.
- Commission Nendo to deliver a digital AUDIT of your customers, competitors, global category best-practice to equip you with quick wins for present and future campaigns and resource mobilisation.
- Send Nendo a brief to develop a marketing and communications campaign for your organisation, product, or service.
- Consider bringing the best social listening and digital intelligence tools into your organisation such as Brandwatch, GlobalWebIndex, Lithium or Hootsuite. Ask to discover how leading Kenyan organisations are investing in bringing these tools away from their agencies and in-house.

Email hello@nendo.co.ke or call **+254717229619** for more.

Appendix

1. Facebook's Official Active User Base in Kenya Revealed Thanks to Kenyan Artist, Techweez - <https://techweez.com/2019/10/10/facebook-active-user-base-in-kenya-revealed/>
2. Karavan Media pegs MAUs at 2.5 million, <https://karavan.media/featured-media-nigeria/truerecaller/>
3. Truecaller Launches Developer Program in Kenya (Khusoko.com) - <https://khusoko.com/2019/11/05/truerecaller-launches-developer-program-in-kenya/>
4. Previously reported in 2018 as 6 million users in 2018. Truecaller Sets Up regional Office in Nairobi (Kachwanya.com) - <https://www.kachwanya.com/2018/09/28/truerecaller-sets-regional-office-nairobi>.
5. Boomplay - Transsnet Music Limited
6. TikTok downloaded more than Facebook, Messenger, and Instagram in 2019: <https://yhoo.it/39ebY1s>
7. Mobile App Ranking: <https://www.similarweb.com/apps/top/google/store-rank/ke/all/top-free>
8. Vskit app's growing popularity in Africa <https://news.cgtn.com/news/2019-10-11/Vskit-app-s-growing-popularity-in-Africa--KHTQhuKu40/index.html>
9. 82% of Kenyans think influencer marketing doesn't affect their purchases, but wait, there's more: <https://medium.com/@OdipoDev/82-of-kenyans-think-influencer-marketing-doesnt-affect-their-purchases-but-wait-there-s-more-ec672050a988>
10. Have Brands Been Paying Leading Kenyan Influencers for Fake Engagement? <https://medium.com/@OdipoDev/have-brands-been-paying-leading-kenyan-influencers-for-fake-engagement-c9d4591bcd60>
11. The State of influencer marketing 2019: Benchmark Report <https://influencermarketinghub.com/influencer-marketing-2019-benchmark-report/>
12. Online Social Networking and Mental Health: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4183915/>
13. What We Want Doesn't Always Make Us Happy: <https://www.bloomberg.com/opinion/articles/2019-05-01/what-we-want-doesn-t-always-make-us-happy>
14. Facebook Makes You Unhappy And Makes People Particularly Sad, Study Finds <https://www.independent.co.uk/life-style/gadgets-and-tech/facebook-social-media-make-unhappy-jealous-people-particularly-sad-copenhagen-university-study-a7490816.html>
15. Youtube's top creators are burning out and breaking down en masse <https://www.polygon.com/2018/6/1/17413542/burnout-mental-health-awareness-youtube-elle-mills-el-rubius-bobby-burns-pewdiepie>
16. Jerry Daykin in Eat Your Greens by Wiemer Snijders.
17. Facebook to Train Kenyan SMEs on Digital Opportunities for Growth: <https://allafrica.com/stories/201909200047.html>
18. Safaricom's Zuri's Bot Now Available On WhatsApp: <https://techmoran.com/2020/03/04/safaricom-zuri-bot-now-available-on-whatsapp/>

Nendo delivers results for leaders and teams through its Advisory, Agency and Academy services. Nendo is a respected consultancy focused on customer insight, competitive intelligence and data analysis. Nendo delivers strategies and projects to challenge the thinking of our clients, enabling them to lead change in their organisations.

For citations, enquiries or questions, kindly contact us on hello@nendo.co.ke, or call us via **0717-229-619**.

2020 Digital Trend Report

