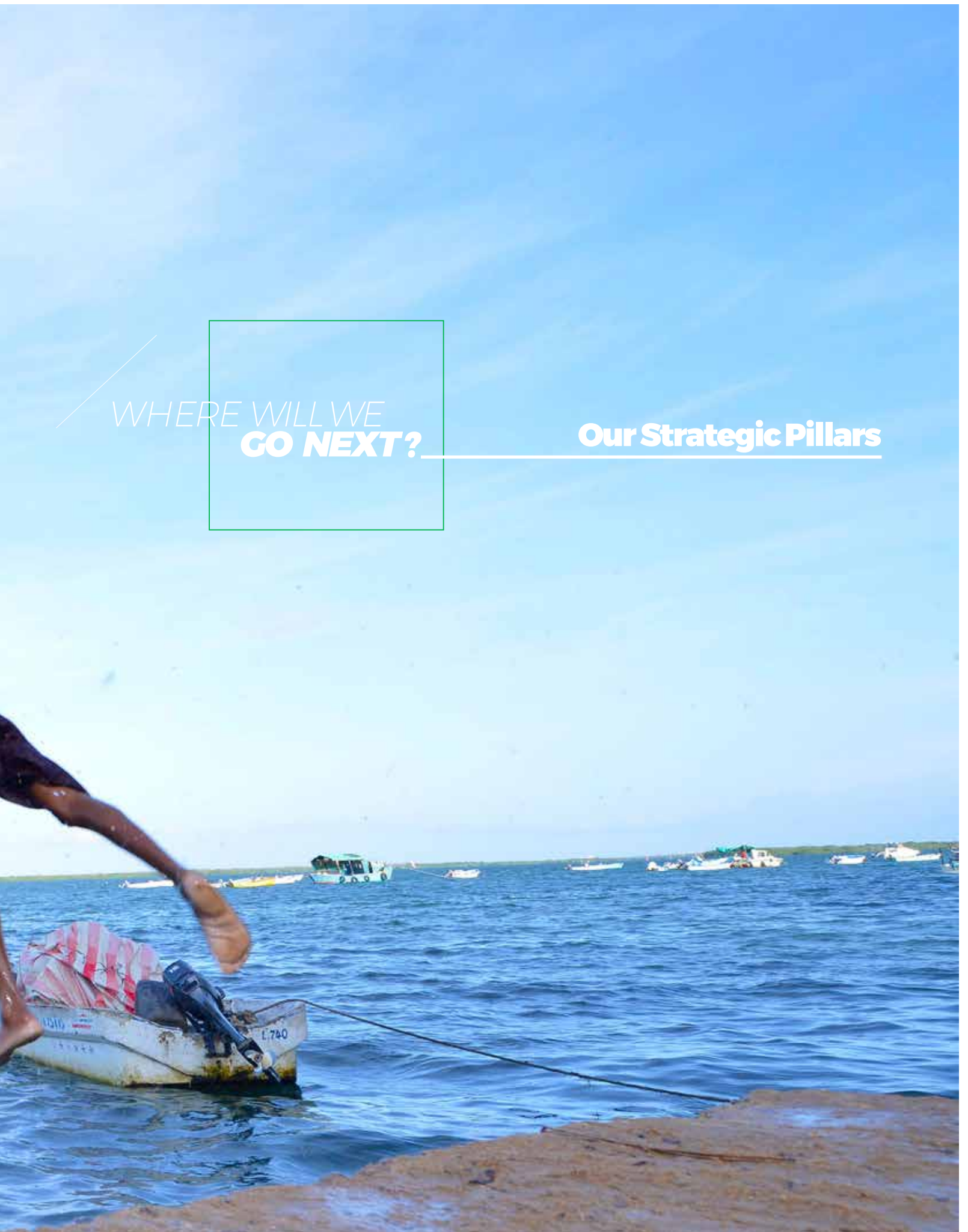




WHERE WILL WE  
**GO NEXT?**

**Our Strategic Pillars**





## Delivering the Promise

**W**e believe we exist to Transform Lives. Our corporate strategy is guided by three key pillars that have helped us grow our loyal customer base and produce excellent results across our key financial and commercial performance indicators, and provide a positive impact on the lives of the customers we serve.

Delivery of our vision is made possible by our network, which goes beyond traditional connectivity to provide essential services such as health, education and financial inclusion.

This is why we continually invest in our network. We currently have the widest reach in the country with 4,677 sites providing 95% population coverage for 2G; and 3,517 3G sites with a population coverage of 85%.

Our fibre network now connects key cities and towns, spanning 4,700 kilometres.

Our upgraded M-PESA platform now delivers 99.9% availability and processes an average of 900 transactions per second.

These efforts have seen our Average Revenue Per User (ARPU) increase by 6.4%.

We extend these benefits back to our customers by offering them enhanced value for their money.



**99.9%**

**Our upgraded M-PESA platform now delivers 99.9% availability and processes an average of 900 transactions per second**

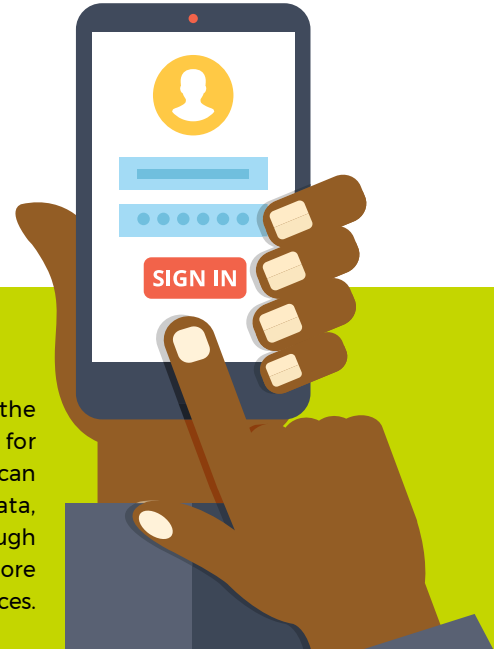
## Our Strategic Pillars



# Customer First

**W**e are establishing a new relationship with each of our customers by investing in understanding their needs better.

During the year, we continued to invest in tools and products that are designed to give our customers more choice and control over how they use our voice, data or value added resources on the network. Segmenting their needs led to the development of products like FLEX and M-PESA Kadogo. We enhanced their ability to control network use through tools like My Data Manager and My Subscription Manager.



## My Data Manager



With data use on the rise, our insights into customer needs inspired us to create a simple tool that would enable the customer to control data bundle usage. Using a friendly interface, My Data Manager resolves instances where a customer's data bundle runs out and the network switches automatically to airtime.

## My Subscription Manager

With a growing portfolio of products, the need to manage active subscriptions for our customers is paramount. Customers can now manage their subscriptions to Data, SMS, Skiza or premium rate services through My Subscription Manager by adding more services or unsubscribing from active services.



## Care for the Customer

In April 2016, we rolled out the CARE program companywide to ensure Safaricom delivers on its promises to the customer around the four arms of Connectivity, Always in Control, Reward and Loyalty and Ease of Access. We also enhanced our call centre capacity by increasing number of customer care staff by 40 percent

## Bonga Everywhere

Bonga Everywhere allows customers to redeem Bonga Points with a variety of products outside of the Safaricom ecosystem.



## Lipa na M-PESA

Buy Goods tariffs were revised for transactions of up to Shs200, which now attract zero charges. Chargeable Buy Goods transactions now attract a maximum 0.5% transaction fee in a move aimed at bringing more small and microenterprises into the M-PESA ecosystem. This will make small businesses more receptive to digital payments, and promote broad economic participation and growth.

## M-PESA Kadogo

Person to Person (P2P) M-PESA transactions of Shs100 and below no longer attract a fee in a move that was hailed as democratising M-PESA.

## Zero charges

**P2P M-PESA transactions below Shs100 do not attract charges. Buy Goods tariffs for transactions of up-to Shs200 attract no charges also.**



## Relevant Products and Services

A large part of our focus is to ensure that we create the most relevant products for our customers, whose needs are evolving in line with the rapidly changing technology sector.

We have learned that the one size fits all model is no longer practical in a world where the customer needs are shifting fast.

This has led us to leverage analytics to fine tune our services and develop new propositions that match the customer's requirements such as FLEX and BLAZE.

### BLAZE

BLAZE is a platform that empowers the youth using mobile phones and targets the fast-growing 18-26 year demographic group. The platform offers access to custom-made tariffs and product offerings that leverage Safaricom's extensive mobile network.

Create Your Plan is one of a number of unique

services offered under the BLAZE portfolio that allows users to control how much they spend on voice, data and SMS each time they purchase airtime.

BLAZE also includes access to a suite of products and initiatives that are exclusive to the youth, such as branded 3G and 4G devices and youth empowerment summits.



### 18-26

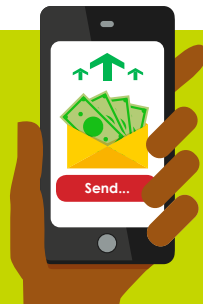
The demographic group that the Blaze platform targets





### M-PESA on the Safaricom App

The Safaricom App allows customers to access services such as Hakikisha, which allows customers to see who they are sending money to before they initiate a transaction. This has greatly reduced the risk of human error when inputting numbers.



### FLEX Your World



Designed for the customer who demands the most from their mobility, FLEX allows customers to choose how they allocate airtime for calls, SMS or data services.

Customers are able to subscribe to daily, weekly or monthly packages that offer value beyond typical bundles in order to maximise on their spend.

In a unique market development, customers can roll over any unused FLEX units by renewing their existing FLEX bundles before expiry.

### M-PESA Statements

M-PESA customers continue to enjoy the convenience of receiving monthly M-PESA statements. This enhances transparency and accountability for users. By the close of the financial year, over 1.2 million customers had registered for the service.



**1.2 million**

Registered customers for the M-PESA statements service.

### Enhancing M-PESA

Bill Manager is an innovation that enables easier bill management from a single portal.

As the Lipa na M-PESA ecosystem continues to evolve, and with a growing number of utility payments made on the platform, the service will allow customers to set automatic reminders and save Paybill numbers in order to enhance the customer experience.

Other improvements to M-PESA include a new, easy-to-use menu that consolidates M-Shwari and KCB M-PESA, M-PESA statements, PayBill services, Real Time Settlements for merchants, and API functionality that enables developers to integrate M-PESA into their applications and websites.



## Operational Excellence

**W**e remain focused on ensuring our customers can access our products and services when they want them and how they want them.

We partnered with Flytxt, a mobile consumer analytics solution provider, to better understand our customers'

needs, and enable us to realise our goal of delivering a differentiated, customer specific experience.

This has provided us with actionable insights that help in taking quick decisions across business work flows and touch points. These solutions have enabled us to personalize our services to customers.



**A report by P3, an independent analyst, found that our network is ranked the best compared to other networks in Africa.**

### Best Network For You

We are committed to building a better network for our customers. This is a continuous effort that aims to provide seamless coverage across the country. It is a mission that keeps us focused on the best ways of covering the entire country with a strong and reliable signal.

A report by P3, an independent analyst, found that our network is ranked the best compared with other networks in Africa.

These improvements are a reflection of our smart network deployment and continuous investment in building robust systems, which is translating to a world-class experience for our customers.

Our network remains the largest and the most expansive, with 95% 2G population coverage and 85% 3G population coverage.

We continue accelerating Fibre-To-The-Home (FTTH) rollout with the aim of tapping into a rapidly growing segment.





## Regional Operations

Our Regional Sales and Operations Department is inspired by our desire to put the Customer First and provide Operational excellence in line with our strategic pillars.

Through a strategic investment strategy, our Regional team has been tasked with gaining more intimate knowledge of our customers by getting closer to them. This has continued to strengthen our ability to acquire new customers and retain them on the network.

Our regional operations continue to deliver value to our customers through improved network coverage and quality as a result of faster decision making.

# 260,000

active retail outlets  
selling our airtime.

# 130,000+

Number of M-PESA Agents who  
ensure accessibility of M-PESA  
services to our customer base

Other factors that lead to its success are continued focus on new customer acquisition strategies through region-specific promotions and offers and more channel empowerment especially for dealers to serve customers better through Safaricom care desks. As it stands, we

have over 109 care desks and 140 empowered dealer outlets offering customer care and other services to customers.

Our Regional Sales and Operations Department has brought us closer to our customers and allowed us to provide close support for their needs. We now have over 260,000 active retail outlets, with over 45 retail shops providing airtime, device and customer support services.

With over 136,000 M-PESA agents and 400 dealers supporting over 1,900 dealer outlets, we are ensuring that access to our M-PESA services continue to expand in line with demand.