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Integrated Marketing Communication and Technology Adoption: A Case of Safaricom's M-PESA Mobile Money Transfer Services in Kenya

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Integrated Marketing Communication (IMC) is an aggressive marketing plan that captures and uses an extensive amount of customer information in setting and tracking marketing strategy. This study sought to investigate the IMC strategies used with the M-PESA money transfer services in Kenya necessitated by the fact that similar mobile money transfer services existed in Kenya but did not experience the same success in uptake and use as M-PESA. The case study method was used allowing for qualitative and quantitative analysis and interpretation of data. The population was sampled using both purposive and non purposive sampling procedures. A sample of 48 users, agents and Safaricom officials participated in the actual research. Areas of concern included an exploration of critical and unique features of the product design and implementation strategies adopted by the Safaricom Company. Data collection tools included interviews, a focus group discussion, survey, observation and content analysis complimented by knowledge gained from product launches and seminars. The findings confirmed that Safaricom had used IMC strategies befitting their target market compared to its competition to diffuse information on the M-PESA innovation and thus the success of its adoption could be attributed to the unique IMC strategies.

Keywords: IMC; Mobile Money Transfer Services; Adoption of Innovations

JEL Classification: 031, 033

Background

Money transfer services provided by various institutions have been available in Kenya for a long time. In a study by Kamau, Cerstin, and Mukwana, (2003), three forms of money transfer providers in Kenya were identified. These included the formal sector (e.g. commercial banks, postal corporation, the semi-formal providers (e.g. courier or bus companies) and the informal services (bus conductors or friends). The study cited sending money to support the elderly at home, payment of school fees, payment of bills, purchase of goods and payment of workers as some of the reasons why the service existed. The study also classified the users into large scale and small scale. However the challenge over time as documented in the study had been availability, effectiveness, efficiency and reliability of the money transfer services (Kamau et al., 2003).

Prior to the venture into money transfer services by mobile service providers, initially by Celtel's 'Sokotele' which was unsuccessful, money transfer in Kenya had been dominated by financial institutions. Despite the indisputable need to make or receive payments the available financial institutions were not accessible to the majority of Kenyans especially in the rural areas whose income could not support the establishment of a financial base for financial operations. A study by the Consultative Group to Assist the Poor (CGAP) in 2008 on branchless banking in Kenya cited the inadequate infrastructure for reaching out to customers, with only an estimated 20% of adult population having access to formal financial services through banks, Micro finance institutions (MFIs) and Savings and Credit Cooperatives (SACCOs). Over 80% of the Kenyan adult population was found to be excluded from the traditional financial services.

Traditional money transfer services showcased sophistication which intimidated the poor and illiterate hence excluding them from reasonable use of the services (Kamau et al., 2003). In addition, available means included transporting the money oneself, through a friend or other un-licensed means which remained unreliable and insecure. The (Kamau et al., 2003) study revealed that there was an unmet demand for efficient, reliable and affordable money

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transfer services in Kenya. This was signaled by the proliferation of informal money transfer providers; and MFIs were thought as the alternatives because of their networks. However these institutions did not quite solve the problem as they did not meet money transfer requirements in terms of systems, capacities, floats and liquidity management as later revealed (CGAP, 2008). It is against this backdrop of an excluded viable population in dire need of an affordable and accessible money transfer service that M-PESA money transfer service was launched.

The enthusiasm with which the launch of M-PESA money transfer service was received with is evident in the number of outlets dotting most of the Kenyan towns, estates and market centers today. According to the Safaricom's 2008/2009 Annual report and May 2009 investor update, M-PESA customers were 6.18 million and Ksh7.1 billion had been transferred from person to person by March 2009 (Safaricom Website, 2009). This was huge by Kenyan standards.

Sending or receiving money requires efficient, reliable and affordable money transfer services whereby money can be deposited in one location and withdrawn in another (Kamau et al., 2003). According to the Department of International Development (DFID), 55% of adult Kenyans had access to mobile phones yet only 19% had a bank account. Therefore there was a huge market that had access to mobile phones but not financial services and M-PESA helped to fill this gap.

Statement of the Problem

Since its inception in 2007, M-PESA has rapidly developed to become one of the most dynamic innovations for delivery of financial services using modern Information and Communications Technology (ICT). The innovation won the best mobile money service award at a GSMA global mobile awards gala dinner in Barcelona in February 2009. This innovation makes Kenya a world leader in the use of mobile phones to transfer money. Studies done on 'The adoption and usage of M-PESA,' by Olga Morawczynski, focused on the rapid adoption of the innovation, looking at the innovation per se and not the diffusion of information on the innovation. The researcher is of the view that competing money transfer services in Kenya are similar technological innovations, what is different is the adoption pattern.

It is in the appreciation of the M-PESA unique adoption that this study sought to find out which communication strategies, techniques and tools Safaricom used, and continues to use, in order to persuade new customers to adopt and sustain those already using the service. Was it able to use IMC strategies that Zain, its competitor, was unable to implement?

The study objectives were:

- To ascertain IMC strategies and techniques that have been used with M-PESA;
- To demonstrate the linkage between IMC strategies used and the success in adoption;
- To recommend strategies that would facilitate an effective adoption of money transfer innovations such as M-PESA.

Theoretical framework

Two theories were used to inform the study and these are discussed below.

Information processing theory (IPT)

According to Miller (1956), information processing refers to the way individuals handle information at their disposal. Information-processing theorists approach learning primarily through a study of memory (short, sensory and long term). The initial processing of information depends on the external stimulus available to a person. External stimulus has been variedly described as, among others, the sum total of communication obtained from the immediate ambient with which an organism/human interacts. Skinner (1938) argues, 'the external environment of an individual remains the single most important determinant of his/her behavior.' This interaction takes place virtually everywhere; it generates an attitude in a person depending on which culture or past experience an individual has had. The external stimulus provides the sensory memory with the materials to work on (process). These stimuli gain access to the sensory memory ready for either initial processing or even to be forgotten depending on its degree of importance. Depending on an individual's culture or past experience, familiar stimuli may not necessarily need to be reinforced to produce a positive response. External stimuli also have a bearing in a person's attitude development or change. Messages intended to generate a desired behavior in targeted people or groups of people, may result in an attitude that has been influenced by previous undesirable behavior or can be completely newly developed.

There is the element of serendipity in external stimuli, the attitude that examines the mismatch in the stimuli to determine whether it is an error to be corrected or novel to be preserved. Depending on the past experience, this attitude determines a mismatch and immediately generates a response. Individuals tend to seek familiar stimulus with which they have had a lasting positive experience. For better retention, it is important for a source to point out the most important information through organization of few words that focus on the meaning and connecting messages to old information which helps audiences avoid cognitive dissonance. Messages derived from our own experiences are easier to remember than those that are new, contextualizing the message and personalizing it helps the audience find the relevance.

Eysenck & Eysenck (1980) also note that the extra mental effort required leads to keener attention, hence better storage in the short term memory, and subsequent transition into the long term memory. For communicators, therefore, messages that engage the recipient's cognitive abilities in some effortful manner could have greater staying power than those that do not. For communicators in both print and broadcast media, this is significant since it reveals how messages are stored, and can impact on choice of form and channel when communicating information. It constitutes an inter-connective meaning placed onto the information in working memory, linking it to established conceptual structures in the long-term store. Elaboration is the most basic of all memory techniques. The more meaning given to what is to be remembered, the more successful one is in recalling it later.

The Theory of Planned Behavior (TPB)

The Theory of Planned Behavior is also a determinant in the adoption of any new technology. Proposed by Ajzen and Fishbein (1980), they believe that if people evaluated a suggested behavior as positive (attitude), and if they thought their significant others wanted them to perform the behavior (subjective norm), this resulted in a higher intention (motivation) and they were more likely to emulate the behavior.

Relevance of theories to IMC

Communication occurs when the consumer accepts, transforms, and categorizes messages. Marketing communication messages that are not recognizable are not related to each other, conflict with what has already been stored, or are simply unrelated or unimportant to the person will simply not be processed, but ignored. The storage and retrieval system works on the basis of matching incoming information with what has already been stored in memory. If the information matches or enhances what is already there, then the new information will likely be added to the existing concepts and categories. If it does not match, the consumer has to make a choice, either the new information can replace what is already there or the new information can be rejected. If rejected, the consumer would continue to use existing concepts and categories and ignore the new. This is called a 'judgment system' in that consumers match or test new information against what they already have and then make a judgment to add to, adapt, or reject the new material (Schultz et al., 2003).

According to Schultz et al. (2003), among models of information processing proposed include networking concepts into categories. These groups of concepts are not only made up of chunks of information, but are also networked together in conceptual relationships. Key to understanding the relationships is understanding the cultural and life experiences that have created the existing network of information chunks that exist in the consumer's head. Models of information processing that include the replacement model assume that it is possible for the marketer to 'replace' previously stored information chunks with new ideas (Schultz et al., 2003). What is said does not matter as much as how often and how loud the message has been transmitted. With enough exposure, the new will replace the old and the accumulation model of information processing which assumes that message consistency is critical since the consumer accepts, processes, and stores information about the product or service relative to what has already been stored will be accepted (Schultz et al., 2003).

Steps in developing effective communication

According to Ogden (1998) developing an effective IMC plan involves identifying whom to send the message to, how to send it, selecting the message source and collecting feedback. A marketing communicator starts with a clear target audience in mind. The target audience will affect the communicator's decisions on what will be said, how it will be said, when it will be said, where it will be said, and who will say it. After defining the target audience, the marketing communicator must decide what response is desired. In most cases, the final response is purchase. The purchase is the result of a long process of consumer decision making (Ogden, 1998). The target audience may be in any of six buyer readiness stages that consumers typically pass through on their way to making a purchase. These stages are awareness, knowledge, liking, preference, conviction, and purchase (Rogers, 2003). The marketing communicator needs to know where the target audience is now and to what stage it needs to be moved. The communicator must first build awareness and knowledge.

Having defined the desired audience response, the communicator turns to developing an effective message. Ideally, the message should attract, hold interest, arouse desire, and obtain. In practice, few messages take the consumer all the way from awareness to purchase. In putting together the message, the marketing communicator must solve three problems according to Shiffman & Kanuk (1994): (1) what to say (message content); (2) how to say it logically (message structure); and (3) how to say it symbolically (message format). In the message content the communicator must identify an appeal or theme that will produce the desired response. There are three types of appeals identified by Shiffman & Kanuk (1994): (1) rational; (2) emotional; and (3) moral.

Choosing the media is also important (Kotler, 2003). The communicator must select channels of communication. The two types of communication channels are personal and non-personal. Personal communication channels are effective because they allow for personal addressing and feedback. The company controls some personal communication channels directly; company salespeople, for example, contact buyers in the target market. But other personal communications about the product may reach buyers through channels not directly controlled by the company. The other channel is word-of-mouth influence, which has considerable effect in many product areas. Personal influence carries great weight for products that are expensive, risky, or highly visible.

Implementation of the communication process

According to Kotler et al. (2000), after planning how to send information to the target audience the company has to decide on the total promotion budget and its division among the major promotional tools to create the promotion mix. This is done by looking for areas where communications can help the most, determination of the strengths and weaknesses of each communications function, developing a combination of promotional tactics based on the strengths and weaknesses, audit of the pockets of communications spending throughout the organization, itemization of the communications budgets and tasks and consolidating them into a single budgeting process.

Schultz et al. (1993) encourage teaming up in communications planning through the following measures: (1) inclusion of customers, suppliers, and other stakeholders at every stage of communications planning and creation of compatible themes, tones, and quality across all communications media; (2) ensuring each element carries the unique primary messages and selling points to achieve greater impact and prevent the unnecessary duplication of work across functions; (3) creation of performance measures that are shared by all communications elements; (4) developing of systems to evaluate the combined impact of all communications activities; and (5) appointing of a director responsible for the company's persuasive communications efforts. The move encourages efficiency by centralizing planning and creating shared performance measures.

Innovation adoption models

Several communication models explain the adoption of technological innovations. Some are discussed below:

The Lazy User Model (LUM)

LUM or Solution Selection Model (2007) tries to explain how an individual selects a solution to fulfill a need from a set of possible solution alternatives. According to Collan and Tetard (2007), users will most likely choose the solution that will fulfill a need with the least effort. LUM posits that a solution is selected from a set of available solutions based on the amount of effort the solutions require from the user – the user is supposed to select the solution that carries the least effort. The model draws from earlier works on how least effort affects human behavior in information seeking and in scaling of language.

The model starts from the observation that there is a 'clearly definable, fully satisfiable want' that the user want's satisfied. So there is a place for a solution/product/service. The user need defines the set of possible solutions that fulfill the user need, therefore only the solutions that solve the problem are relevant. This logically means that the need defines a set of solutions that all can fulfill the user need. LUM is not limited to looking at one solution separately. The user state includes, age, wealth, location, etc; everything that determines the state of the user in relation with the solutions in the set of the possible solutions to fulfill the user need. LUM assumes that the user will make the selection from the limited set based on the lowest level of effort. Effort is understood as the combination of monetary cost + time needed + physical/mental effort needed.

Technology Acceptance Model (TAM)

Proposed by Davis (1989), TAM is an information systems theory that explains how users come to accept and use a technology. It suggests that, when users are presented with a new technology, a number of factors influence their decision about how and when they will use it. Understanding the user's behavior towards a new innovation is key in the technology adoption process. TAM consists of two beliefs, *perceived utilities* and *perceived ease of application*, which determine attitudes to adopt a new technology (Davis 1989). The attitude towards adoption depicts the prospective adopter's positive or negative orientation/behavior about adopting a new technology. According to Davis (1989), attitudes towards adoption are determined by relevant internal beliefs and are influenced by factors such as: (1) perceived ease of adoption; (2) apprehensiveness; (3) perceived credibility; (4) perceived utilities of technology (extrinsic motivation); and (5) enjoyment (intrinsic motivation). In addition, individual characteristics like age, qualification, their prior experiences in adopting technology; technology suppliers' commitment; compatibility with existing technology and enhanced value are important factors. Social pressure is also another important factor.

Factors influencing diffusion and adoption of innovations

In his Diffusion of Innovations Theory (DIT), Rogers (2003) defines diffusion as the process by which an innovation is communicated through certain channels overtime among the members of a social system. He identifies four main elements in the diffusion of new ideas as: the innovation, communication channels, time, and the social system.

The characteristics of an innovation, as perceived by the members of a social system, determine its rate of adoption and explain why certain innovations spread more quickly than others. The characteristics which determine an innovation's rate of adoption are: relative advantage, compatibility, complexity, trialability, and observability (Rogers, 2003).

The second main element in the diffusion of new ideas is the communication channel. Communication in this context is the process by which participants create and share information with one another in order to reach a mutual understanding (Rogers, 2003). Rogers (2003) affirms that mass media channels are more effective in creating knowledge of innovations, whereas interpersonal channels are more effective in informing and changing attitudes toward a new idea, and thus in influencing the decision to adopt or reject a new idea.

The third main element in the diffusion of new ideas is time. Rogers (2003) identifies three ways in which the time dimension is involved in diffusion. First, it is involved in the innovation–decision process. The innovation-decision process is the mental process through which an individual (or other decision-making unit) passes from first knowledge of an innovation to forming an attitude toward the innovation, to a decision to adopt or reject, to implementation of the new idea, and to confirmation of this decision.

The second way in which time is involved in diffusion is in the innovativeness of an individual or other unit of adoption. Rogers (2003) defines innovativeness as the degree to which an individual or other unit of adoption is relatively earlier in adopting new ideas than other members of a social system. Rogers (2003) further identified five adopter categories of the members of a social system on the basis on their innovativeness: innovators, early adopters, early majority, late majority, and laggards.

The rate of adoption is the third way in which time is involved in diffusion. Rogers (2003) defines it as the relative speed with which an innovation is adopted by members of a social system. The rate of adoption is usually measured as the number of members of the system that adopt the innovation in a given time period. An innovation's rate of adoption is influenced by the five perceived attributes of an innovation (relative advantage, compatibility, triability, complexity, and observability).

The fourth main element in the diffusion of new ideas is the social system. A social system is a set of interrelated units that are engaged in joint problem-solving to accomplish a common goal (Rogers, 2003). The members of a social system may be individuals, informal groups, organizations, and/or subsystems. The social system constitutes a boundary within which an innovation diffuses.

A combination of IPT, TPB, DIT, TAM and the LUM are crucial in understanding what influences people's behavior towards adoption of technology based innovations

Methodology

Safaricom M-PESA was a case, and the study focused on the IMC strategies used by Safaricom to diffuse information on the innovation. Characteristics of the case study were valuable as the researcher was able to employ various data collection methods. This was because a case study is a bridge across the traditional paradigms; it has a broad research application and epistemological, ontological and methodological flexibility and provides a delineated boundary for inquiry and a structural process within which any methods appropriate to investigation can be applied (Yin, 1994; Walsham, 1995). Consequently, case study has been used in both the positivist and the interpretevist philosophical traditions (Cavaye, 1996; Doolin, 1996). In the positivist perspective research, there are pre-existing irregularities that can be discovered, investigated and characterized relatively unproblematically using constructs devised by the researcher.

Both purposive and non-purposive sampling methods were used. A sample of 48 agents, users and Safaricom officials was used. The study at hand sought to establish strategies used in the diffusion and implementation of the M-PESA innovation. It was then inevitable that the study qualitatively understood the implementation process as well as the diffusion strategies from key actors through in-depth interviews. Consequently the M-PESA product had already been rolled out, and a survey was ideal in assessing use experiences in regard to usability and description of the product, ability of the product to address user needs, challenges encountered in use and opinion of users on how best to address emergent challenges. For this a quantitative approach was required and questionnaires were used. However for an in-depth understanding of survey data, an FGD was constituted involving users, agents and key informants. Multiple data sources improved the reliability and validity of the study. The final product of the study was a detailed description of the techniques and strategies used with M-PESA explaining how and why the rapid adoption occurred which could provide useful lessons for diffusion and implementation of similar products.

Analysis and Discussion of Findings

IMC Strategies used with M-PESA

Findings revealed that Safaricom used the existing dealers to incorporate the M-PESA services in their shops. Safaricom provided shops with transaction phones; branded shops on their behalf; and provided all the merchandise. The company also marketed the product through promotional initiatives such as road shows to register users. According to Davis (1989), the use of existing shops meant that the dealers adopted the new technology free of effort in terms of its utilization. Davis (1989) also asserts that an adoption that is easy to implement and transfer can considerably reduce time and effort the recipient needs to invest in the adoption and hence the perceived probability that the less complicated the transfer and application, the more likely it will be successfully accomplished or applied. The dealers and agents also considered the perceived utilities of the technology, a new business adventure coming with little effort; the utility meant economic benefits resulting from adopting the new technology.

To the users, the new technology was compatible with the existing technology (they were to use their SIM cards and phones they already owned). The service was also affiliated to Safaricom to which they already subscribed. Safaricom users were registered for free, those whose SIM cards were incompatible were also swapped free of charge at the outlets, swapping is no longer free. Comparing this to Zain which had to initiate a massive subscriber campaign through the Vuka tariff in-order to register more users for their money transfer service Zap, Safaricom had it easy since it already had the numbers. Safaricom users already had a working relationship with the company hence it was easy to adopt the new technology. Davis (1989) further argues that the adoption of a new technology carries a high risk and the level of perceived commitment from suppliers to its customers can reduce the risk through the transmission of adequate information to adopters. Considering the stability Safaricom has had over time and the relative good relationship with its customers, there was a degree of positive commitment to the customers compared to Zain which was a change-over from Celtel.

In regard to the innovation as explained by Rogers (2003), Kenyans were in dire need of an affordable money transfer service, conveniently located near them. When M-PESA was introduced targeting low income earners and with a network that took care of areas inadequately served by the traditional money transfer services, it was easy for them to embrace the service as it filled a gap.

To become an M-PESA user was easy compared to opening a bank account. A potential customer only needed a phone and an original identification document to subscribe to the service. The simplification of the registration process was strategic. This is due to the fact that ideas that are simpler to understand and effortless to utilize are adopted more easily than those that require the adopter to obtain new skills and understanding.

M-PESA was launched in Nairobi, the capital of Kenya and a business hub. This meant that Safaricom targeted many bread winners, in this regard making those in Nairobi appreciate the service meant that they would influence those they supported in the rural areas to register as users (this was in consideration of the two step theory and the theory of planned behavior). The breadwinners in turn influenced those they sent money to in the rural areas because for them to enjoy cheaper rates they had to be registered. As a result the need to send money to the rural areas in turn created demand for the service, and the company spiritedly embarked on ensuring their presence to the point of urging M-PESA agents to source for sub-agents in the rural areas to offer the service.

Safaricom also outsourced the services of Top Image, a marketing and advertising agency with which the company has had a long relationship. The study revealed that Top Image was in charge of the implementation of the product on the ground. It was in charge of all promotions and delivered all merchandise to the M-PESA shops, monitored day to day operations including training shop assistants, supply of transaction materials, collection of data with regard to operations; enforcing of operation guidelines and reporting on irregularities. It also audited new store applications and contacted mystery shopper checks to make sure assistants conformed to the regulations set by the Central Bank of Kenya.

IMC techniques used with M-PESA

To diffuse information on the M-PESA service, Safaricom used the following communication channels.

1. Advertising: Safaricom continuously printed T-shirts, caps and bags. It also invested heavily in TV and radio advertising to inform the publics of M-PESA.
2. Personal selling: to attract many users the company embarked on a registration campaign through road shows; incentives to register were also given through free registrations and SIM swaps.
3. Sales promotions: at the beginning, the company provided almost everything the agents needed to operate, including phones and branding of shops. One could become an agent without meeting all laid down requirements. Further, an interested investor could start with one shop instead of three. Capital did not necessarily need to be Ksh100,000 per outlet. (The requirements are followed to the letter in current applications.)
4. Public relations: Safaricom also invested a lot in making sure the public maintained a positive image of the company. Competition wars between the company and Zain were occasionally clarified in full page advertorials in the leading national newspapers. The company's CEO also featured in major TV channels to explain issues in person.
5. Direct marketing: The most popular mode of IMC the company has been using is the SMS, all new products and M-PESA developments are directly communicated to the users via SMS.

Besides these promotion tools, the M-PESA product design was significant, the wording, i.e. M for mobile, the phone symbol and the PESA word were all symbolic. The product was also unique in that some shops operated for 24 hours while most of the shops operated from 7:00am to 8:00pm. The price of the product targeted the low income earners with transactions as low as Ksh100 per transaction. The color associated with the product, Safaricom green closely linked the product to the success story of the company. M-PESA shops were unmistakable with peculiar branding with the M-PESA logo and Safaricom colors and above all the approach was unique as there was convenience of location such as establishing shops in residential areas.

The messages disseminated to create awareness of the product were designed to facilitate information processing. From content analyzed, all messages bore the Safaricom colors, M-PESA and the Safaricom logo. These helped create mental relationships to other categorized ideas and fit into the categories and mental linkages that consumers had already created. This facilitated acceptance for the customers easily matched the new information or image with their field of experience. To ensure that the stored information was not replaced, the company at all times ensured that it had a running advertisement to ensure that consumers were constantly reminded of the existence of the product making it hard for other products to use the replacement model.

According to Skinner (1938), familiar stimuli may not necessarily need to be reinforced to produce a positive response. The fact that M-PESA messages had incorporated Safaricom colors and the logo, users tended to associate the product with what they already knew for individuals tend to seek familiar stimulus with which they have had a positive and lasting experience.

Miller (1956) also suggests that messages derived from peoples' own experiences are easier to remember than those that are new, contextualizing it and personalizing it helps the audience to find the relevance. The word 'Pesa' is the Kiswahili word for cash, the word localizes the concept and users in Kenya may find it easier to accept it for they understand its meaning than Zap which may not really mean anything to the majority of the target audience. Again, the more meaning given to what is to be remembered, the more successful one is in recalling it. It is thus easier to recall 'Pesa' than 'Zap' because 'Pesa' in Kenya is synonymous with putting food on the table, paying school fees, and doing all sorts of purchases.

Comparison of IMC strategies used by Safaricom with those used by Zain

Whereas Zap may have been a good product and similar to M-PESA, the gap to be filled was not really established as most features were already taken care of by M-PESA, which had already taken Kenyans by storm. Furthermore, the perception of the users was that M-PESA deposits were free while the strategy adopted by Zap of 'Zap it for ten bob' looked like deposits were charged. If deposits are not made, there will be no withdrawals, payment of bills, debts, or even purchase of airtime because the virtual account has no money in the first place. This strategy adopted by Zain may have locked out initial entrants. Even though Safaricom may have been charging a little more than Zap, what mattered most was to have money in the virtual account, and this they ensured by making deposits free. It is the getting out of the money from the virtual account that they made money from.

Consequently though Zain had the idea of increasing subscribers in order to make their money transfer service viable via the 'Vuka' tariff (utilizing the replacement model) this did not amount to much as Safaricom immediately introduced 'Jibambie' which ensured Safaricom subscribers did not move to any other network. For this reason it is important that a consideration be made for the long term and not the short term. Furthermore introducing the Zap service in Kenya looked more of copying than novelty. Due to limited numbers, the only customers Zain could tap for the service were Safaricom customers, which may not have been possible because of incompatibility.

There should also be commitment of management in the implementation of innovations. The fact that 'Sokotele' by Celtel was the first money transfer service in Kenya but failed gives a bad impression of sustainability of the fight and viability of company products. For this reason many Kenyans are skeptical of the company and its products.

Safaricom rode on the good publicity enjoyed over time in the Kenyan market to introduce the M-PESA product. By linking the service to the Safaricom identity it created confidence in the customers. People in Kenya associate Safaricom with success (as seen in the January 2008 IPO oversubscription), belonging, and stability. On the other hand, Zain was a new company, having bought off Celtel in Kenya. Zain was therefore fighting battles of identity as well as market share.

The strategy used by Safaricom to coin meaningful words in M-PESA gave them an added advantage. People in Kenya easily associate 'Pesa,' with cash as in the meaning of the word. Zain on the other hand used Zap which did not have a meaning to most Kenyans.

Conclusion

The findings of this research confirm that Safaricom used IMC strategies and techniques compared to its competitors. According to Omwansa (2009), several factors had influenced the superior adoption of M-PESA and one of them was the effectiveness of campaigns and customer awareness. The Safaricom CEO, in an M-Banking conference in Nairobi in 2008 said, 'Getting masses to appreciate and adopt such technology takes a lot of effort and resources. It does not just happen. The customers' proposition has to be understood.'

Safaricom also benefited from its long positive relationship with its public compared to its competitors. Due to the rapid adoption, many people in Kenya who did not expect to own bank accounts and who own mobile phones now save their money through the virtual accounts facilitated by M-PESA. The growth experienced in the money transfer service could therefore dispute the notion long held by traditional financial institutions that amounts of income earned were equivalent to economic growth. M-PESA has revolutionalized the economy of the rural areas in Kenya and it is through the volume of business transacted and not the values involved that has made it possible.

Safaricom has successfully incorporated research in the diffusion of information in regard to its innovation. On its entrance to the market, M-PESA as a product targeted the un-catered for population as indicated in the Kamau, et al. (2003) study cited earlier. Many low income earners were excluded from the traditional money transfer services. As a result many insecure and unaffordable means were being used leading to delays and losses of money on transit. For this reason the product was of relative advantage to the users. M-PESA designed as an instant, secure and targeting the low income earners in the population was seen as something unique and not already in the market. M-PESA did not require any major effort from the adopter; it was completely free to the user. A Safaricom SIM card and the mobile phone already owned were all that was required for registration. The technology was therefore compatible with the existing usage of the mobile phone to the potential adopters. The process of registration was easy, an identification document, simple menu and the phone, the adopter was not required therefore to learn any new skills. Incase one was unable to transact on his/her own, M-PESA assistants were trained to assist such users. Since the registration cost nothing, users were in a position to sparingly try the service until they were confident of its stability. Consequently the unregistered, late majority and laggards were able to observe the results of the use of the product. Those receiving and sending money were testimony of success to the laggards influencing them into adoption fairly early in the adoption cycle.

M-PESA did not use mass media advertising only to diffuse information on its innovation but multiple forms of communication were used. The billboards, newspapers, TV advertisements, branding of shops, SMSs and printed materials among others were all used to reinforce one another and ensure that the customer was adequately informed at all times.

M-PESA shops were established where they were most needed. The low income earner did not have extra resources to go to towns for the service. Essentially, Safaricom took the service to the customers' doorsteps. The service targeted a specific audience; shops were incorporated in places where customers visited to buy other products, including retail shops stocked with food stuffs. They therefore used a more specialized (niche) approach, which centered on specific target audiences.

In the introduction of the service, the company was involved in making the shops stand out from the rest, agents were encouraged to offer the service, incentives like phones, shop branding, recruitment exercise for users ensured that the company moved from a manufacturer-dominated market to a retailer-dominated, consumer-controlled market. They were concerned about the convenience of the customer and those offering the service to the customer. The availability of the product to the user was a key strategy in the initial campaigns. Safaricom agents were allowed to recruit sub-agents to offer services in areas where they could not. This strategy was used to ensure enough presence in the country. Currently Safaricom does not offer phones to agents, agents brand shops at their own expense and they also have to buy SIM replacement cards at Ksh100 a piece and only recover money spent if the replacement is successful.

Cited by the Safaricom official as one of the reasons the company succeeded was its subscriber base. The fact that Safaricom targeted its users and not any one ensured that it moved from general-focus advertising and marketing to data-based marketing. They knew the number of potential adopters and targeted a percentage of that number.

IMC strategy advocates for companies embracing the strategy of moving from low agency accountability to greater agency accountability, particularly in advertising. With the outsourcing of Top Image to implement the service and practically be in charge of the product implementation and customer communication, Safaricom successfully conformed to the requirement.

To ensure that the agents were encouraged and offered the service for long hours, the product was designed in a way that agents could view their commissions by the minute. It's therefore easy for agents to set daily targets as for every transaction completed the commissions increased automatically. The company therefore moved from traditional compensation to performance-based compensation (increased sales or benefits to the company).

Recommendations

Many innovations in Kenya have not seen the kind of rapid growth experienced by the M-PESA innovation. Many fail while others operate marginally without any remarkable success. For innovations to experience acceptance it is important that various considerations be made before they are launched to the market:

New products should always seek to fill a gap. Innovations should not be rolled out with enormous costs only to fail in the short run. Research should be done to understand what the consumer wants and needs. Consumers have specific needs, they should be considered first before the product. The product characteristics must match what someone specifically wants to buy. And part of what the consumer is buying constitutes a personal buying experience; not a copy of another product in the market.

Companies introducing new products should study the customer need and understand the consumer's cost to satisfy the need. The product price may be only one part of the consumer's cost structure. Most of the products undercut those already existing in order to penetrate the market. Whereas this may constitute a strategy, often it is the cost of time, the cost of conscience in relation to the kind of purchase one makes and the cost of guilt (the right decision or not) that matters.

It is important to consider the convenience of the buying experience and then relate it to a suitable delivery mechanism. Convenience may include aspects of the physical or virtual location, ease of access, transaction service time and hours of availability. When designing a product, what matters is the customer and not the competitor. A company should design the delivery mechanism of a product with the need of the customer in mind and not what the competitor is doing. With novelty it's easy to draw the product map, but with imitations it is not easy to strategize on the next move.

Consequently multiple forms of communication should be used. Each medium serves a purpose in the various adoption stages.

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