

HOSTAFRICA SMB Insights Lab

Kenya Country Insights

HOSTAFRICA in collaboration with

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Kenyan Market Overview / Who are our Customers?



Overview about the survey objectives and geographical response distribution

Key Characteristics

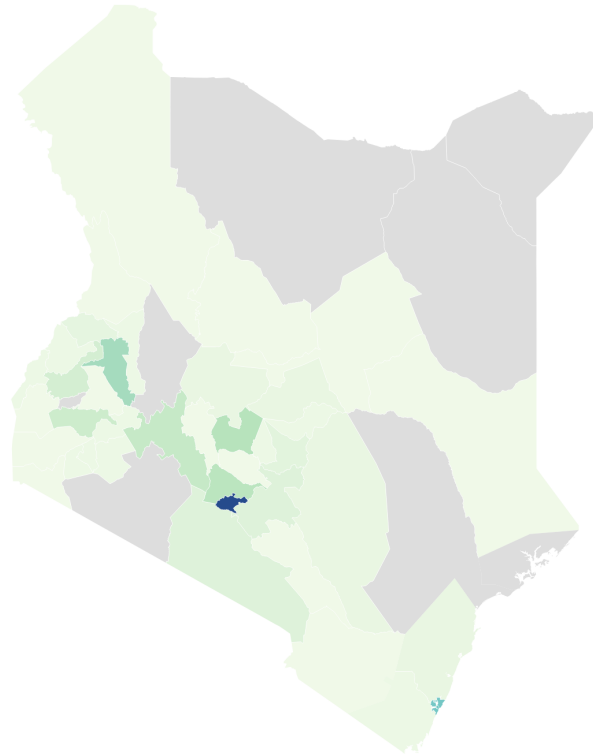
Survey Sample N=1096

82%
of customers are
located in Nairobi

3%
of customers are
located in Mombasa

2%
of customers are
located in Uasin Gishu

Kenya SMME Distribution



Study Objective



Aim:

To provide a representative
view about the Kenyan market
and the business needs for
companies within it



Methodology:

We distributed a survey among
central customer basis to
evaluate their business
characteristics

Understanding HOSTAFRICAS customers' core business activities



What best describes what you do?

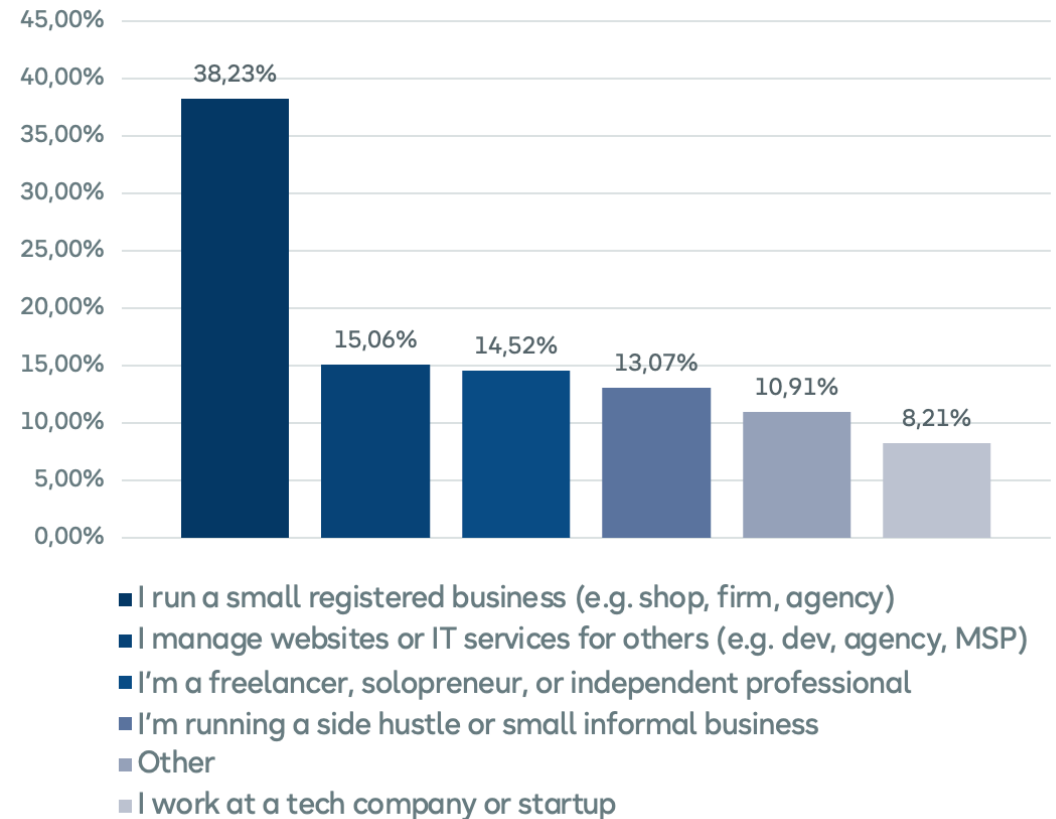
Reported Business Activity

Small registered businesses make up the largest share of respondents at 38,23%, highlighting their central role in Kenya's business landscape.

Around 15,06% manage websites or IT services for others, and a similar share (**14,52%**) **work as freelancers or independent professionals**.

Tech company employees represent about 8,21%, while **13,07% run side hustles or small informal businesses**.

This distribution underscores the prominence of formal small enterprises, alongside a strong presence of independent and informal work.



Distinguishing solo operators from SMEs and larger tech teams



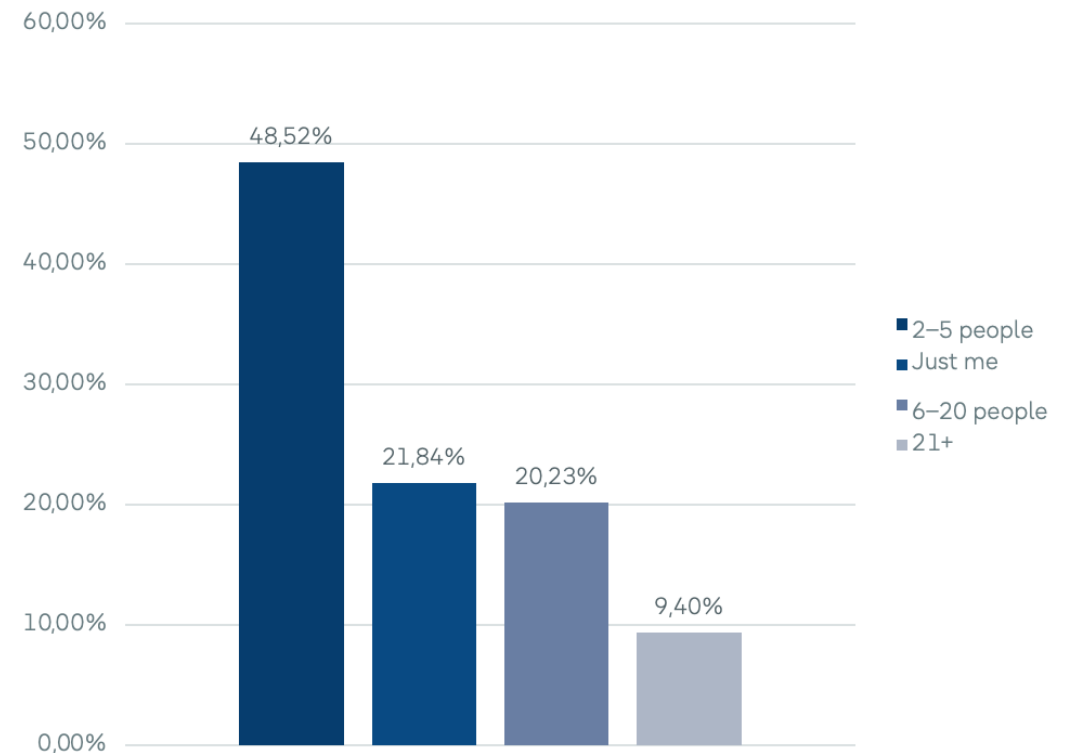
How many people are involved in your business or project (including you)?

Company Characteristics

Almost half of respondents (48,52%) work in teams of 2–5 people, making small companies the dominant segment.

21,84% operate as solo founders or individual operators, while **20,23% belong to teams of 6–20 people**.

Only 9,40% report working in organizations with 21 or more people, confirming that the customer base is largely made up of smaller and mid-sized setups rather than large enterprises.



Revealing whether Customers are End-Users or Service Providers



Which of the following best describes your main goals with our services?

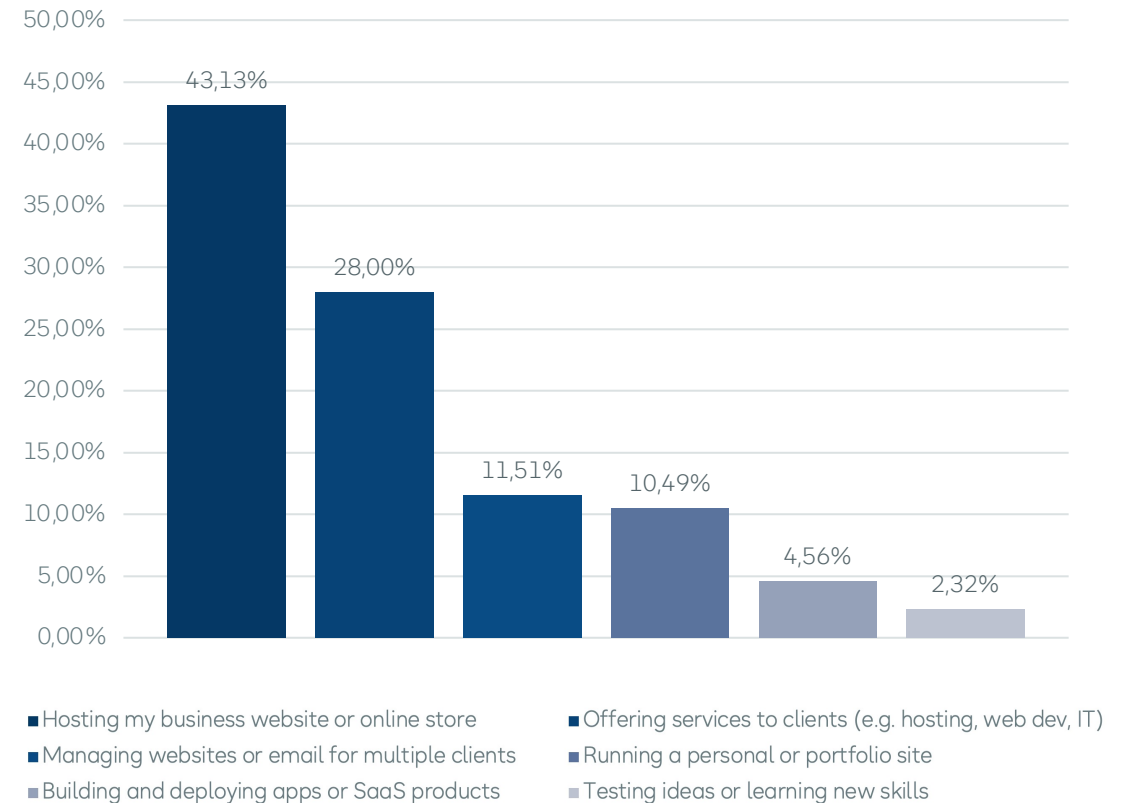
Characteristics

Most respondents use the services primarily to host their business websites or online stores (43,13%), showing a strong focus on maintaining an online presence.

Another **28% use them to offer services to clients, such as web development or IT support,** reflecting a significant portion of service providers.

Smaller groups use the platform for **managing websites or email for multiple clients (11,51%), running personal or portfolio sites (10,49%),** or **building and deploying apps or SaaS products (4,56%).**

Only **2,32%** use it for testing ideas or learning new skills, making this the least common goal among respondents.



Understanding the Industry Context to refine the Segmentation



What best describes the type of business or project you're working on?

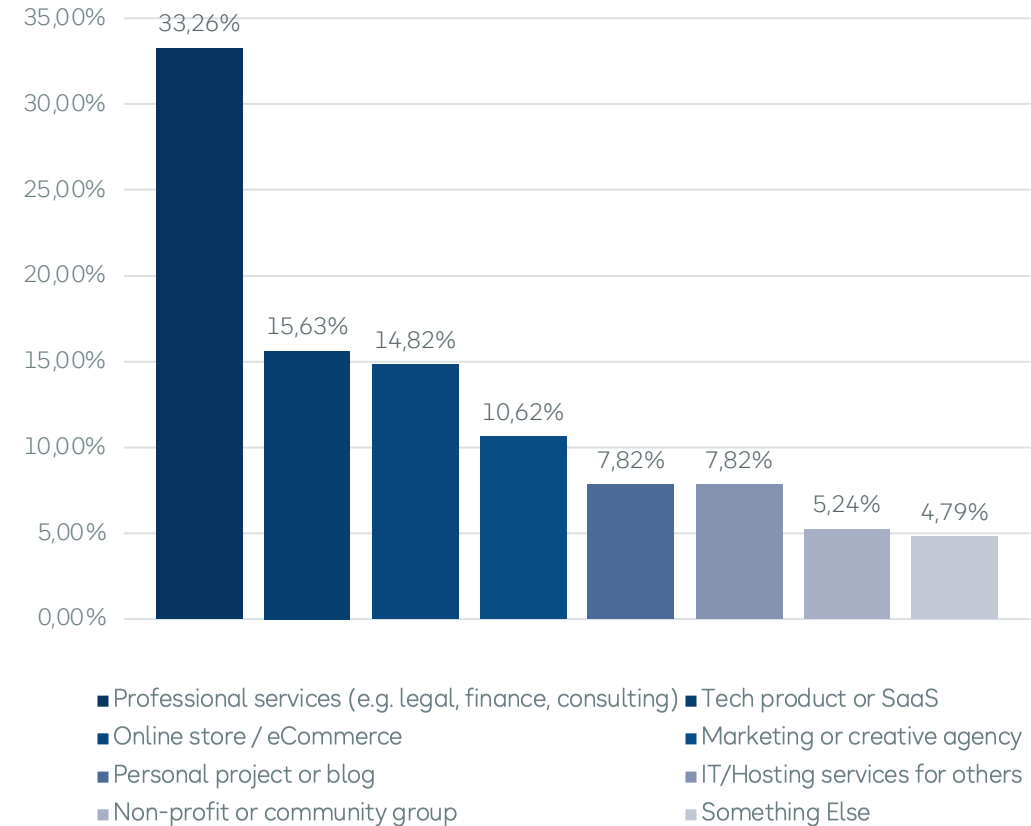
Characteristics

Professional services, such as legal, finance, and consulting, represent the largest share of respondents (33,26%).

Other notable categories include **tech products or SaaS businesses (15,63%), online stores and eCommerce (14,82%), and marketing or creative agencies (10,62%).**

Smaller proportions operate personal projects or IT services for others (7,82%), non-profits or community groups (5,24%), or follow other activities (4,79%).

This distribution highlights the dominance of professional and tech-oriented businesses, with a substantial creative and retail segment.



Clearly identifying Resellers and MSPs among Customers



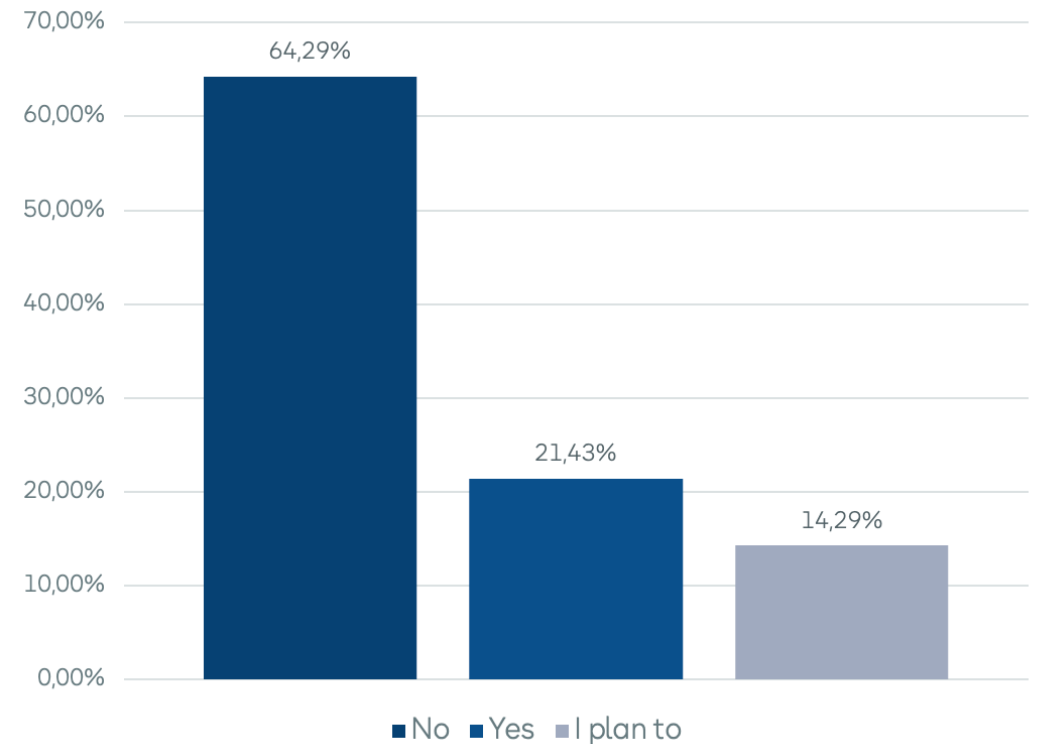
Do you resell hosting or offer services using our infrastructure?

Characteristics

The majority of respondents (64,29%) do not currently resell hosting or offer services using the company's infrastructure.

However, **21,43% already act as resellers or managed service providers (MSPs)**, indicating a solid portion of business users who integrate hosting into their service offerings.

Additionally, **14,29% plan to start reselling in the future**, suggesting further potential growth in this segment.



Deep Dive: Hosting Business Customer Segmentation



Out of all questions, we derived a customer segmentation including five significantly different segments

<u>Segment 1:</u> Individual Website Owners with Basic Business Sites	<u>Segment 2:</u> Business Websites with Light Multi-Purpose Use	<u>Segment 3:</u> Freelancers & Smaller Agencies	<u>Segment 4:</u> Professional Agencies & Reseller Segment	<u>Segment 5:</u> Experimenters & Learners
195 participants (16,9%)	332 participants (28,77%)	401 participants (34,75%)	141 participants (12,22%)	85 participants (7,37%)
100% Hosting personal website or online store usage 0% Reselling Mostly solo entrepreneurs and small business owners with low shares of SaaS or managing client sites Implications: • Most central and homogenous segment within Kenya • Users use hosting services only for their own business	84,6% Hosting business website 81,3% Running personal or portfolio sites 6% Reselling Implications: • Users host business and private websites through HostAfrica • Partially used for experimentation with e.g., app and software testing	37% Offering services to clients 32% Managing multiple client sites 19,7% Reselling Implications: • This is the mixed agency and freelancer segment, with mostly solo entrepreneurs or 2-5 people businesses	95% Offering services to clients 40% Managing client websites 78,7% Reselling Highest Share of companies larger than 5 people Implications: • Most professional segment in Kenya with larger web agencies and IT companies • A core business part is on managing client websites	82,3% Running a personal website 64,7% Testing ideas / learning Low share of hosting business websites Implications: • High share of learning new skills, personal projects and students • High potential for future hosting services, if those operations are expanded

In case of further questions feel free to contact us



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