

# Safaricom

## MARKET

Safaricom is currently the country's leading telecommunications service provider, with over nineteen million subscribers and an estimated market share of 65% as at the end of March, 2013. The Company has the broadest mobile network coverage in Kenya and prides in its experienced shareholders, attractive tariffs, a nationwide network of experienced and efficient dealers and customer service, a modern network and high calibre management and staff, enabling it to maintain its position as the region's mobile market leader.

Safaricom's business unit ambition is to become the most admired business partner by developing cost effective solutions that will enable businesses to succeed. Safaricom's products and services are segmented to suite their different type of customers, the segments include consumer or business, segmentation based on usage, duration with the network and the types of services used on the network.

Safaricom's top-line revenues, in 2012, increased by 16% to Kshs 124 billion in the second half of the financial year, the continued growth in significance of non-voice revenue stream and strong cost control measures. Earnings per share grew by 39% to Kshs 0.44 per share from Kshs 0.32. Their dividend per share has increased by 40%, in line with their progressive payout policy, to Kshs 0.31 per share for the current financial year.

## ACHIEVEMENTS

### 2012

- Africom Awards: Changing Lives Awards for Daktari 1525 service.
- Champion of the Year (Corporate Governance) and CEO of the Year 2012. Winner of the Champion of the Year Award for Corporate Governance excellence and Chief Executive Officer of the Year 2012.
- Cisco Managed Services Channel Partner (MSCP) Certification Awards
- Cisco Cloud Partner of the Year for Africa. Nominated for being the first partner in Africa to launch TP as a service, investment in Ciscopowered cloud services and for achieving Cisco Managed Services accreditation.
- CIO 100 Awards - Winner of Communication Sector award for 'Kenya Integrated Mobile Maternal, Newborn and Child Health Information Platform'.
- The Kenya Revenue Authority named Safaricom as the top tax payer of 2011-2012.
- Road Safety Award Winner of the Association

of Kenya Insurers' (AKI) Road Safety Award in recognition of the company's contribution and commitment to road safety.

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.

## PRODUCT

Safaricom offer mobile voice and data prepaid and postpaid services to consumers and businesses. They also offer converged services to businesses from small and medium enterprises to corporates. A large percentage of their customers, including consumer and business, are prepaid customers.

### Data

Safaricom offer highspeed data connectivity for access to email, internet and corporate connectivity through fixed and mobile broadband.

- Mobile data services on modems, handsets and tablets.
- Safaricom Live web portal avails a large selection of local content.
- Data bundles for both prepaid and postpaid customers.
- Routers where several devices share a mobile data connection.

### Voice

Safaricom offer a wide range of voice pricing plans on prepaid and postpaid options often bundled with SMS and/or data services.

- Okoa Jahazi is an emergency top up service on credit basis.
- Voice services include national, regional and international roaming services.
- Bonga is a customer loyalty programme based on usage.
- Value added services, including "Skiza", a caller ring back tone service.

### Messaging

Safaricom offer a variety of messaging services Basic SMS as well as SMS bundles.

- MMS allows customers to send pictures, music, sound and video messages.
- "Please Call Me" allows customers to request a call using SMS from another mobile user for free (with daily limits).
- A call back SMS notification for missed calls.

### Other Services

Safaricom provide other communication services such as sale of devices, value added services and converged business services.

- Access services such as wireless, fixed line and mobile solutions, including fibre and leased lines.
- Dedicated internet solutions for enterprises and hosted services such as data storage, hosting and security solutions.



### 2013

- Nominated one of the top 50 most innovative companies in the world by Massachusetts Institute of Technology (MIT).
- OLX SOCIAL MEDIA AWARDS
  - CEO of the Year - Bob Collymore
  - Corporate Twitter Account of the Year - Safaricom
  - Customer Service Facebook - Safaricom
  - Customer Service Twitter - Safaricom
  - Facebook Campaign of the Year - Bring Zack Back Home
  - Overall Corporate Award of the Year - Safaricom
- The Green Mobile Award Runner up in The Green Mobile Award category at the Global Mobile Awards 2013 for M-KOPA solar solution.
- Top Ten Global Social Media Enthusiast Only African brand in global top ten (ranked second place on Twitter and fourth place on Facebook) for keeping customers informed and for responding to customers swiftly and appropriately, recognised by Social Bakers.
- Rural Telecoms Awards for M-KOPA.
- Africom Awards: Rural Telecoms Awards for M-KOPA

## 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% 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 networks around the world. Since its establishment, Safaricom has been a leader in introducing innovative

- They sell devices such as handsets, laptops, tablets and accessories through their retail outlets and dealer network. Safaricom is the largest enterprise business solutions provider that offers cloud computing software as a service, among others.

#### Distribution

Safaricom's retail reach now boasts of over 250,000 outlets and 36 retail shops. They distribute their products and services through a dealership network of 553 exclusive dealers with 20,000 employees directly and indirectly employed within this channel.

#### RECENT DEVELOPMENTS

Despite operating in an increasingly tough environment characterised by low voice tariffs, intense inflationary pressures, high borrowing costs and foreign exchange fluctuations, they grew their customer base by 2% to 19.4 million customers (19.1m in FY 2012) following disconnection of 1.4m customers who did not meet the new customer registration requirements).

Safaricom was first in the market to launch online customer support. Safaricom also expanded its network to 2,905 2G enabled base stations, 1,604 3G enabled base stations (689 3G sites at 21mbps and 155 3G sites at 42mbps).

Close to two years ago they reaffirmed their position as one of Kenya's leading corporate citizens through the 'Kenya for Kenya' initiative. The Safaricom foundation and the M-PESA platform were at the centre of the success of this fundraising initiative that had unprecedented success with donations of Kshs 165 million being transferred on the M-PESA platform in just four weeks.

As part of their commitment to offer a best in class service, they upgraded their 3G network to the latest available technology that will enable speeds of 21 and 42 Mbps. They continued to invest in the capacity and reach of their 3G network with 1,439 3G enabled sites and 187 Wimax sites. With over 75% of the market using Safaricom connected mobile devices to access the internet, they are the undisputed market leader in Data. Safaricom is also a key player in the in the Smart Cities digital project.

Following a joint effort between Safaricom and other mobile and fibre-cable operators, the Energy and Communications Bill, 2011 was drafted and published with the assistance of the Parliamentary Committee on Energy Communications and Information. This Bill proposes to increase the criminal penalties for persons who vandalise or

otherwise cut fibre-optic cables. It also seeks to increase the penalties for persons who steal copper cables under the Scrap Metals Act. Safaricom is also a key player in the in the Smart Cities digital project.

#### PROMOTION

The Strategic Marketing function undertook a number of initiatives as part of its mandate to promote the Safaricom Brand, to further improve how they communicate to internal and external customers and to further enhance the relevance and resonance of the Safaricom Brand. Safaricom occupies a strong position in the market place - a brand equity position that must be fiercely protected and aligned with customer expectations. Safaricom uses both above and below-the-line advertising in its marketing communication. Also key to the communication mix is the use of digital media and online presence. There have been several successful campaigns, including the hugely successful Bonyeza Ushinde.

**Niko na Safaricom LIVE** Launched in October 2010 as Safaricom KENYA LIVE, the Niko na Safaricom LIVE was the second edition of an exciting engagement between Safaricom and the Kenyan music industry whose aim is to promote music excellence and talent among Kenyan artistes, across all genres and regions as well as provide a platform for musicians to showcase their music talent. The initiative was borne out of Safaricom's long standing engagement with Kenyan music (sponsorships of Chaguo La Teeniez (CHAT) awards and Groove awards; Kenyan Classical Fusion). Niko na Safaricom LIVE in its entirety entails series of live music concerts in regional towns across Kenya and provision of mobile fresh and homegrown content /downloads.

**Masonko na Safaricom**, the biggest consumer promotion ever in Kenya, was aimed at rewarding Safaricom's over seventeen million Safaricom subscribers as the company celebrated its tenth anniversary in October 2012. In November 2010, Safaricom unveiled a major brand campaign aimed at further cementing its connection with the Kenyan market. The campaign, which builds on the existing Niko na Safaricom tagline has been hailed for its resonance with the firm's subscribers and other Kenyans, is by scope and outlay the biggest. Another example of Safaricom's innovation to meet customer needs is the launch of their online customer service support. They were the first large Kenyan corporate to offer customer care via Facebook and Twitter. They find this engagement

with their customers is driving speedier resolution of their issues and providing them with greater and more immediate insight into their needs.

#### BRAND VALUES

Safaricom's services are all geared towards transforming lives. They seek to make positive contributions to communities in direct ways through value added services and financial support for community projects. Their commitment in giving back to society seeks to address Health, Sports, Culture, Environment and Education. They are investing in technology and partnerships in the public and private health sector as well as the educational sector.

Several initiatives were launched to enhance the Brand understanding across the organization and external market by way of structuring the brand definition and meaning in a formal and professional way. The results have been more uniformity, consistency and enhanced resonance with customers of the Safaricom Brand within the market place.



[www.safaricom.co.ke](http://www.safaricom.co.ke)

#### Things you didn't know about Safaricom

Safaricom owns 30% of TEAMS Capacity which means that there is 30.6 Gigabits per second (Gbps) of Submarine Capacity available. The TEAMS system is designed to a capacity of 1.24 Terabits per second and therefore huge potential to manage Wholesale Business in the entire East Africa region.

The World of Difference WOD is a Safaricom Foundation programme that provides opportunity to staff and the public to take part in a life changing experience and to strengthen the foundation's partnerships with both its project partners and with local communities served by our partners. This programme gives staff the unique opportunity to be paid to work for their charity of choice for a period of three months where they use their diverse skills to build capacity and setup systems that eventually strengthen the beneficiary organisations capacity the ability to deliver quality services to their clients. By providing support to skilled people with a passion to work for charity, it provides new talent to the charities and taps into their energy and ambition to deliver more to the charity than money alone can give.

Superbrands

