Koppoh

RESEARCH & ICP STRATEGY REPORT

The Koppoh Finance Customer

A deep-dive synthesis of market evidence and ICP personas for African MSME financing.

Executive Summary: The 5 Core Customer Truths

01 • HOSTILE FINANCING PATHS

The core pain is not lack of money,it is that every available route for the MSME is hostile: banks reject on documentation; loan apps charge 30–260% APR with harassment; loan sharks demand 10–30%/month.

02 • 51% TRUST EXHAUSTION

Over 51% of informal MSMEs have stopped seeking formal financing entirely (up from 30% in prior years) according to a 2026 economic policy and academic research study on SME survival and credit exclusion in Nigeria.. The market suffers from a deep trust exhaustion crisis.

03 • INFORMAL DOMINANCE

MSMEs survive on family/friends, esusu/rotating savings, and cooperatives. These community rails are the true alternatives Koppoh competes against.

04 • THE NEED TO BE SEEN

The deepest emotional wound is feeling invisible to institutions ('banks don't see my potential'), combined with an awareness vacuum around non-debt financing models.

05 • THE DOCUMENTATION ROOT CAUSE

67% of bank rejections stem directly from lack of collateral and unbankable documentation—not unviable businesses according to the IFC. Loan readiness is the actual job to solve.

Research Methodology & Evidence Scope

How did we do this research?

Institutional Data

[HIGH CONFIDENCE]

IFC MSME Finance Gap (2025), EFInA Access to Finance 2023, Moniepoint Informal Economy Report 2025, PwC MSME Survey, SMEDAN & CBN data.

Customer Voices

[MODERATE-HIGH]

30+ authentic public voices across Nairaland threads, TikTok reports, LinkedIn founder disclosures, App Store & Trustpilot reviews of digital lenders.

Competitor Landscape

[HIGH ON MODELS]

Analysis of 15+ African financing platforms (Carbon, FairMoney, Moniepoint, Kuda, Pezesha, Veira) evaluating interest rates, requirements, and recovery methods.

Informal & Academic

[MODERATE CONFIDENCE]

Peer-reviewed literature on Esusu/Ajo rotating credit, market women cooperatives, and informal credit dynamics in urban West Africa.

CRITICAL SCOPE CONSTRAINTS & METHODOLOGICAL TRANSPARENCY

- Category-Level Evidence: All findings represent market-wide patterns. No first-party Koppoh Academy member data was available. Remember that one of our assumptions in the one-pager was that the Academy is one of the biggest channels for Koppoh Finance but we weren't able to interview Koppoh Academy members in this project
- Geographic Bias: Evidence skews Nigerian, urban, semi-formal, and digitally active. We should try not to generalize to all African markets without extra validation.
- Hypothesis Label: Every ICP recommendation is an evidence-backed hypothesis awaiting validation via live customer cohorts.

The Four Broken Paths to Capital for the MSME

PATH 01

Traditional Banks

THE COLLATERAL WALL

Requires land titles (C of O), audited statements & months of paperwork. 67% rejection rate. Businesses wait weeks only to be turned down without explanation.

PATH 02

Digital Loan Apps

THE PREDATORY TRAP

Offers instant access but charges 30% to 260% APR. Recovers debt via aggressive contact-list shaming, defamation, and regulatory harassment.

PATH 03

Informal Loan Sharks

THE EXPLOITATION SQUEEZE

Available in physical markets without paperwork, but demands 10% to 30% monthly interest, stripping MSMEs of all working margins.

PATH 04

51% Trust Exhaustion

GIVING UP ENTIRELY

Over half of informal businesses now choose to never borrow. They rely entirely on slow profit reinvestment and small rotating esusu contributions.

The True Root Cause of Bank Rejection

EFINA DATA INSIGHT

~67%

Of all formal bank loan rejections are driven by Collateral & Documentation Deficits, NOT business non-viability.

The Collateral Mismatch

Banks demand fixed assets (land in urban centers with C of O), whereas MSMEs hold value in working inventory, machinery, and daily receivables.

Unbankable Cash-Flow Records

Trading occurs via POS, cash, and personal accounts. Without structured management accounts, algorithms flag viable firms as high risk.

The 'Credit Bureau Ghost' Penalty

Having no formal credit history is scored the same as having bad credit. Promising founders are penalized simply for being self-reliant.

Information Asymmetry

Founders do not know what lenders look for, resulting in unpolished applications that trigger automated rejection filters.

The Trust Exhaustion Epidemic

MONIEPOINT 2025 FINDING

51%

Of informal businesses have completely abandoned applying for formal credit (surging from 30% in prior reports).

This proves the MSME financing bottleneck is not an awareness problem—it is a catastrophic trust deficit caused by years of predatory practices.

THE THREE DRIVERS OF BORROWER RETREAT

Fear of Public Humiliation

Aggressive recovery tactics (defamatory SMS blasts to contacts) created widespread trauma around digital credit.

Interest Rate Margin Shock

APR rates exceeding 100% mean taking a loan frequently leads to business insolvency rather than expansion.

The 'Application Black Hole'

Weeks spent gathering bank documents only to receive generic rejections without feedback leads founders to give up.

The 5 Customer Segments for Koppoh Finance at a Glance

SEGMENT 1: MARKET TRADER • Revenue: ₦100K-₦5M/mo

Owner-operated retail/trader. Needs ₦50K–₦500K for market-day restocking. Relies on esusu & Moniepoint POS.

SEGMENT 2: STRUCTURED SME • Revenue: ₦5M-₦50M/mo

Semi-formal (1–9 staff), CAC registered, wants ₦1M–₦20M for equipment/LPO fulfillment. Educated but blocked by banks.

SEGMENT 3: GROWTH FOUNDER • Revenue: ₦50M+/mo

Larger structured firm seeking ₦20M+ equity/RBF. Unaware of alternatives beyond commercial banks and debt.

SEGMENT 4: WOMEN MICRO-ENT. • Revenue: ₦100K-₦2M/mo

Women-owned micro-business navigating compound time/trust barriers. Prefers community cooperatives.

SEGMENT 5: CAPITAL-AVERSE • Revenue: Variable

Informal firms that never borrow and don't intend to (51%). Self-funds from profits to avoid debt traps.

Comprehensive Segment Comparison Matrix

Dimension	Market Trader	Structured SME	Growth Founder	Women Micro	Capital-Averse
Problem Relevance	HIGH	HIGH	MODERATE	HIGH	HIGH
Need Intensity	HIGH	HIGH	MODERATE	HIGH	LOW
Product Fit	MODERATE	HIGH (Best Fit)	LOW–MOD	MODERATE	LOW
Value Potential	MODERATE	HIGH (₦1M–₦20M)	HIGH (₦20M+)	MODERATE	LOW (Conversion)
Buying Signals	HIGH (Urgent)	MODERATE (Planned)	LOW (Unclear)	LOW–MOD	VERY LOW (51%)

The Recommended Launch ICP

PRIMARY LAUNCH TARGET

The “Educated but Blocked” Semi-Formal SME Founder

Semi-formal businesses with CAC registration, 1–9 staff, generating ₦5M–₦50M/month, seeking ₦1M–₦20M for specific order fulfillment or equipment.

PILLAR 01

Direct Academy Overlap

Matches Koppoh Academy's existing audience of founders actively seeking business education and financial structuring.

PILLAR 02

Solves the Root Cause

This segment's core bottleneck is the documentation gap—the exact problem Koppoh's readiness engine is built to solve.

PILLAR 03

High Ticket Unit Economics

Loan sizes of ₦1M to ₦20M generate sustainable transaction margins for platform capital partners.

PILLAR 04

Sustainable Retention Hub

Serves as the vital bridge connecting Academy training to future institutional Fundraise and Media visibility.

Primary Persona: Chidinma, The Blocked Growth Founder

CHIDINMA (34, LAGOS)

Fabric Distribution Business · 5 Years in Operation

· Structure: CAC Registered, 3 Full-time Staff

· Monthly POS Revenue: ₦3M – ₦5M

· Current Need: ₦8M for Bulk Fabric Order

· Bank Experience: Rejected twice (no C of O / Audit)

THE STRATEGIC CONTEXT & PROFILE STORY

Chidinma represents the classic 'Educated but Blocked' founder. She has built a proven trading operation with solid monthly transaction flow, but finds herself locked out of formal growth capital.

"I have all the machines, I have clients, and yet I get nothing from the banks. I was forced to use online apps once—I borrowed ₦1M and had to repay ₦1.58M in 30 days. That is not growing a business; that is surviving an emergency."

Key Takeaway: She does not need basic business literacy—she needs her proven business activity translated into institutional bankability.

Chidinma's Jobs To Be Done & Emotional Reality

JTBD LAYER 01

Functional Job

GET ₦8M NON-PREDATORY CAPITAL

Secure ₦8M within 3 weeks to fulfill a confirmed retailer order, securing cash discounts and protecting profit margins.

JTBD LAYER 02

Emotional Job

BE RECOGNIZED AS A REAL BUSINESS

Be treated with dignity and credibility by financing partners rather than being dismissed as an unbankable risk.

JTBD LAYER 03

Supporting Job

ESTABLISH PERMANENT LOAN READINESS

Organize her financial records, POS streams, and governance so future capital requirements are friction-free.

Chidinma’s Objections & Decision Drivers

CORE OBJECTIONS & DEFENSE MECHANISMS

“Is this just another predatory loan app?”
Deep suspicion rooted in aggressive recovery headlines across Nigeria.

“Will hidden fees wipe out my gross margin?”
Anxiety over compound charges, rollover penalties, and opaque APRs.

“Why should I pay for loan readiness?”
Unfamiliarity with financing facilitation unless value is proven upfront.

“Will they steal my customer data and BVN?”
Legitimate privacy concerns over unauthorized contact list scraping.

WHAT WINS CHIDINMA’S DECISION

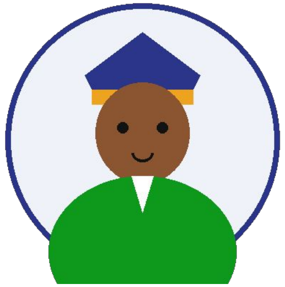
1. Total Cost Transparency
Clear, fixed monthly interest rates without hidden rollover penalties.

2. Speed to Disbursement
Funds deployed within days to prevent losing the confirmed order.

3. Dignified Partnership
Zero harassment, zero shaming; professional institutional treatment.

4. Structured Readiness
Concrete feedback on exactly what was improved to qualify.

Secondary Persona: Tunde — The Stuck Market Trader



TUNDE (42, MILE 12 LAGOS)

Provisions Stall Trader • 7 Years in Operation

- Structure: Sole Proprietor, No Formal Staff
- Monthly POS Volume: ₦1.5M – ₦2M (Moniepoint)
- Current Need: ₦300K–₦500K for Peak Season
- Financing Rail: Esusu (₦50K/wk) + Loan Apps

THE DAILY MARKET SURVIVAL REALITY

Tunde operates in high-velocity physical trade. He has zero formal documentation, no CAC papers, and no audited books. He turns over inventory rapidly and lives on thin gross margins.

"When December comes, if you don't have stock, you are dead for the year. Banks won't even let me enter the gate for ₦300k. EaseMoni gave me money once, but by the time they added interest and fees, I was paying from my capital."

Key Takeaway: Tunde needs POS-linked, inventory-backed micro-credit that settles automatically from daily turnover without complex balance sheets.

Tunde’s Urgent Working Capital Cycle

STAGE 01

Phase 1: Urgent Trigger

Freezer breakdown or market restocking deadline threatens daily trading revenue.

STAGE 02

Phase 2: Bank Exclusion

Bank gatekeeper demands fixed collateral and tax clearance; immediate dead end.

STAGE 03

Phase 3: Desperation Squeeze

Applies to loan apps or market sharks at 20%–30%/month out of sheer necessity.

STAGE 04

Phase 4: Profit Erosion

Interest repayments devour working margins, trapping him in a continuous debt cycle.

Secondary Persona: Ibrahim — The Capital-Averse Maker

IBRAHIM (38, IBADAN)

Custom Furniture Maker · 8 Years in Operation

· Segment Representation: Part of the 51% Non-Borrowers

· Monthly Revenue: ₦800K – ₦1.8M

· Funding Strategy: 100% Profit Reinvestment

· Debt Stance: Refuses all external borrowing

THE PSYCHOLOGY OF CAPITAL AVERSION

Ibrahim is skilled, hardworking, and has survived 8 years. However, witnessing friends get destroyed by predatory interest rates and public shaming has made him swear off all debt.

"I will rather grow slowly with my own small profit than let any bank or loan app come and carry my workshop machines. Debt in Nigeria is a trap."

Key Takeaway: Ibrahim is not a launch ICP for debt products. He must first be engaged through Academy education and equipment lease-to-own models that carry zero debt stigma.

The 6-Stage Customer Koppoh Financing Journey

STAGE 01

1. Trigger

Confirmed client order, bulk inventory cycle, or equipment failure forces sudden need for cash.

STAGE 02

2. Search

Consults peers, checks social media/TikTok, explores bank requirements, or reviews loan apps.

STAGE 03

3. Evaluation

Compares total cost vs harassment risk; experiences immediate fear of hidden rollover penalties.

STAGE 04

4. Application

Encounter with documentation wall; anxiety over data sharing (BVN, statement uploads).

STAGE 05

5. Decision

Approval brings immediate relief, but delayed disbursement risks losing the commercial deal.

STAGE 06

6. Repayment

Smooth repayment builds credit confidence; predatory recovery triggers immediate churn.

Koppoh Finance has to show up as a reliable partner throughout this journey and cater to the MSME’s practical as well as emotional and trust needs.

Key Triggers & Buying Signals of the Customer

TRIGGER 01

The Confirmed LPO / Client Order

A corporate or large buyer places a lucrative order requiring ₦2M–₦10M in upfront materials. Time is the enemy; missing the fulfillment window means losing the contract.

TRIGGER 02

Seasonal Restocking Milestones

Festive seasons (December, Easter, Sallah, Back-to-School) require 3x normal inventory. Having full shelves directly determines annual profitability.

TRIGGER 03

Critical Machinery Breakdown

A delivery vehicle, commercial oven, or industrial sewing machine fails. Immediate replacement capital is required to keep operations running.

TRIGGER 04

The Breaking Point of Rejection

After spending weeks pursuing commercial bank loans and getting rejected, founders experience peak motivation to switch to structured alternatives.

Voice of the Customer: Raw Realities

“Stop begging banks that don't see your potential. You know your business can grow, you just need the money to make it happen.”

— Koppoh Finance Core Pitch

“Access Bank has shown me shege oooo. After two months of documentation, they asked for a C of O in Victoria Island for a ₦3M facility.”

— Nairaland Verified Borrower Voice

“It's like sustaining my business, not growing it. I borrowed from digital apps not because they are good, but because they are the only ones awake when you need them.”

— Lagos Garment Manufacturing CEO (Businessday)

“The problem is not that our businesses are fake or scam. The problem, I believe, is that our real business does not look like what bank managers read in their textbooks.”

— Business Owner

The "Loan Readiness" Bridge

TURNING REJECTION INTO QUALIFICATION

How Koppoh Will Convert the Documentation Gap into Capital Access for MSMEs

BRIDGE STAGE 01

Step 1: Academy Structuring

Founders learn skills, organize bookkeeping, separate personal from business funds, and structure corporate governance.

BRIDGE STAGE 02

Step 2: Readiness Translation

Koppoh aggregates POS and digital transaction records into an institutional-grade financing profile.

BRIDGE STAGE 03

Step 3: Direct Capital Matching

Pre-qualified profiles are routed directly to partnered capital providers, bypassing manual gatekeepers.

Critical Unknowns & Research Limitations

Extra things to figure out...

KEY UNCERTAINTY 01

Academy Member Demographics

Do active Koppoh Academy learners match the 'Structured SME' profile in revenue, CAC status, and borrowing intent?

KEY UNCERTAINTY 02

Willingness to Pay for Readiness

Will MSMEs pay upfront facilitation fees for loan packaging, or will revenue have to be monetized via lender origination commissions?

KEY UNCERTAINTY 03

Lender vs Marketplace Model

Will Koppoh take balance sheet lending risk directly or operate purely as an intelligent capital matchmaking marketplace?

KEY UNCERTAINTY 04

Cross-Border Replicability

Do the informal financing habits and rejection dynamics documented in Nigeria translate seamlessly into Francophone or East African markets?

ICP Validation Checklist & Testing Plan

Extra steps to take to validate our claims withinn our own business context at Koppoh

ACTION 01: ACADEMY SURVEY AUDIT

Deploy a 5-question financial profiling survey to all active Academy cohorts to map actual revenues and CAC status.

ACTION 02: 1-ON-1 FOUNDER INTERVIEWS

Conduct 15 to 30 structured discovery interviews with rejected founders to benchmark maximum acceptable APR thresholds.

ACTION 03: FAKE-DOOR READINESS TEST

Test an in-app 'Check Loan Readiness' module to evaluate self-serve document upload willingness and conversion.

ACTION 04: LENDER CRITERIA ALIGNMENT

Benchmark underwriting criteria with 3 partner microfinance banks to align automated readiness scoring.

ACTION 05: COHORT CONVERSION TRACKING

Track first-loan disbursement velocity from initial readiness score to capital deployment.

Conclusion & Strategic Takeaways

So what did we learn from all of this?

THE STRATEGIC IMPERATIVE FOR KOPPOH FINANCE

African MSMEs do not fail because entrepreneurs lack ambition or viable products. They fail because traditional lenders cannot see their potential through outdated documentation filters, and digital lenders exploit their urgency with predatory debt but are always available to them either ways even though the trust has depleted.

By pairing Academy Education with Loan Readiness and Intelligent Capital Facilitation, Koppoh can become the definitive growth infrastructure that bridges millions of African MSMEs from survival to sustainable scale.

Structure First. Then Success.