



**THE MARKET**

With a growing subscriber base of nearly 10.5 million (April 2008) and a market share of over 70 percent, Safaricom Ltd is Kenya's leading mobile telephone operator.

In 2007, the company became the envy of many after posting a pre-tax profit of 254.9 million US dollars - the highest in East Africa's corporate history. The profit is comparable to the Gross Domestic Product of countries like Rwanda and Burundi.

Safaricom's aim is to remain the leading mobile operator in Kenya by providing its subscribers with quality services and a diverse product portfolio to suit their various needs.

For its prepaid subscribers, Safaricom has a banquet of tariffs. They include: Super Taifa, Super Tariffic, Saasa, and Jambo designed to cater to every lifestyle and purchasing power. These tariffs account for 98 percent of the subscriber base. The other two percent comes from post-paid subscribers who have a significantly higher Average Revenue Per Subscriber (ARPU) which accounts for over ten percent of the operators revenue.

In a country with limited infrastructure and access to power, Safaricom has empowered people to communicate and stay in touch through its wide coverage in most major towns in Kenya's

over 220 countries globally.

Subscribers can access various Safaricom products from dealers countrywide and through retail outlets in Nairobi, Mombasa, Nakuru and Kisumu. Pre-paid air time scratch cards are available in all retail outlets from supermarkets to road-side kiosks.

**ACHIEVEMENTS**

Safaricom's award-winning campaign - Matatu Poa campaign in 2004 has been recognized across the world for its altitudinal and behavioural change. The campaign targeted the Kenyan public transport system where commuters were required to vote for their favourite Matatu (14 seater van used as public transport) driver via SMS. The campaign was applauded by the Kenya government for the role it played in promoting road safety in the country.

Most Respected Company". Other awards have included Marketing Society Of Kenya Warrior Awards and the Kenya Revenue Authority's Distinguished Tax Payers Award.

**HISTORY**

Safaricom was established in 1997 as a fully owned subsidiary of Telkom Kenya. It was known as the Telkom Vodafone Connection. In May 2000, Vodafone Group PLC acquired a 40 percent stake and took over the management of the company which saw it change its name to Safaricom.

In order to maintain its position as the leading mobile network operator in Kenya, through the Safaricom Foundation, the operator has implemented best practices based on Vodafone's vast international experience and Telkom Kenya's unique knowledge of the Kenyan market.

Since its establishment, Safaricom has been a leader in introducing innovative products that suit the communication needs of its customers. Some of the recent innovative introductions in its stable of products and services include EDGE, Blackberry, flashback M-Pesa, Google, Mobile TV and 3G Broadband service.

**THE PRODUCT**

Safaricom's products and services are divided into seven categories: Prepaid Voice, Post-paid Voice (Advantage), Data (GPRS, EDGE and 3G), MMS (Multi Media Messaging), SMS, International Roaming, M-PESA money transfer, Simu ya Jamii (public pay phone), Blackberry and International Dialling.

Safaricom also won the coveted GSM Association Awards - Mobility in the environment category for it's save the Elephants animal tracking project in 2005 and in 2008, Safaricom won again for its entry for M-PESA (Best Broadcast Commercial)..

In 2004, the company won a record seven awards during the Company of the Year awards. Namely: Company of the Year, CEO of the Year, Marketing Management, Corporate Social Responsibility, Corporate Planning, Financial Management and Investor of the Year awards. In 2008 Safaricom was awarded "East Africa's

eight provinces and road highways. To keep its subscribers communicating, the company has secured roaming agreements with partners in

The lowest available airtime card costs less than One USD (Kshs20) while the highest retails at USD 14 (Kshs 1000), giving subscribers choice and flexibility.

Always a trendsetter in innovation, Safaricom was the first to introduce per second billing and subscriber value on off-peak hours, making communication more affordable for subscribers in Kenya. The operator also made air time cheaper by introducing the Bamba 20 (KSh 20) scratch card. All subscribers also get full value for the air time they load. No money is deducted during top-up.

Another plus for Safaricom is offering cheaper international calling rates. Previously, all international calls were via Telkom Kenya's International Gateway. The company acquired an international gateway license and built its own earth station reducing international call charges by 70 percent.

To keep up with international technology offerings, Safaricom introduced Enhanced Data-rate for GSM Evolution (EDGE) to enhance data speeds that subscribers experience on the General Packet Radio Service (GPRS) network. Subscribers can upload or download information from the internet at speeds three times faster than GPRS. When out of the EDGE coverage, subscribers are automatically switched over to GPRS.

Due to demand, Safaricom introduced the Sambaza (Swahili word meaning spread) service which enables pre-paid subscribers to transfer airtime to other pre-paid subscribers via SMS.

The Flashback 130 is another innovative product that allows subscribers to send a polite request to friends and family asking them to call back. The service is free of charge and subscribers can send five messages a day.

The MMS, initially launched for post paid subscribers is now available to pre paid subscribers. It allows phone users to send images taken from their phone camera, voice clips, and videos to other networks in Kenya.

Safaricom Advantage is a premium post-paid service that offers an all time low calling daily rate. At the end of the month, subscribers get a bill. With the launch of the Safaricom Corporate Multiple Top Up service, companies are now able to give their employees monthly airtime allowances automatically saving time in purchasing and distributing airtime.

## RECENT DEVELOPMENTS

In 2007 Safaricom introduced M-Pesa, (Pesa is



a Swahili word meaning money), an innovative money transfer service that enables users to send and receive money through their mobile phones. Users can send between USD 1.4 (KSh 100) to USD 500 (KSh 35,000). Plans are underway for international transfers. Kenya is the first country in the world to utilize this service after an extensive pilot study conducted by Safaricom's parent company Vodafone.

In June 2007, Safaricom successfully launched Blackberry in Kenya. It integrates with Microsoft Exchange, Novell GroupWise and IBM Lotus Domino and works with existing enterprise systems, to enable secure, push-based wireless access to email and other corporate data.

In partnership with MTN Uganda and Vodacom Tanzania, Safaricom launched Kama Kawaida (Swahili word meaning as usual), a seamless network that has allowed more than ten million subscribers in East Africa to communicate within areas covered by the three networks without paying roaming charges. In 2007, the service expanded in Rwanda.

Safaricom is piloting a third generation (3G) data service with a view to upgrading its network to this innovative technology. The technology will enable Safaricom to provide its subscribers with enhanced data speed than is currently available in the market.

## PROMOTION

Safaricom uses both above and below-the-line advertising in its marketing communication. There have been several successful campaigns, including Kwachua (find cash prizes), 30 millionaires in 30 days, XTRA talk time, Nguruma (roar), Nguruma Tena (roar again), and Asante Sunday (Sunday of rewards).

During the Kwachua promotion, Safaricom awarded 1,428,571 US dollars (KSh 100 million) in cash prizes to winners, making it Kenya's largest consumer promotion.

The Nguruma promotion was SMS based. There were 25 pick up vehicles up for grabs, Free Airtime and 714 US dollars (KSh 50,000) worth of goods which were donated to a charity of the winner's choice.

Safaricom's responsibility stems from core values and principles and is at the heart of everything the company does. In 2003, the company started the Safaricom Foundation who's objective is to deliver genuine and long lasting benefits to the its community partners and to support Safaricom employees in actively participating in their local communities,



helping to build a healthy social and economic environment in which to do business.

The Foundation supports initiatives/projects that provide sustainable solutions to many social challenges in the areas of education, health, environment, arts and culture and by responding to national emergencies and disasters. A key achievement has been Safaricom's ability to use it brand to influence and attract other donors towards a social cause or charity.

## BRAND VALUES

All Safaricom products and advertisements present a Kenyan image. All materials promote the beauty of the Kenyan landscape and use of Swahili words to reinforce the company's Kenyan heritage.

The company has also focused its marketing strategy to create customer demand and preference for its brands. To this end a strategic marketing plan has been put in place to grow revenue - through voice, data and content usage, grow market share and overall market by recruiting corporate and prepaid customers.

To ensure brand penetration and customer retention, the marketing strategy encompasses the following elements; market research, product development, consumer promotion, customer focus changes, and campaign development. All these elements have been employed to gain consumer insights into their preferences and develop innovative products and services that satisfy the customers.

Safaricom stands for morals, values and ethics. Customers can relate to the company because it understands and respects them and their needs.

The company believes its services can make a real difference to its customers by making communication easier, giving subscribers access to information and by offering services to suit their needs - hence enriching their lives.



## THINGS YOU DIDN'T KNOW ABOUT SAFARICOM

- Safaricom is the only mobile operator to have won the coveted Global Mobile awards for its entry for the Save The Elephants Animal Tracking Project (2004) and for Best Broadcast Commercial for M- PESA (2008)
- Globally M-PESA is a unique service offered only by Safaricom Ltd and is available only in Kenya
- All Safaricom products and advertisements present a Kenyan image. All materials promote the beauty of the Kenyan landscape and use of Swahili words to reinforce the company's Kenyan heritage.