EFFECTIVENESS OF ADVERTISING STRATEGIES ADOPTED BY SAFARICOM IN MARKETING M-PESA SERVICES

BY:

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DECLARATION

This is to declare that this research project is my original work that has not been presented to any other University or Institution of Higher Learning for examination.

Signed: 

Date: 5-6-1

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D61/71192/2008

This is to declare that this project has been submitted for examination with my approval as the University supervisor

Signature: 

SUPERVISOR: CATHERINE NGAIHU

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DEDICATION

This research project is dedicated to Kiraani's family with much love and thanks.
ACKNOWLEDGEMENT

This research project bears the support of many people. I continually benefited from the wisdom of my supervisor Ms Catherine Ngahu whose critical comments and challenges provided me with valuable insights about the subject I was studying. My deepest gratitude goes to my parents for their inspiration, tolerance and understanding. God bless them abundantly.

I also acknowledge the invaluable support from Faith Wanjiku. I owe considerable debt of gratitude to L.M. Karumc and Prof Kiayah for serving as the role models. My fellow students and for those who have made other contribution to this project and names not mentioned above. I register my profound appreciation and God bless you all.
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ABSTRACT

Advertising has been seen as a tool to assist many consumers as possible through a challenging decision making process. In order to exist in the business for a long period of time, Safaricom company must look for effective and efficient ways of advertising its products such as money transfer services to achieve its objectives in the current environmental dynamism and competitiveness markets which has become more difficult and challenging. The main purpose of this study was to establish the effectiveness of advertising strategies adopted by Safaricom in marketing M-Pesa services which faces stiff competitions from Zap Pesa Mkononi, Yu Cash and Orange Money.

This study adopted a case study design where the population of interest was Safaricom Company and 54 working staffs from marketing department at Safaricom as the respondents. Descriptive mean standard deviation was used to analyze both primary and secondary data.

The study concluded that Safaricom Company effectively used radio, television, internet; billboards in advertising M-Pesa services from the findings, the study established that Safaricom Company adopted advertising strategies for M-Pesa which increased M-Pesa services awareness enabling the optimization and overall effective return on the probability through selling the M-Pesa services persuasively and creatively.

The study recommends that businesses should decisively measure effectiveness of advertising strategies to ensure that the main objective of the advertising adopted in organizations is achieved by the intended objectives of promoting and creating product awareness as well as improve the firm financial performance.
CHAPTER ONE: INTRODUCTION

1.1 background of the Study

Organizations are set to achieve various targets within a stipulated time as outlined in their strategic plans. According to Lovelock and Wirt/ (2004) organizations exist to attain certain missions for undefined period of time. In order to exist in the business for a long period of time, organizations must look for effective and efficient ways of doing business activities to achieve organizational objectives. Kotler (2006) argues that due to environmental dynamism and competitiveness, the struggle for survival and succeeding in the business has become more difficult and challenging. The growth trend and nature of the telecommunication sector with the competitive environment brought several and special problems in marketing electronic money transfer (Manila 2000).

The typical research paradigm involves a forced exposure to some advertising message followed by some measure of consumer response. If one accepts the proposition that people do things to and with advertising, the identity of independent and dependent variables is less obvious. Indeed, any response to advertising, including that of simply attending, may be contingent on a host of other factors. When people select that to which they attend, the act of attending becomes a powerful determinant of advertising response. The traditional paradigm for examining the effects and effectiveness of advertising has served various professions well, but it is incomplete in an increasingly interactive context. This suggests that there is a need for a new paradigm for the measurement of advertising effects (Applegate, Konsynski and Nunamaker, 2002). The technological advance has led to development of new means of mobile telecommunication services. The mobile phone has become the most ubiquitous device and over half a billion mobile phones are sold worldwide every year and numbers continue to grow (Economist. 2(X)4).

Recent technological developments have made the provision of mobile data services possible. Carrier technologies have evolved through first and second generation and the third generation. While the first and second generations were mainly used for voice and
simple services, the 2.5G (GPRS) technology enabled provision of data-intensive services and 3G (UMTS) increased the bandwidth and speed in service provisioning.

Growing incomes and large numbers of people are in demand of mobile telecommunication products. Kenya's population of 38.6 million is increasing by about one million annually and mobile telecommunication firm like Safaricom, Yu, Airtel and Telecom Kenya need to improve on their advertising strategies to enhance their marketing of their products and services. Kenya's economic growth is expected to reach about 6% in 2011 compared with a projected increase of 5% this year. Mobile telecommunication companies are seeking confidence from the recent change of political power in Kenya. Reaping rewards from this is the nation's telecommunication industry.

### 1.1.1 Advertising strategies

Advertising is paid, nonperson communication that is designed to communicate in a creative manner, through the use of mass or information-directed media, the nature of products, services, and ideas (Kendall, 2004). It is a form of persuasive communication that offers information about products, ideas, and services that serves the objectives determined by the advertiser. The two most common approaches used in advertising to influence consumer behavior might be described as value-expressive (image) or symbolic appeal and utilitarian (functional) appeal (Applegate, Konsynski and Nunamaker, 2002). The image strategy involves building a "personality" for the product or creating an image of the product user. The image strategy is part of what Burke, Raymond and Thomas, (1999) refer to as "transformational advertising." This advertising strategy may be directly linked with several tracks of research in consumer behavior. These include product symbolism (Stewart and David, 1996).

Advertising has been seen as a tool to assist consumers through a challenging decision making process. The marketing mobile telecommunication products characteristics of **tangibility**, separability, imperishability and ownership influence consumer behaviour at a
number of levels. Advertising ranks among the major tools of promotion in general and awareness in particular. The purpose of advertising is to deliver a message, usually in order to sell a product or service (Applegate, Konsynski and Nunamaker, 2002). In most cases, it is beneficial to deliver an organization's message to as many potential customers as possible. With several dozen million people connected worldwide, the Internet has become an excellent medium for advertising an organization's products and services. The advertiser offers multimedia delivery of information, including graphics, pictures, sound, video, and animation, all of which can be changed easily and frequently to reflect changes in the business or service offerings. Businesses can tailor the advertising to suit seasonal promotions and can update information, such as pricing. Businesses can also provide interactive services such as electronic mail, on-line registration or ordering, and payment through credit facilities (Mortimer, 2005).

Advertising may influence consumers in many different ways, but the primary goal of advertising is to increase the probability that consumers exposed to an advertisement will behave or believe as the advertiser wishes (Stafford and Stafford, 2003). Thus, the ultimate objective of advertising strategies is to sell things persuasively and creatively. Advertising is used by commercial firms trying to sell products and services; by politicians and political interest groups to sell ideas or persuade voters by not-for-profit organizations to raise funds, solicit volunteers, or influence the actions of viewers; and by governments seeking to encourage or discourage particular activities, such as wearing seatbelts, participating in the census, or ceasing to smoke. The forms that advertising takes and the media in which advertisements appear are as varied as the advertisers themselves and the messages that they wish to deliver (Schmidt and Spreng, 2000).

1.1.3 Safaricom Limited

Safaricom limited is the leading mobile phone operator in Kenya with a market share of 16.9 million (76.7%) followed by Airtel Kenya with 4.4 million (20%). Orange with 0.7 million (3%), and Yu 1.1 million (5) (Safaricom Report, 2010). The company has
developed a broad of services to meet the needs of the over 13.3 million subscribers. The increasing number of subscribers particularly using M-Pesa Services has had a positive influence on the company's profitability. The company's turnover rose from US$280 million in 2004-2005 to US$875 million in 2008-2009 (Safaricom Report, 2010).

In the modern world of globalization, Safaricom limited has been able to keep pace with the global mobile telecommunications market by having strategic business associations, which help in meeting the dynamic challenges of the modern mobile telecommunications world (Kenya Telecommunications Report, 2010). Its strategic association with the world leaders in mobile telephony has created a niche in the Kenyan market. Safaricom limited announced net profits of $220 million in the last financial year (Safaricom Report, 2010). Safaricom launched M-PESA in 2007. This innovation was not Safaricom's idea. It began at Vodafone, Safaricom's parent company in the UK, which was awarded funding from the Department of International Development (DFID) to help develop a mobile phone-based system to improve access to financial services for people in East Africa.

1.1.4 M-Pesa Money Transfer Services

M-PESA is an innovative mobile transfer solution that enables customers to transfer money launched by Safaricom Limited in 2007. Customers use M-Pesa account to access services such as M-PFSA Prepay Safari Card. Deposit cash to bank account. Transfer money to bank accounts or to other agents, withdraw money from bank, buy Safaricom airtime, pay bills, shopping through M-PESA, purchase M-TICKETING, pay school fees through Lipa Karo na M-PESA, undertake bank transaction through MKESIIO, carry out Bulk Payments of Ksh 140,000 (www.safaricom.co.ke). The growth of M-Pesa had been tremendous. Within the first eight months after its launch in March 2007, M-PESA announced a subscription base of 900,000 users and 1,200 agents operating nationwide. Meanwhile, a total of KShs. 4 billion (approx US $57 million) had transmitted, with an average transaction value under KShs. 5,000 (approx US $71.9).

In April 200X, Safaricom's CEO reported that M-PESA had well over two million active...
subscribers, transmitting over 100 million KShs. (approx. USS 1.428.571) a day. Three months later, at the end of July 2008. M-PESA had 3.6 million users, and was adding 10,000 new registrations daily. In just the month of July 2008. people transferred KShs. 21 billion (approx US $300 million). In November 2008 it had 4million users (Morawczynski. 2008).

The continuing success of M-PESA in Kenya has been due to the creation of a highly popular, affordable payment service with only limited involvement of a bank. M-Pesa earned Kshs 11.78 billion in commissions from transferring Kshs 76 billion, in the last financial year.

By the end of March 2011, the cumulative worth of M-Pesa transactions stood at Kshs 828 billion, which is an average of Kshs 17 billion a month. The money transfer service and revenues from other data services that grew at the rate of 57.1 per cent last year to Sh24.7 billion continue to make Safaricom a strong growth stock at the bourse. M-Pesa now has 14 million clients and has been registering new users at the rate of about 200,000 a month. This growth of the M-Pesa had prompt the investigation of the study to find out advertising strategies adopted by Safaricom and to access the extent the advertisement strategies been effective in marketing M-Pesa services. The increase in M-Pesa users is due to effective advertising through the media; road show in the urban and rural areas (www.safaricom.co.ke)

1.2 Statement of the Problem

The objective of all businesses is to make profits and a merchandising concern can do that by increasing its sales at remunerative prices. Advertising plays a vital role in marketing mobile telecommunication products becoming so close to people, life, therefore, it serves multidimensional communication needs of society. Safaricom Company is successfully employing advertising to inform and persuade potential clients about marketing mobile telecommunication products that are offered in their area (Solberg, 2000). Safaricom has
been reported to have increased advertising spending by 52% to 3.1 billion in the last six months to June 2011 investing more in enhancing brand Visibility (Omwasa, 2011) The growth in advertising spending by Safaricom which account for 11% of the overall spending had led to the success of M-Pesa in the Safaricom company (Juma, 2011). There is a need therefore for a study to be conducted to determine the effectiveness of the various strategies adopted by the Safaricom Company in advertising M-Pesa Money transfer service.

Various studies on advertising effectiveness have been done. For instance, Makau (2008) carried out a study on the effectiveness of advertising on brand preferences focusing on a case of Coca Cola brands and found that efficiency of an advertisement was obtained by the correct combination of its impact, retention and media plan. Bosire (2009) investigated effectiveness of advertising in the promotion of domestic tourism in Kenya and found that that advertisement was an effective means of increasing the numbers of tourists in domestic tourism. Mutiso (2010) investigated the impact of advertising on sales of products in Kenya retail industry. Ndungu (2010) carried out a study on the effectiveness of marketing strategies used in destination branding in the promotion of domestic tourism. There is no known study by the researcher that has sought to investigate the effectiveness of advertising strategies adopted by Safaricom in marketing M-Pesa. This research study is motivated to fill the existing knowledge gap by conducting a study on the effectiveness of advertising strategies adopted by Safaricom in marketing M-Pesa by seeking to answer the questions. What are the strategies adopted by Safaricom in advertising M-Pesa service and to what extent has advertising strategies been effective in marketing and advertising M-Pesa services?

1.3 Research Objectives

To establish the advertising strategies adopted by Safaricom in marketing M-Pesa services.

To assess the effectiveness of the advertising strategies.
1.4 Importance of the study

The findings of the study would be significant to Safaricom Company because they will be able to understand the effectiveness of advertising strategies adopted in marketing mobile money transfers and look for means of enhancing the performance while addressing the limitations. The study will also be significant to customers as they will gain knowledge on the use of M-Pesa services such as payment of bills, transferring on cash and other services and able to differentiate the Safaricom M-Pesa services from other Mobile services providers.

To the Government, the study will help the Government in ensuring best advertising strategies are adopted by the telecommunication firms. This will include ensuring ethical issues are addressed to by mobile communication firms to avoid unhealthy competition that may create conflicts in as far as marketing of telecommunication products is concerned. The study will be valuable to the academicians and researchers in Kenya as it will go a long way in contributing to the existing body of knowledge on effectiveness of advertising as a marketing strategy in selling electronic money transfer. The study would provide the background information to research organizations and individual scholars who would want to carry out further research in this area. The study will facilitate individual Researchers to identify gaps in the current research and carry out research in those areas.
CHAPTER TWO

LITERATURE REVIEW

2.1 Advertisement

Consumers may attend to advertisements for a variety of reasons. Attention alone is not sufficient to make the advertising successful. Advertisements that are interesting, entertaining, and even irritating can attract attention; however, such advertisements may not result in the consumer attending to or understanding the intended message of the advertiser. Assuring that consumers attend to and understand the intended message rather than peripheral characteristics (such as a joke or song) requires careful crafting of the advertising message. Advertising research has demonstrated that the message must be clear and meaningful to the consumer; if the consumer does not comprehend the message, it will not have the desired effect (Melewar, Turnbull and Balabanis, 2000). Advertising that consists primarily of creative clutter and does not focus on the product is unlikely to be effective. Longer advertisements tend to facilitate better information processing, but the benefit of a longer advertisement may not always be sufficiently large enough to justify the additional costs of a longer advertisement (Stem and Resnik 2001).

An especially important issue in the creation of advertising is related to understanding how much information consumers want about a given product. For some products, consumers may want a great deal of information and may wish to exert a great deal of effort in processing the information. In fact, consumers may differ with respect to the amount of information processing they are willing to do even for the same product. Thus, the advertiser must understand how much information individual consumers* desire and how much variability exists among consumers with respect to their willingness to process information. Such an understanding not only indicates how much information to put in an advertisement, it also suggests which media may be most appropriate for delivering the message. Complex messages are generally better delivered in print advertising, while
simple messages can generally be delivered on television or radio (Harris and Attour, 2003).

2.2 Mode of Advertising

Advertising is no more just another aspect which organization might consider or even ignore for your business (Stern and Resnik 2001). The success of every service, product or entrepreneurship depends on the kind of advertising campaigns adopted by the owner. With gradual advancement of technology quite a number of mediums have come up which you can use for advertising purposes. In fact outdoor advertising helps a great deal in catching the eyes of millions of people (Vaughn, 1986).

A large body of literature is available on business to business advertising focusing largely on the advertising content and its effectiveness (Levitt, 1983), comparisons and variations in advertising and promotional expenditures in consumer, industrial and service markets (Harris and Attour, 2003). the type of advertising such as copy, length and leadership. Other works have reported on business to business advertising can be improved documenting the state of a given type of practice (Stevenson, and Swayne, 1988) or making comparisons between practices in different media or markets (Solberg, 2000).

Changes in industrial or business to business advertising practices over time have been less examined Changes to advertising practice can occur in several ways. First and foremost it may be that the types of goods and services available to meet consumers' needs have changed through stages of the product life cycle. These can be the results of changes in technology, for example there has been an increased use of complex marketing research techniques that previously were unavailable (Burke, Raymond and Thomas 1988).
2.2.1 Television advertising/Music in advertising

The TV commercial is generally considered the most effective mass-market advertising format, as is reflected by the high prices TV networks charge for commercial airtime during popular TV events. The annual Super Bowl football game in the United States is known as the most prominent advertising event on television. The average cost of a single thirty-second TV spot during this game has reached USD3 million (Nowak, Cameron and Krugman, 2003). The majorities of television commercials feature a song or jingle that listeners soon relate to the product. Virtual advertisements may be inserted into regular television programming through computer graphics. It is typically inserted into otherwise blank backdrops or used to replace local billboards that are not relevant to the remote broadcast audience. The main objective in an infomercial is to create an impulse purchase, so that the consumer sees the presentation and then immediately buys the product through the advertised toll-free telephone number or website. Infomercials describe, display, and often demonstrate products and their features, and commonly have testimonials from consumers and industry professionals (Schmidt and Sprcng, 2000).

2.2.2 Radio advertising

Radio advertising is a form of advertising via the medium of radio. Radio advertisements are broadcast as radio waves to the air from a transmitter to an antenna and a thus to a receiving device. Airtime is purchased from a station or network in exchange for airing the commercials. While radio has the obvious limitation of being restricted to sound, proponents of radio advertising often cite this as an advantage (Vaughn, 2006).

2.2.3 Online advertising

Online advertising is a form of promotion that uses the Internet and World Wide Web for the expressed purpose of delivering marketing messages to attract customers. Examples of online advertising include contextual ads that appear on search engine results pages, banner ads, in text ads, Rich Media Ads, Social network advertising, online classified
advertising, advertising networks and e-mail marketing, including e-mail spam (Solberg, 2000)

2.2.4 Press advertising

Press advertising describes advertising in a printed medium such as a newspaper, magazine, or trade journal. This encompasses everything from media with a very broad readership base, such as a major national newspaper or magazine, to more narrowly targeted media such as local newspapers and trade journals on very specialized topics. A form of press advertising is classified advertising, which allows private individuals or companies to purchase a small, narrowly targeted ad for a low fee advertising a product or service. Another form of press advertising is the Display Ad, which is a larger ad (can include art) that typically run in an article section of a newspaper (Turley and Kelley, 1997).

2.2.5 Billboard advertising

Billboards are large structures located in public places which display advertisements to passing pedestrians and motorists. Most often, they are located on main roads with a large amount of passing motor and pedestrian traffic; however, they can be placed in any location with large amounts of viewers, such as on mass transit vehicles and in stations, in shopping malls or office buildings, and in stadiums. The Red Eye newspaper advertised to its target market at North Avenue Beach with a sailboat billboard on Lake Michigan (Kubacki and Skinner 2006).

2.2.6 Mobile billboard advertising

Mobile billboards are generally vehicle mounted billboards or digital screens. These can be on dedicated vehicles built solely for carrying advertisements along routes preselected by clients, they can also be specially equipped cargo trucks or, in some cases, large banners strewn from planes (Levitt, 1983). The billboards are often lighted; some being
backlit, and others employing spotlights. Some billboard displays are sialic, while others change; for example, continuously or periodically rotating among a set of advertisements. Mobile displays are used for various situations in metropolitan areas throughout the world, including: Target advertising, one-day, and long-term campaigns, Conventions, Sporting events. Store openings and similar promotional events, and Big advertisements from smaller companies (I larris and Altour, 2003).

2.2.7 Music Advertising

Music can fulfill several tasks when it is used in advertisements. David Huron therefore chooses six categories in which "music can serve the overall promotional goals in one or more of several capacities. Mostly the use of music is not only intended by one of the following attributes but they are interdependent and interrelated to each other. The categories he claims are described as follows and also music can show the ways of life and different types of culture and ways of life and communication (Harris and Attour, 2003).

The entertainment aspect of music helps making an advertisement more appealing to the viewer by simply making it more attractive respectively more aesthetic. By this increase in attractiveness an advertisement is able to engage more attention. From this point of view "music need not necessarily manifest any special affinity with a particular product or service in order to play an effective and useful function. The music functions more as bridge between viewer and advertisement in this case (Kendall, 2004).

Another basic attribute of music is to support an advertisements structure and continuity. Therefore "music is used to mediate between disjoint images. Also it can emphasize dramatic moments within the advertisement (Kubacki and Skinner 2006). Accompanying i.e. a TV commercial music structures the told narrative, can tell a narrative itself or Unction as anchor which completes the overall meaning. It can i.e. create antagonist and protagonist within this narrative by giving those typical musical figures, harmonies or melodies (Vaughn, 2006)
2.3 Advertising message Appeals

The message strategy, also referred to as the appeal, is the general overall approach that the advertisement adopts. Despite an array of terminology there is general agreement that there are two types of message appeal. The first of these appeals is of a rational nature. This has been defined by Khanh and Hau, (2007) as a presentation of factual information in a straightforward way, characterized by objectivity. Mai, (2005) refers to this rational approach as informational advertising. Denning, (2006) categorises it as the functional congruity route, which they define as the match between the beliefs of the product utilitarian, attributes and the consumer's ideal attributes. They suggest that the functional congruity route is similar to the central processing route in the Elaboration Likelihood Model (ELM) (Keegan, 2008). Such an offering is generally consumed inconspicuously and therefore self-image is not important (Lin, 2001).

The second appeal type is of an emotional nature and has been associated with such feelings as adventure, fear, romance and status (Garreston and Burton, 2005). Mortimer, (2005) refer to this emotional approach as the self-congruity route which is defined as the matching of the product's value-expressive attributes and the consumer's self-concept and likened to peripheral processing in the ELM. An important feature of many self-congruity products is that they are consumed publicly and therefore the matching of the brand and consumer image is paramount. This type of appeal has also been defined as transformational where the brand is linked with a positive and enjoyable experience (Rossiter and Percy, 1997).

2.4 Advertising effectiveness

Although the primary objective of advertising is to persuade, it may achieve this objective in many different ways. An important function of advertising is the identification function, that is, to identify a product and differentiate it from others: this
creates an awareness of the product and provides a basis for consumers to choose the advertised product over other products. Another function of advertising is to communicate information about the product, its attributes, and its location of sale; this is the information function (Kendall, 2004). The third function of advertising is to induce consumers to try new products and to suggest reuse of the product as well as new uses; this is the persuasion function. The identification function of advertising includes the ability of advertising to differentiate a product so that it has its own unique identity or personality.

Advertising has existed in ancient times in the form of signs that advertised wares in markets. In Europe and colonial America, criers were often employed by shopkeepers to shout a message throughout a town. Medicine shows, in which there was a combination of entertainment and an effort to sell a product, usually a patent medicine or elixir, presaged modern advertising by creating an entertainment context in which advertising was embedded. Advertising became especially important in the second half of the nineteenth century as retailers began to advertise products and prices that would bring customers to their stores. Advertising for patent medicines also played a prominent role in the development of advertising, and by the end of the nineteenth century, the firms that would become advertising agencies had already begun to form (Kubacki and Skinner 2006).

2.4.1 Creating Awareness

In the context of advertising, the first hurdle for an advertiser is to obtain and create awareness to the consumer. This involves two important actions. First, it is important for the advertiser to know where a communication should be placed to increase the odds of reaching a particular type of consumer; this is the media decision. Careful analysis of the consumer use of various media—what television shows they watch, what route they take
which target consumers are most likely to be exposed (Nowak, Cameron and Krugman, 2003).

Placing an advertisement about a product to be sold in a place where relevant consumers are unlikely to see it assures that the advertising will be ineffective. However, just because a consumer happens to view a television show or read a magazine in which an advertisement is placed does not guarantee that the consumer will see the advertisement. The consumer may have left the room when the television commercial aired or may not have read the particular part of the magazine in which the advertisement appeared.Advertisers solve this problem by repeating advertising in the same and in different media in order to increase the probability that a given consumer will actually be exposed to the advertising. Thus, a key task for the advertiser is to identify create awareness of the existing product on sales and develop a schedule of repetition for the advertisement that maximizes the number of consumers who will be exposed to the advertising message. This is typically the responsibility of the media department in an advertising agency (George, 2005).

2.4.2 Advertising Conviction

Exposure to an advertisement still does not mean that a consumer will attend to it. A consumer may simply turn the page of a magazine, look away from the television, or click on a banner advertisement on the Internet to make it go away without ever paying attention to the advertisement. Thus, obtaining the attention of consumers who are, in fact, exposed to an advertisement is a significant challenge for advertisers. Various characteristics of advertisements have been found to increase the likelihood that consumers will attend to an advertisement (Mattila, 2000). Advertisements that include relevant information for the consumer, such as a product benefit that is important to the consumer, are especially likely to attract attention. Information that is new to the consumer is also likely to obtain the attention of the consumer. Various creative devices such as the use of humor, a well-known celebrity, or an especially entertaining
presentation also tend to attract attention. The latter devices must be used carefully: if they are not well integrated with the primary message of the advertiser, the consumer may attend to the advertisement, but only focus on the creative device (the humor, the identity of the celebrity) rather than the intended message of the advertiser. Advertisers often refer to characteristics of advertisements that gain attention but distract the viewer from the primary message as "creative clutter" (Krugman, 1997)

2.4.3 Enhancing Conviction

An especially challenging dimension of advertising revolves around balancing the repetition of an advertisement, which is intended to increase the probability of a consumer being exposed to it, with the likelihood the consumer will attend to the advertisement when exposed (Denning, 2006). Consumers are less likely to attend to advertisements they have already seen, and the more often an individual consumer has seen an advertisement previously the less likely they are to pay attention to it when exposed again. This phenomenon is referred to as "advertising wearout." Wearout can be a particular problem when advertising in markets where the likelihood of advertising exposure varies considerably across consumers. The number of repetitions of the advertisement needed to reach some consumers may be so great that the advertisement wears out among other consumers who are more readily exposed to the advertisement. To combat such wear out, advertisers will often use multiple advertisements that vary in terms of execution or presentation but carry similar messages. Such variation tends to reduce advertising wear out by providing something new to the consumer that serves as the basis for attracting attention (George, 2005).

2.4.4 Ad Source Credibility

The term "ad source" is used to refer to traits of the communicator whether an individual or a company and includes expertise, trustworthiness, attractiveness, and power. Penning, (2006) found that credibility strongly influences attitude toward the advertiser.
which in turn is an important predictor of attitude toward the ad. Corporate credibility is defined as "the extent to which consumers believe that a firm can design and deliver products and services that satisfy customer needs and wants" and has been found to have direct positive effects on attitude toward the ad, the brand, and purchase intent (Mai, 2005).

2.4.5 Appeal

Message appeals are usually divided into rational and emotional ones (Kim, Forsythes and Moon, 2002). Rational appeals are typically based on factual information and focus on product attributes. Emotional appeals, on the other hand, typically intend to create positive emotions and develop a brand personality. Emotional appeals have been found to be most effective when brand response involvement and advertising message involvement are low, whereas rational appeals are found to be relatively more effective when customers are highly involved with the brand and the advertisement (George, 2005). Keegan, (2008) have proposed that value-expressive advertising appeals are persuasive when the product is value-expressive, whereas utilitarian appeals are persuasive when the product is utilitarian. A series of studies by Shavitt (1990) yielded evidence about the altitude functions associated with different products, and showed that attitudes toward products that serve different functions respond to different types of advertising appeals (Khanh and I lau, 2007).

2.4.6 Product Involvement

In light of our initial review of prior research on mobile advertising, there is a need for comparative research that explores whether mobile phone users react differently to diverse types of products. According to the FCB Grid (Kim. el al 2002)), products differ in their "feci or think" nature. When individuals base their purchase decision mainly on how they feel about the product, then the product is characterized as "feel"; when the Purchase decision is based mainly on thoughts, then the product is characterized as
"think" (Khanh and Hau, 2007). As Lin, (2001) argue, the degree to which consumers process advertising communications and react to the message in an active or passive way depends on their involvement with the product. The Elaboration Likelihood Model George, (2005) suggests that involvement affects motivation to process information. People with high product involvement may be more likely to explore more product-specific information. If advertisement arguments are strong, involved consumers may be more likely to form a positive attitude toward the advertised products (Khanh and Hau, 2007).

### 2.4.7 Attitude Formation

In some cases, the objective of the advertiser is immediate action by the consumer that is direct-response advertising where the goal is to have the consumer does something immediately (buy a product, make a pledge, and so on). In most cases, however, there is a lag between advertising exposure and any action on the part of the consumer (Denning, 2006). In such cases, an important communication goal of an advertiser is to create a positive attitude toward their product. Attitudes are predispositions or tendencies to behave or react in a consistent way over time. There is an effect, or feeling, dimension associated with attitudes, and there are generally various beliefs that provide justification for the feeling and predisposition. The goal of advertising is to have a positive impact on attitudes; these attitudes, in turn, influence future behavior. When the consumer visits the store another time to buy a particular type of product, these attitudes influence the choice of the product (Rossiter and Percy, 1997).

Altitudes and attitude formation are among the most widely researched phenomenon in communication research. Advertising plays a role in attitude formation, but it is important to recognize that the advertised product itself is the most important determinant of attitude in the long term. A bad experience with a product will create a negative attitude that no advertising is likely to overcome (Kendall, 2004). In addition, advertising can
reinforce positive attitudes by reminding consumers of product benefits, desirable product characteristics, and positive product experiences (Kim, et al 2002).

2.5 Intentions and Behavior

Ultimately, the effectiveness of advertising rests on whether it influences behavior. Product advertisers want consumers to buy their product: political advertisers want voters to vote for their candidate; and sponsors of public-service announcements related to the harmful effects of smoking want the incidence of smoking to decline. While such effects are of primary interest for understanding the influence of advertising, advertising is only one of many factors that influence such behaviors (Mai, 2005). A consumer might want to buy an advertiser's product, but may not find it in the store, or another less-desirable product is so much less-expensive that the consumer chooses it instead. It is possible, in some cases, to identify the direct effects of advertising on behavior, but in most cases, there are simply too many other factors that can influence behavior to isolate the effects of advertising. When measuring the direct effect of advertising on behavior is of interest, it is necessary to design carefully controlled experiments to control for all factors other than advertising (Solberg, 2000).

2.6 Measuring Advertising Effectiveness

Measuring advertising effectiveness is one of the key components to having a successful marketing campaign. The firms are concerned about whether the marketing return on investment is worthwhile or if whether spending a lot on marketing without seeing results, knowing how to track and measure the performance of your activities will not only make you more efficient but also stretch your advertising dollars as far as possible (Denning, 2006).

The most suitable criterion for evaluating the effectiveness of advertising, depends on a number variables, such as the advertising goals, the type of media used, the cost of Valuation, the value that the business or advertising agency places on evaluation...
measures, the level of precision and reliability required, who the evaluation is for and the budget. It is difficult to accurately measure the effectiveness of a particular advertisement, because it is affected by such things as the amount and type of prior advertising, consumer brand awareness, the availability of cost effective evaluation measures, the placement of the advertising and a range of things about the product itself, such as price and even the ability of the target audience to remember. Kotler and Armstrong suggest that two areas need to be evaluated in an advertising programme. They call them the 'communication effect' and 'the sales effect' (Kotler, 1996). To evaluate the sales effect, company information about sales and sales expenditure would be needed. To evaluate the communication effect, Kotler and Armstrong (1996), suggest using a number of research tests. They suggest that these evaluation measures are not perfect (Kendall, 2004).

One cost effective way of evaluating the effectiveness of the advertisement in terms of sales and movement towards purchasing is what Kotler and Armstrong (1996) call Integrated Direct Marketing. It is marketing that has a response section which can lead to more appropriate communication between the company and the prospect. This can also give the company the opportunity to trigger further movement towards purchasing, so it has the potential to have a greater impact on sales than a similar advertisement without the response section. It is not only online advertisers who are using this method of requiring an email contact address and giving the customer a choice of receiving more information or newsletters about their product/s. Vouchers and coupons have been used in a similar way. All advertisements have the potential to trigger some form of purchasing behavior (Kotler and Keller 2006).

Effectiveness may have more to do with the readiness of the viewer to consider the benefits the advertisement promotes, than the advertisement itself. It may be more cost effective to invest in finding creative ways to measure the effectiveness of an advertising campaign that is part of an advertising campaign in itself, but at the end of the day your
goals are the key. It may come down to estimating how happy you are with what you are doing.

Surveys and brand/product recognition tests alter an advertising campaign are sometimes used in a two pronged way to advertise and gather evaluation information. Effectiveness of online advertising is sometimes measured in terms of the number of page views collected through various forms of counters and search engine page rankings (Stern and Resnik, 2001).

Some promotions will bring immediate results; others might take months before the firm attains results. For example, if firm are consistently sending out postcards to a targeted neighborhood, the marketers likely would not get calls the first month or two. But, alter 6 months the firm might start seeing calls. Make sure before judging that a campaign has been a failure that they allotted enough time to assess its effectiveness and give it time to perform (Mai. 2005).

Organization could be involved in regularly advertising in the newspaper every week for years for example, try a few weeks of going without the advertising. If the firm see any difference in calls or business, there's an excellent chance firm would not miss it and could cut it out unless their seller demands it for their listings (Stern, and Resnik. 2001). The company could also do this with CPC campaigns - if marketers stop running the adverts and notice reduction in emails from their website contact form the firm may choose it's best to keep that one going. Always test this way one ad at a time they do not want to reckon it's the newspaper advertising that was working when it was really the CTC advertising. Organization can often track an ad's performance by using different contact phone numbers. If marketers gel calls to a number that's only listed in one advertisement, then they can be pretty certain that ad was successful.

Postcards that can offer a simple pre-paid "drop in the mail for more info" type of response can help the company gauge the effectiveness of a direct mail campaign. This

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works well with an offer to do a free home consultation or to provide the customer with more information about recent news, events, or special promotion (Morawczynski, 2008).

While there is no exact science to understanding how firm marketing efforts are paying off and what response and return on investment they are bringing, doing just a few of these will help organization choose if what they are doing is working and should be continued, if firm should try something else, or if there are other ways to improve its marketing campaigns. Taking the time to analyze the effectiveness of a campaign will not only help marketers spend less time preparing ads that don't work - but also save organization money as well (Stem and Resnik. 2001)
CHAPTER THREE:

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presented the methodology that was used to conduct the study. It covered the research design, the target population, data collection instruments and procedures and the method of data analysis.

3.2 Research Design

This research adopted a case study since the unit of study is one where the population of interest is telecommunication firms. The design deemed appropriate because the main interest was to explore the relationship and describe how the factors support issues under investigation in one organization. Case study provided in-depth information about the current situation under investigation and enable generalization to the whole population.

3.3 Target Population

The target population of this study was all 54 members of staff working in marketing department at Safaricom (www.safaricom.co.ke). According to Mugenda (2008) a population is a well defined set of people, services, elements, and events, group of things or M-Pesa holds that are being investigated. This definition ensured that population of interest was homogeneous. By population the researcher means complete census of the sampling frames.

3.4 Data Collection

A questionnaire was used as primary data collection instrument. The questionnaire was designed to give a brief introduction of advertising effectiveness on advertisement strategies adopted by the Safaricom Company in advertising M-Pesa money transfer services. The questionnaire was divided into two sections one addressing the general...
information of the respondents while the second section representing the main issues of the variables adopted for the study. The questionnaire included closed and open ended questions which sought views, opinion, and attitude from the respondents which might not have been captured by the closed ended questions. The questionnaire was administered through drop and pick method to the marketing officers of the marketing departments at Safaricom. The questions were designed to collect qualitative and quantitative data. The open ended questionnaires gave unrestricted freedom of answer to respondents.

3.5 Data Analysis

This included analysis of data to summarize the essential features and relationships of data in order to generalize from the analysis to determine patterns of behaviour and particular outcomes. Before processing the responses, the completed questionnaires were edited for completeness and consistency. A descriptive analysis was employed to analyze the respondents' views about the advertising effectiveness on selling of electronic money transfer.

The data was then be coded to enable the responses to be grouped into various categories. Frequency distribution table was informative to summarize the data from respondents, percentages and other diagrams such as pie charts bar charts, grouped frequency distributions and pic charts was used during the analysis. The organized data was interpreted on account of concurrence, mean and standard deviation to objectives using assistance of computer packages especially SPSS to communicate research findings.
CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.0 Introduction

This chapter presented the interpretations and presentations of the findings based on the objectives of this study which were to establish the advertising strategies and the effectiveness of the advertising strategies adopted by Safaricom in marketing M-Pesa services. This chapter focused on data analysis, interpretation and presentation and presents the discussion and conclusion of the study.

4.1.1 Response rate

From the study, the study population was 54 where 46 respondents responded and returned the questionnaires. The 46 respondents were the members of staff working in marketing department at Safaricom. This constituted an 85% response rate. Mugenda and Mugenda (2003) indicated a respondent rate of 50%-70% is sufficient for a study and therefore a respondent rate of 85% for this study was very good.

4.2 General information

4.2.1 Respondent's position

From the findings respondents were consumer care officers, branch managers, financial managers, operation managers, marketing officers, corporate relations managers, special projects director, and web designer.
From the findings as in Figure 4.1, majority 63% of the respondents indicated that they were graduate holders, 28% of the respondents were post graduates while 9% of the respondents had diploma level of education. This implies the organization employed qualified personnel who could adopt advertising strategies and tools and could thus offer relevant information concerning effectiveness of advertising strategies adopted by Safaricom in marketing M-Pesa services.
4.2.3 Working period in Safaricom

**Figure 4.2 Working period in Safaricom**

The Figure 4.2 above show that 54% of the respondents indicated that they had been working for Safaricom for 1-3 years. 30% of the respondents indicated that they had been working for 4-6 years while 16% had been working for 7-10 years. This implied that the majority of the respondents had worked at Safaricom for a long period and had experience on effectiveness of advertising strategies adopted by Safaricom.
4.3 Advertising strategies used

4.3.1 Advertising of M-Pesa improved services awareness

From the findings, all 100% of the respondents indicated that advertising of M-Pesa improved the M-Pesa services awareness. From the findings, advertising of M-Pesa enabled the firm to sell its ideas or persuade customers, influence the actions of customers by offering information about M-Pesa services, have comprehensive measurement for M-Pesa campaigns. This implied that the company has increased M-Pesa services awareness enabling the optimization and overall effective return on the probability through selling the M-Pesa services persuasively and creatively. This concurred with Stafford and Stafford, (2003) who stated that advertising may influence consumers in many different ways, but the primary goal of advertising is to increase the probability that consumers exposed to an advertisement will behave or believe as the advertiser wishes.
4.3.2 Extent to which Safaricom uses medium of advertising Mpesa Services

Table 4.1 Medium of advertising Mpesa Services

<table>
<thead>
<tr>
<th>Role</th>
<th>Neutral</th>
<th>Great extent</th>
<th>Very great extent</th>
<th>Mean</th>
<th>Std deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billboard advertising</td>
<td>3</td>
<td>10</td>
<td>33</td>
<td>46</td>
<td>4.51</td>
</tr>
<tr>
<td>Through radio and television</td>
<td>3</td>
<td>19</td>
<td>24</td>
<td>46</td>
<td>4.86</td>
</tr>
<tr>
<td>Internet advertising</td>
<td>7</td>
<td>10</td>
<td>29</td>
<td>46</td>
<td>4.64</td>
</tr>
<tr>
<td>Billboards along the and train stations, on benches at bus stops</td>
<td>8</td>
<td>9</td>
<td>29</td>
<td>46</td>
<td>4.63</td>
</tr>
</tbody>
</table>

The Table 4.1 indicates the medium of advertising used in creating awareness and selling of Safaricom M-Pesa. From the findings, the company uses radio and television as indicated by a mean of 4.86, internet advertising as indicated by a mean of 4.64 and billboards train stations and bus stops as indicated by a mean of 4.63. This implied that Safaricom Company was using radio, television, internet and billboards in advertising M-Pesa Service.
4.3.3 Factors that greatly influence advertising of M-Pesa to the market

Table 4.2 Factors that influence advertising of M-Pesa to the market

<table>
<thead>
<tr>
<th>Nature of the products</th>
<th>Frequency</th>
<th>% of yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>41</td>
<td>90</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Availability of advertising channels</td>
<td>35</td>
<td>77</td>
</tr>
<tr>
<td>Cultural aspects</td>
<td>34</td>
<td>73</td>
</tr>
<tr>
<td>Cost of advertising</td>
<td>40</td>
<td>87</td>
</tr>
</tbody>
</table>

The study sought the factors that greatly influenced advertising of M-Pesa to the market. A large proportion of the respondents 41 (90%) indicated nature of the products, 40 (87%) indicated cost, 35 (77%) availability of advertising channels and 34 (73%) cultural aspects. This implied that advertising of M-Pesa was influenced by its nature as a service, availability of advertising channels, cost and cultural factors.

4.3.4 Extent to which firm advertises M-Pesa to the market

Table 4.3 Extent to which firm advertises M-Pesa to the market

<table>
<thead>
<tr>
<th>Extent to which firm advertises M-Pesa to the market</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>36</td>
<td>78</td>
</tr>
<tr>
<td>Great extent</td>
<td>10</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>46</td>
<td>100</td>
</tr>
</tbody>
</table>

The study sought the extent to which Safaricom advertised M-Pesa to the market. A large proportion 36 (78%) of the respondents indicated that Safaricom advertised M-Pesa to the market to a very great extent while 10 (22%) indicated that advertised M-Pesa to the market to a great extent. This clearly indicate that Safaricom Company advertises M-Pesa Services.
4.4 Effectiveness of the advertising strategies

4.4.1 Extent to which advertising has been effective

Figure 4.4 Extent of Effectiveness of Advertising Mpesa Services

Advertising has been effective

- Very great extent
- Great extent

From the findings in figure 4.4 majority 89% of the respondents indicated that advertising has been effective in creating awareness of M-Pesa for Safaricom company to a very great extent while 11% of the respondents indicated that advertising has been effective in creating awareness of M-Pesa for Safaricom Company to a great extent.
### 4.4.2 Advertising effectiveness of M-Pesa

#### Table 4.4 Advertising effectiveness of M-Pesa

<table>
<thead>
<tr>
<th>Description</th>
<th>Neutral</th>
<th>Great extent</th>
<th>Very great extent</th>
<th>c</th>
<th>s</th>
<th>Std deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising mode adopted by Safaricom enable customer to identify and differentiate our M-Pesa</td>
<td>5</td>
<td>17</td>
<td>24</td>
<td>46</td>
<td></td>
<td>4.64</td>
</tr>
<tr>
<td>Through advertising, we offer more information about our available M-Pesa to the market</td>
<td>3</td>
<td>8</td>
<td>35</td>
<td>46</td>
<td></td>
<td>4.79</td>
</tr>
<tr>
<td>Thorough advertising, we educate our customer on the benefits of using M-Pesa</td>
<td>7</td>
<td>20</td>
<td>19</td>
<td>46</td>
<td></td>
<td>3.97</td>
</tr>
<tr>
<td>Positioning of our adverts in the media greatly determine effectiveness of advertising M-Pesa</td>
<td>0</td>
<td>17</td>
<td>29</td>
<td>46</td>
<td></td>
<td>4.03</td>
</tr>
<tr>
<td>Our marketing team advertises to create awareness of the existing of M-Pesa on sales and develop a schedule of repetition for the advertisement that maximizes the number of consumers who will be exposed to the advertising message.</td>
<td>8</td>
<td>12</td>
<td>26</td>
<td>46</td>
<td></td>
<td>4.49</td>
</tr>
<tr>
<td>Adverts adopted in our company create humor, a well-known celebrity, or an especially entertaining presentation to convince our clients</td>
<td>3</td>
<td>5</td>
<td>38</td>
<td>46</td>
<td></td>
<td>4.47</td>
</tr>
<tr>
<td>Advertising of M-Pesa create expertise, trustworthiness, attractiveness, and power to Safaricom customer</td>
<td>2</td>
<td>8</td>
<td>36</td>
<td>46</td>
<td></td>
<td>4.84</td>
</tr>
<tr>
<td>Through advertising of to the market we offer all the features of the M-Pesa to influence our client notice the uniqueness of our M-Pesa.</td>
<td>3</td>
<td>10</td>
<td>33</td>
<td>46</td>
<td></td>
<td>4.75</td>
</tr>
<tr>
<td>The advertising of M-Pesa influence customer behaviour on using M-Pesa services</td>
<td>3</td>
<td>16</td>
<td>27</td>
<td>46</td>
<td></td>
<td>4.39</td>
</tr>
<tr>
<td>The purpose of advertising M-Pesa is to influence the customer to use M-Pesa</td>
<td>5</td>
<td>13</td>
<td>28</td>
<td>46</td>
<td></td>
<td>4.91</td>
</tr>
</tbody>
</table>
The study sought the effectiveness of the advertising of the M-Pesa Services. The study found that advertising M-Pesa influence usage of M-Pesa as indicated by a mean of 4.91, creates attractiveness to customer with a mean 4.84 and offer more information on M-Pesa to the market with a mean of 4.79. The study also found that advertising strategies were effective to a very great extent in describing features of the M-Pesa, creates awareness of uniqueness of M-Pesa with a mean of 4.75 and enable customer to indentify and differentiate M-Pesa with a mean of 4.64. A portion of the respondents accepted to a great extent that the marketing team advertises to create awareness of die existing of M-Pesa indicated by a mean of 4.49. The study further found that sales and developing schedule of repetition lor the advertisement maximizes the number of consumers with a mean of 4.47 and that adverts adopted company create humor, improve positioning of adverts in the media greatly determine effectiveness of advertising M-Pesa to a great extent. Therefore the advertising of M-Pesa led was effective, attracted and create awareness.

4.4.3 Type of media used in advertising M-Pesa Services

Table 4.5 Type of media used in advertising M-Pesa Services

<table>
<thead>
<tr>
<th>Media Type</th>
<th>Frequency</th>
<th>% of Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radios</td>
<td>42</td>
<td>91</td>
</tr>
<tr>
<td>Televisions</td>
<td>39</td>
<td>84</td>
</tr>
<tr>
<td>Road shows</td>
<td>35</td>
<td>76</td>
</tr>
<tr>
<td>Newspaper</td>
<td>30</td>
<td>65</td>
</tr>
<tr>
<td>Bill Boards</td>
<td>29</td>
<td>63</td>
</tr>
</tbody>
</table>

Respondents were asked to indicate the type of media used in advertising M-Pesa Services. On one hand ^s indicated in Table 4.5 about 42 (91%) indicated radio, 39 (84%) indicated television while 35 (76%) indicated that road show was the most used type of
advertising media, 30 (65%) indicated newspaper while 29 (63%) were for the opinion that billboards were used in advertising M-Pesa Services. This implied that radios, television and media prints such as newspapers were mostly used as a media for advertising M-Pesa Services.

4.4.4 Ways of measuring effectiveness of advertising strategies

<table>
<thead>
<tr>
<th>Table 4.6 Ways of measuring effectiveness of advertising strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surveys and brand/product recognition tests</td>
</tr>
<tr>
<td>Regularly advertising and increase in new M-Pesa users</td>
</tr>
<tr>
<td>Promotion of the M-Pesa and evaluate the results</td>
</tr>
<tr>
<td>Increase in need for M-Pesa services</td>
</tr>
<tr>
<td>Increase in number of customers in the Safaricom using M-Pesa</td>
</tr>
<tr>
<td>Improve marketing return on investment in Safaricom</td>
</tr>
<tr>
<td>Increase of calls from clients in need of Safaricom</td>
</tr>
<tr>
<td>Increase transaction through M-Pesa</td>
</tr>
<tr>
<td>Increase in number of new M-Pesa clients</td>
</tr>
</tbody>
</table>

The respondents were requested to indicate how advertising strategies adopted by Safaricom for M-Pesa sendees were effective. Majority of the respondents accepted that advertisement strategies adopted had led to improved return on investment in Safaricom to a very great extent with a mean of 4.93, increase in number of new M-Pesa clients with a mean of 4.92, increased M-Pebsa transaction as indicted by a mean of 4.73 and increase customers base. A relatively a large portion of respondents accepted that advertising strategies adopted by Safaricom improve promotion to a great extent as indicated by a
mean of 4.44. It was clear from the findings in Table 4.6 that advertising strategies adopted by Safaricom was effective as it led to increased in return on investments increased M-Pesa awareness and attracted more customers.

4.4.5 Factors hindering advertising effectiveness

Table 4.7 Measuring of advertising effectiveness

<table>
<thead>
<tr>
<th>Factor</th>
<th>Frequency</th>
<th>% of yes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Consumer brand awareness</td>
<td>39</td>
<td>7</td>
</tr>
<tr>
<td>Type of prior advertising</td>
<td>34</td>
<td>12</td>
</tr>
<tr>
<td>Reliability required</td>
<td>31</td>
<td>15</td>
</tr>
<tr>
<td>Availability of the funds</td>
<td>25</td>
<td>21</td>
</tr>
</tbody>
</table>

The respondents were asked to indicate factors hindering effectiveness of advertising strategies adopted by Safaricom. As indicated in the Table 4.7, 39 (86%) of the respondents agreed that creating brand awareness constraints effectiveness of advertising strategies. Some 34 (73%) of the respondents agreed that type of prior advertising hindered advertising strategies while 31 (69%) of the respondents accepted that reliability of the advertising strategies was hindering the effectiveness of advertising strategies adopted to advertise M-Pesa services. This implied that advertising strategies adopted for the purpose of advertising M-Pesa Services were constrained by factors such as consumer brand awareness, reliability, prior type and cost of advertising.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provided the summary of the findings from chapter four, conclusions and recommendations of the study based on the objectives of the study. The main objective of this study was to establish the effectiveness of advertising strategies adopted by Safaricom in marketing M-Pesa services.

5.2 Summary of the findings

From the findings, the study established that Safaricom Company adopted advertising strategies for M-Pesa which increased M-Pesa services awareness enabling the optimization and overall effective return on the probability through selling the M-Pesa services persuasively and creatively. This concurred with Stafford and StalTord, (2003) who stated that advertising may influence consumers in many different ways, but the primary goal of advertising is to increase the probability that consumers exposed to an advertisement will behave or believe as the advertiser wishes.

From the findings, the study established that the Safaricom Company uses radio, television, Internet, billboards along the freeway, in subway and train stations, on benches, bus stops and news papers in creating awareness and selling of Safaricom M-Pesa services.

From the findings, the study established that the service nature of the M-Pesa, cost of advertising, availability of advertising channels and the cultural aspects greatly influenced advertising of M-Pesa to the market.
The study established that the purpose of advertising M-Pesa was to influence the customer to use M-Pesa, create awareness of M-Pesa in the market and its uniqueness for customer to identify and differentiate them, it was evident that advertising strategies adopted by Safaricom was effective as it enable the company in attracting more customers, offering information to customer on feature of M-Pesa Services; create awareness, and influence customer behaviour and attitude on usage of M-Pesa services.

The study revealed that advertisement of the M-Pesa services made the company to increase its transaction services, increasing customer bases improving its return on investment. The findings do not deviate from Omwasa, (2011) findings who revealed that M-Pesa earned Kshs 11.78 billion in commissions from transferring Kshs 76 billion, in 2010 and that there were 14 million M-Pesa clients registering as M-Pesa users at the rate of about 200,000 a month.

There are challenges that hindered effectiveness of advertising strategies adopted by organizations in advertising its products. The findings of the study revealed that reliability of the advertising strategies, availability of the funds hindered, prior advertising strategies hinders evaluation of effectiveness of advertising strategies for M-Pesa services. This indicated that management of Safaricom company and especially in the marketing department should consider how reliable the advertising strategies, prior advertising strategies, customer brand awareness and the total cost for the adoption and implementation advertising strategies. This would ensure the company adopts the most effective advertising strategies for its services to create awareness, inform, and persuade the markets on buying and using the services.

5.3 Conclusions

The study concluded that Safaricom Company had effectively used radio, television, internet: billboards train stations, bus stops and newspapers in advertising M-Pesa services.
From the findings the study concluded that advertising strategies adopted by Safaricom Company increase number of customers subscription, attract more customers enable customer to identify and differentiate, convince clients and influence customer behaviour 011 using M-Pesa services.

The study concluded that advertising strategies adopted by Safaricom in advertising M-Pesa was effective as it improved return on investment, increased number of new M-Pesa clients, increased transaction, recognition and more customers in all Safaricom products.

5.4 Recommendation of the study

The study recommends that business organizations in telecommunication sector should advertise their products and services through radio, television, internet and billboards to successfully employing inform and persuade potential clients.

From the conclusion the advertising strategies adopted in Safaricom Company for advertising M-Pesa increased awareness, influence consumers and maximize return on the probability of the company. The study recommends that businesses should decisively measure effectiveness of advertising strategies to ensure that the main objective of the advertising adopted in organizations is achieved.

The study recommend that business organizations should adopt effective Advertising strategies to increase the probability of consumers exposure to an advertisement sell products and service persuasively and creatively and help in consumers through a challenging purchasing decision making process.

The study finally recommend that business organization should consider the nature of products, cost, consumer awareness and availability of advertising strategy to ensure that the selected advertising strategies achieve its effectiveness and improve performance of the businesses.
5.5 Recommendation of further study

The study investigated the effectiveness of advertising strategies adopted by Safaricom in marketing M-Pesa services. A study should be carried out to establish the factors hindering advertising of telecommunication services. A further study should be carried out to establish the challenges facing advertising of product and services in telecommunication sector.

5.6 Limitations of the Study

The researcher encountered various limitations that tended to hinder access to information sought by the study. The study investigated effectiveness of advertising strategies for M-Pesa services from Safaricom. The study could have considered other telecommunication companies such as Airtel and Orange to provide a broad-based study but time and resources constraint the study.

The respondents approached were reluctant in giving information fearing that the information sought would be used to intimidate them or print a negative image about the bank. The researcher handled the problem by carrying with him an introduction letter from the University and assured them that the information they gave would be treated confidentially and it was to be used purely for academic purposes.
REFERENCES


Juina, V. (2011) "Marketers Leaders in Competitive Sectors as Telecom increase Budgets to boost Visibility and Bruising pricing war". Business Daily, Publication No 1120. Nairobi


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APPENDICES

Appendix I: Questionnaire

Section A: General Information

1 What is your position in the company?

2 What is your level of education?
   i. Diploma [ ]
   ii. Graduate [ ]
   iii. Post Graduate [ ]

3 Indicate the period of time you have been working for Safaricom
   1 - 3 years [ ] 4 - 0 years [ ]
   7 - 10 years [ ] Above 10 years [ ]

SECTION B

4.1 Has advertising of M-Pesa improved M-Pesa services awareness in Kenya?
   1. Yes [ ]
   2. No [ ]

Give a reason for your answer

5 Kindly indicated the extent to what Safaricom uses the following medium of advertising in creating awareness and selling of Safaricom M-Pesa. Use a scale of 1-5 where 1 = to no extent at all, 5 = very great extent
<table>
<thead>
<tr>
<th>Role</th>
<th>1</th>
<th>2</th>
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</thead>
<tbody>
<tr>
<td>Billboard advertising</td>
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<tr>
<td>Through radio and television</td>
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<tr>
<td>Internet advertising</td>
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<tr>
<td>Billboards along the highway, train stations and on benches</td>
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<tr>
<td>at bus stops</td>
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<tr>
<td>Any other</td>
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</tbody>
</table>

6. Which of the following factors greatly influence advertising of M-Pesa to the market?

   i) Nature of the products  [ ]
   ii) Cultural aspects      [ ]
   iii) Availability of advertising channels  [ ]
   iv) Cost of advertising   [ ]

Any other (Kindly specify)

7. To what extent do you advertise M-Pesa to the market?

   i. To Very great extent     [ ]
   ii. To Great extent         [ ]
   iii. To Moderate extent     [ ]
   iv. To Less extent          [ ]
   v. To No extent             [ ]

8. Kindly indicate the extent to which advertising has been effective in creating awareness of M-Pesa for Safaricom Company?

   i. To a very great extent   [ ]
   ii. To a great extent       [ ]
   iii. To a moderate extent   [ ]
iv. To a less extent
v. No extent at all

9. To what extent do you agree with the following statements that relate to advertising effectiveness of M-Pesa? Use a scale of 1-5 where 1= to no extent at all, 5= very great extent

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
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</thead>
<tbody>
<tr>
<td>Advertising mode adopted by Safaricom enable customer to identify and differentiate our M-Pesa</td>
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<tr>
<td>Through advertising, we offer more information about our available M-Pesa to the market</td>
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<tr>
<td>Thorough advertising, we educate our customer on the benefits of using M-Pesa</td>
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<tr>
<td>Positioning of our adverts in the media greatly determine effectiveness of advertising M-Pesa</td>
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</tr>
<tr>
<td>Our marketing team advertises to create awareness of the existing of M-Pesa on sales and develop a schedule of repetition for the advertisement that maximizes the number of consumers who will be exposed to the advertising message.</td>
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<tr>
<td>Adverts adopted in our company create humor, a well-known celebrity, or an especially entertaining presentation to convince our clients</td>
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<tr>
<td>Advertising of M-Pesa create expertise, trustworthiness, attractiveness, and power to Safaricom customer</td>
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<tr>
<td>Through advertising of to the market we offer all the features of the M-Pesa to influence our client notice the uniqueness of our M-Pesa.</td>
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<tr>
<td>The advertising of M-Pesa influence customer behaviour on using M-Pesa services</td>
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<tr>
<td>The purpose of advertising M-Pesa is to influence the customer to use M-Pesa</td>
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<tr>
<td>Other specify</td>
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</tbody>
</table>

10. Which type of media has Safaricom used mostly in advertising M-Pesa Services? (Tick 2 using a symbol *)
   
i. Televisions' [ ]
   
   ii. Radios  [ ]
11. To what extent do you agree with the following statements that relate to advertising effectiveness of M-Pesa? Use a scale of 1-5 where 1= to no extent at all, 5= very great extent

Statement
Advertising of M-Pesa, through Radio has led to effective marketing of M-Pesa services among Kenya in both rural and urban areas
Through bill board advertising, Safaricom offer more information about our available M-Pesa to the market
Thorough Print media such as News Paper advertising, Safaricom educate its customer on the benefits of using M-Pesa

Positioning of Safaricom in television greatly determine effectiveness of advertising M-Pesa
Our marketing team advertises to create awareness of the existing of M-Pesa on sales and develop a schedule of repetition for the advertisement that maximizes the number of consumers who will be exposed to the advertising message.
Advertising through road show had led to creating awareness of M-Pesa services
Advertising of M-Pesa create expertise, trustworthiness, attractiveness, and power to Safaricom customer.
Through advertising of to the market we offer all the features of the M-Pesa to influence our client notice the uniqueness of our M-Pesa.
The advertising of M-Pesa influence customer behaviour on using M-Pesa services
The purpose of advertising M-Pesa is to influence the customer to use M-Pesa.
Use of advertising through Promotions and offering rewards such as Donga Points increases the awareness of M-Pesa services.

12. Kindly indicated the extent to which Safaricom adopt the following ways of measuring effectiveness of advertising strategies adopted by the Safaricom? Use a scale of 1-5 where 1= to no extent at all, 5= very great extent
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<th>Statement</th>
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<tr>
<td>Surveys and brand/product recognition tests</td>
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<tr>
<td>regularly advertising and increase in new M-Pesa users</td>
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<tr>
<td>Promotion of the M-Pesa and evaluate the results</td>
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<tr>
<td>Increase in need for M-Pesa services</td>
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<tr>
<td>Increase in number of customers in the Safaricom using M-Pesa</td>
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<tr>
<td>Improve marketing return on investment in Safaricom</td>
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<td>Increase of calls from clients in need of Safaricom</td>
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<tr>
<td>Increase transaction through M-Pesa</td>
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<tr>
<td>Increase in number of new M-Pesa clients</td>
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<tr>
<td>Other (specify)</td>
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</table>

13. Which of the following hinders measuring of advertising effectiveness of M-Pesa from Safaricom? (Multiple responses)

   i. Reliability required [ ]
   ii. Availability of the funds [ ]
   iii. Type of prior advertising [ ]
   iv. Consumer brand awareness [ ]

Any other, kindly specify