

Book Chapter

Chapter 11: Ethical New Product Development: A Case of Digital Loans Products in Kenya Available to Purchase. By Thaisaiyi Zephania Opati.

Abstract

Kenya basks of a vibrant digital financial sector from her mobile and digital financial services that have led to financial inclusions. On the flip side of it, the Kenyan digital loans sector is facing ethical scrutiny from all and sundry. Issues that are arising include a customer base being trapped in the debt trap, inflated pricing model, high interest rates, and short-term loan tenures. The sector is shrouded in poor transparency and many consumer rights infringement. Undeniably, providers inadvertently breach consumers' right to privacy and tend to promote 'push loans' with unsolicited messages to the vulnerable. Additionally, the use of Artificial Intelligence (AI) in determining the suitability of loan applicants via algorithms is seen to be intrusive. With consumer data being mined from the mobile phone, data utilisation, mobile payment usage, airtime usage without users' express consent, it renders the sector an unethical jungle for hunting consumers. Furthermore, consumers who by default end up receiving aggressive uncouth and unprofessional treatment in a bid to recover the unpaid loans. New Product Development (NPD) should, therefore, listen to the consumer's voice for ethical concerns to be reflected in the final product. Thus, marketers should endeavour to give ethical dimensions in NPD a measurable attribute by constantly reviewing it. This chapter examines the ethical implications of developing digital loans in Kenya.

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