ABSTRACT
The business environment in which organizations are operating has over the years witnessed drastic changes. The changes are both complex and ‘chaotic’ and organizations have found it difficult to cope with increasingly complex environments from internal resources and competences alone. Today’s business environment is very dynamic and undergoes rapid changes as a result of technological innovation, increased awareness and demands from customers. Business organizations, especially the telecommunication industry of the 21st century operates in a complex and competitive environment characterized by these changing conditions and highly unpredictable economic climate. Building long-term relationships with customers has become a critical strategy for most financial institutions in today’s competitive financial markets. As the current economic environment becomes more competitive and introducing new brands becomes increasingly costly, companies must find new strategies to increase their capacity and competitiveness. The objective of the study was an investigation of Safaricom M-Pesa strategies in enhancing mobile money transfer services in Kenya. The research design adopted by the study was a case study. The study used primary data that was collected using an interview guide. Content analysis was used to analyze the data. The findings of the study were that Safaricom M-Pesa product is currently the market leader with a market share of 67% of the Kenyan market share. This level of acceptance by the users is due to its fast, reliable and convenient services, good network access and the widespread agent network. The market positioning of the product, marketing and appropriate capitalization of the Kenyan culture came out as yet another contributing factor to the success of the M-Pesa. The positioning of the M-Pesa product to capture the unbanked segment of the population especially in the lower income level bracket by providing a product that can easily and conveniently be accessed has made the M-Pesa become popular among the low income earners customers. Strategies used by Safaricom to popularize the M-pesa product were an adoption of technology in the product development that has given it an edge over the other players. This has come about due to the increased investment in innovation and that employee’s use modern technology in their processes. The low cost strategy model also came out as yet another strategy that is used, Japanese concept of continuous improvement of a product or Kaizen, product differentiation through offering M-Pesa products with unique or superior value to the customer through product quality, features, or after-sale support. To motivate their agents, Safaricom has also come up with different promotions that only the agents participates in giving them higher commissions than the competitors offer.