

Impact of Strategic Management Decisions on Organizational Growth: A Case Study of Safaricom's Expansion Into Ethiopia

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ABSTRACT

This study explores the impact of strategic management decisions on organizational growth, using Safaricom's expansion into Ethiopia as a case study. Focusing on strategic management as the independent variable and organizational growth as the dependent variable, the research conceptualizes strategic decisions as encompassing market entry, resource allocation, financial inclusion initiatives, and customercentric pricing strategies. These decisions are pivotal for sustaining competitive advantage and adaptability in new environments, particularly in emerging markets like Ethiopia. Safaricom's strategic approach addresses the complexities of Ethiopia's regulatory framework, competitive landscape, and infrastructure demands, aiming to achieve both market penetration and long-term growth.

The research employs both primary and secondary data. Primary data was collected through structured interviews with Safaricom's senior management involved in the Ethiopian expansion, providing insights into the motivations, challenges, and adaptations in strategic decision-making. Secondary data from Safaricom's financial and operational reports supplemented the analysis, offering quantitative metrics of growth, including revenue, customer acquisition, and market share. The analysis, guided by the Dynamic Capabilities Theory and Resource-Based View, highlights how Safaricom's unique resources and strategic flexibility contributed to measurable growth outcomes in Ethiopia, such as increased digital financial access and enhanced network coverage. Findings indicate that Safaricom's strategic initiatives, particularly the integration of M-PESA for financial inclusion, adaptive pricing, and extensive network expansion, were instrumental in driving growth. Customer-centric approaches aligned Safaricom's services with local demands, fostering brand loyalty and sustaining market entry momentum. However, challenges such as regulatory compliance and economic volatility underscore the need for ongoing strategic adjustments to maintain competitiveness.

The study concludes that strategic management decisions significantly impact growth by enabling firms to navigate complex, dynamic markets. Recommendations include expanding M-PESA's financial services, enhancing rural connectivity, and fostering local partnerships to strengthen community ties and operational resilience. While this research offers valuable insights into strategic growth in emerging markets, it is limited to a single case within a specific timeframe, suggesting further longitudinal studies and comparative research across industries. These findings contribute to a nuanced understanding of strategic management's role in organizational growth, particularly within the telecommunications sector in Africa.

Keywords: Strategic Management, Organizational Growth, Market Entry, Resource Allocation, Financial Inclusion Strategy and Customer-Centric Pricing Strategies.

INTRODUCTION

Background of the Study

Strategic management decisions shape the entire organization by influencing competitive advantage, product development, market positioning, and resource allocation (Gamble, 2014). These decisions include actions such as expanding into new markets, launching new products, merging with or acquiring other companies, restructuring operations, forming strategic partnerships or alliances, and investing in sustainability initiative (Susanto, 2023). Consequently, organizational growth is directly influenced by how well these strategic decisions are implemented, as growth reflects the company's ability to

scale operations, increase market share, and improve overall performance (Earl, 1994). Thus, effective decision-making is essential for driving sustainable growth and ensuring the organization's adaptability in a dynamic environment (Barney, 1991).

The anchor theory for this study was the Dynamic Capabilities Theory (DCT), which provided a comprehensive framework for understanding how organization adapt, integrate, and restructure both internal and external competencies in response to fast evolving environments (Teece, 1997).

Complementing this was the Resource-Based View (RBV) theory, which focused on how internal resources, such as technological assets and skilled human capital, contribute to building unique competencies within the firm (Mailani, 2024). To highlight the constructs of organizational growth, the study used Resource Dependence Theory (RDT), which examined how a firm's reliance on critical external resources influences its growth trajectory (Pfeffer, 2015). Growth, as an expansive concept, was assessed through both qualitative and quantitative metrics, with RDT guiding the selection of parameters that considered the firm's dependency on external resources and their impact on sustainable growth outcomes (Dalton, 2022). Safaricom's distinctive resources, particularly in technology and brand equity, were analyzed to understand how these resources, alongside external dependencies, shaped its growth.

This study focused on Safaricom's expansion into Ethiopia, a significant strategic decision that marked a critical milestone in its regional growth trajectory (Safaricom PLC, 2024). As Kenya's leading telecommunications company (CAK, 2022-2023), Safaricom's entry into Ethiopia, Africa's second-most populous country (Statistical, 2024), aimed to capitalize on the country's vast market potential while navigating substantial regulatory, competitive, and operational challenges (Safaricom PLC, 2024). Ethiopia offered significant growth opportunities but also presented a complex environment with formidable barriers to entry. Understanding the strategic management decisions underpinned this expansion provides valuable insights into the complexities of entering new markets and sustaining organizational growth.

Strategic Management Decisions

Strategic management decisions involve crafting and executing significant organizational objectives and strategies, typically led by top executives acting on behalf of the owners (Ahlstrand, 2001). These decisions require a careful evaluation of internal capabilities and external competitive conditions, as they set the overall direction of the organization and influence its ability to adapt and succeed in complex environments (Gamble, 2014). Unlike operational or tactical decisions, strategic decisions are inherently risk-oriented, focus on long-term objectives, and significantly impact the organization's future (Barney, 1991).

According to Gamble & Thompson (2014), strategic decision-making is characterized by novelty, complexity, and uncertainty. Organizations often begin with limited understanding of the challenges ahead, navigating a dynamic process to develop effective strategies. This iterative process involves multiple steps, discontinuities, and adjustments over time (Susanto, 2023). Strategic decisions require substantial commitments of resources, set precedents for future actions, and ultimately determine the scale and scope of an organization's activities (Gamble, 2014). Various modes of strategic decision-making have been identified. Mintzberg (1973) categorizes these into three primary modes: entrepreneurial, adaptive, and planning. The entrepreneurial mode is characterized by decisive, visionary leadership, often involving bold actions to capitalize on opportunities (Gupta, 2012). In contrast, the adaptive mode focuses on incremental responses to changing circumstances, with decisions made reactively as challenges arise (Gupta, 2012). The planning mode is systematic, involving detailed analysis, forecasts, and structured decision-making processes (Gupta, 2012). Quinn (1980) introduced a fourth mode, logical incrementalism, which advocates for a gradual, flexible approach to decision-making, allowing for adjustments and modifications over time while maintaining strategic focus.

Organizational Growth

In her foundational work, Penrose (1959) offered a comprehensive perspective on the concept of growth, defining it in two primary ways. First, growth can be understood as a quantitative increase, such as a rise in sales, output, or market share (Roele, 2024). This form of growth is straightforward and measurable, allowing organizations to track their progress using clear metrics (Kor, 2016). Second, growth can be seen as qualitative improvement, representing an increase in size or capabilities driven by internal development (Roele, 2024). This internal growth reflects the organization's ability to enhance its systems, structures, and human capital to foster innovation and adaptability, ultimately supporting long-term success (Kor, 2016).

The dual nature of growth suggests that it encompasses both external expansion and internal evolution (Roele, 2024). While quantitative growth focuses on measurable outputs, qualitative growth emphasizes the underlying processes that sustain and enable that expansion (Roele, 2024). For instance, an organization may experience significant increases in

sales or market share (quantitative growth), but without the necessary improvements in internal processes, leadership, or innovation capacity, such growth may not be sustainable (Adomako, 2018). Thus, true growth involves both the visible, measurable outcomes and the less tangible, yet critical, internal developments that ensure adaptability and resilience (Kor, 2016). When examining quantitative growth, common metrics include sales, employment, assets, market share, and profits (Adomako, 2018). These indicators offer clarity and objectivity, helping organizations monitor their performance over time. For example, rising sales or an expanding market share reflects an organization's competitiveness and its ability to capture demand (Roele, 2024). Meanwhile, increasing profits highlight operational efficiency and financial health (Kor, 2016). However, a singular focus on quantitative metrics can be limiting. These numbers may not reveal deeper issues, such as inefficient operations, high employee turnover, or weak innovation pipelines, all of which could jeopardize long-term growth (Kor, 2016). Additionally, an overemphasis on short-term numerical gains may drive decisions that sacrifice strategic, long-term objectives for immediate results (Kor, 2016).

Qualitative growth, on the other hand, pertains to the internal dimensions of an organization, such as leadership quality, innovation capacity, organizational culture, and employee satisfaction (Roele, 2024). These factors are harder to measure but play a crucial role in sustaining growth. For example, strong leadership can inspire teams and drive innovation, while a positive organizational culture can improve employee retention and productivity (Kor, 2016). Furthermore, fostering innovation allows companies to stay ahead of the curve, enabling them to explore new markets and opportunities for growth (Roele, 2024). However, the challenge with qualitative measures is their subjectivity and difficulty in quantification, making it harder to track and communicate progress to stakeholders who rely on concrete data (Kor, 2016).

Therefore, organizations seeking sustainable growth must adopt a balanced approach, integrating both quantitative and qualitative dimensions (Roele, 2024). Quantitative metrics provide clear, measurable outcomes that reflect external performance, while qualitative factors ensure the internal capacity to sustain that performance over time (Roele, 2024). A holistic view of growth, incorporating both aspects, ensures that organizations not only expand in size or revenue but also evolve in ways that build long-term resilience, adaptability, and competitiveness (Weinzimmer, 1998).

Safaricom's Expansion into Ethiopia.

Safaricom Ltd, founded in 1997, has been pivotal in transforming Kenya's telecommunications sector, growing from 17,000 customers to 35.6 million by 2024 (Safaricom, 2024). Initially, the company focused on providing affordable and fast network access through 2G and 3G SIM cards, but quickly pivoted towards innovation (Safaricom PLC, 2024). A major breakthrough came in 2007 with the launch of M-PESA, a mobile money platform that transformed financial transactions in Kenya and promoted widespread financial inclusion (Safaricom PLC, 2024). Alongside this, Safaricom invested heavily in high-speed fiber networks, reinforcing its position as a leader in digital innovation. For the fiscal year ending March 2023, Safaricom reported substantial revenues of KShs 298.08 billion, demonstrating its sustained growth and market leadership (CAK, 2022-2023). Throughout its journey, Safaricom has remained committed to offering superior services, living up to its original tagline, "the better option" (Safaricom PLC, 2024).

In May 2021, Safaricom, in partnership with Vodafone, Vodacom, and Sumitomo Corporation, secured a license to operate in Ethiopia for USD 850 million (Safaricom PLC, 2024), marking a strategic move driven by several key factors. First, the liberalization of Ethiopia's telecommunications sector, which ended Ethio Telecom's monopoly, provided Safaricom with a rare opportunity to tap into one of Africa's last major untapped telecom markets. Ethiopia, with over 112 million people, presented a vast and underserved customer base, ripe for the kind of digital and financial services Safaricom excelled in offering. The liberalization coincided with Ethiopia's robust economic growth, which had been averaging a 7% annual GDP increase (Statistical, 2024), further enhancing the attractiveness of the market.

Additionally, Ethiopia's youthful population, with a large proportion under 25, provided Safaricom with a long-term opportunity to serve a tech-savvy demographic eager for digital services. Safaricom's proven success with mobile money in Kenya, especially through M-PESA, offered a model that could be replicated in Ethiopia, where banking penetration remains low (CAK, 2022-2023). Furthermore, Ethiopia's geographical proximity to Kenya and the strong bilateral relations between the two countries presented operational and logistical advantages. This expansion allowed Safaricom to diversify its revenue streams, reduce reliance on the Kenyan market, and leverage its technological expertise to meet Ethiopia's demand for improved telecommunications and financial inclusion (Safaricom PLC, 2024).

Despite the promising opportunities, the Ethiopian market poses several challenges, including regulatory, competitive, and operational hurdles (Safaricom PLC, 2024). The regulatory environment in Ethiopia is still evolving, requiring Safaricom to work closely with the Ethiopian Communications Authority to ensure compliance and smooth operations (Safaricom PLC, 2024). Additionally, the competitive landscape is expected to intensify as other global players eye the Ethiopian market (Safaricom PLC, 2024). However, Safaricom's strategic management decisions, robust investment plans, and commitment to innovation position it well to navigate these challenges and achieve sustainable growth in Ethiopia.

Research Problem

Strategic management decisions are essential for driving organizational growth and securing competitive advantage (Nima, 2022). These decisions influence resource allocation, market entry strategies, and overall positioning, allowing firms to align their internal capabilities with external opportunities (Roele, 2024). In rapidly changing and competitive environments, effective strategic management enables firms not only to expand but also to build resilience against emerging challenges (Gamble, 2014). For companies expanding into new markets, such decisions become particularly crucial in navigating regulatory frameworks, understanding local market demands, and establishing a foothold for sustainable success (Roele, 2024). Safaricom's entry into Ethiopia offered a compelling case study for examining the impact of strategic management decisions. With over 112 million people and a previously monopolized telecom sector, Ethiopia presented a substantial growth opportunity (Statistical, 2024). However, the complexity of navigating regulatory compliance and adapting to increasing competition required Safaricom to make informed and strategic choices. Drawing on its experience in Kenya, particularly with M-PESA, Safaricom's approach to resource allocation, regulatory adaptation, and market positioning was critical to its success in Ethiopia (Safaricom PLC, 2024).

Previous research highlighted various aspects of strategic management, but significant contextual and conceptual gaps remained in understanding how these decisions affected market entry and growth in emerging markets. Studies like Teece (1997) and DiMaggio (1983) explored general strategic management concepts, but did not focus on the specific challenges that firms faced when entering new and complex markets. Teece (1997) emphasized adaptability but lacked a market-specific entry focus, while DiMaggio (1983) broadly discussed institutional influences, making their conclusions less applicable to Safaricom's strategic management in the context of Ethiopia.

Locally, recent studies provided valuable insights but still left gaps relevant to Safaricom's expansion. For instance, Umuhoza (2019) explored how generic competitive strategies influenced Safaricom's performance, and Tharamba (2018) examined the effects of strategic positioning on Kenya's mobile telecommunications enterprises. Ali Khalif Gure (2018) focused on the strategic management driving the growth of SMEs, while Nima (2022) analyzed Safaricom's sustainable competitive advantage within Kenya. Obonyo (2015) studied the influence of growth strategies on Safaricom's performance. While these studies offered useful insights into local contexts, they did not address the specific challenges of international market entry, particularly in emerging markets like Ethiopia.

These studies revealed a need for a detailed examination of the impact of strategic management decisions in the context of market expansion into emerging markets like Ethiopia. As observed from the above, there has been no study specifically addressing how strategic management decisions impacted the expansion and success of firms in new and complex markets. This gap highlighted the need to examine how Safaricom's strategic decisions influenced its growth and success in entering the Ethiopian market, leading to the key research question which sought to address,,: What is the impact of Safaricom's strategic management decisions on its expansion in the Ethiopian telecommunication market?

Research Objectives

This study sought to analyze the impact of strategic management decisions on Safaricom's growth in Ethiopia.

Value of the Study

The conclusion of this research provides valuable insights to policymakers and government officials by highlighting the strategic considerations and challenges telecommunications companies face when entering new markets. By examining Safaricom's expansion into Ethiopia, the study offers guidance on developing regulatory frameworks and policies that foster sector growth and encourage investment. These findings help shape strategies that facilitate smooth market entry and sustainable growth for telecommunications firms.

Additionally, the research makes significant contributions to the academic field of strategic management and organizational growth, particularly in emerging markets. The detailed case study of Safaricom's expansion identifies key factors influencing success and address gaps in existing literature. This foundation encourages future research and advances the understanding of strategic management in similar contexts. For practitioners in the telecommunications industry, the study provides practical lessons on strategic planning and execution. It highlights the importance of aligning organizational capabilities with market opportunities and effectively managing regulatory and competitive challenges. These insights enable industry professionals to make informed decisions, enhancing their ability to develop and implement strategies that drive organizational growth and success in emerging markets.

LITERATURE REVIEW

The study was based on Strategic Management Decisions and Organizational Growth. It begins with an analysis of relevant theories, followed by a discussion of past studies on the topic. It concludes with a critique of these studies, identifying any gaps in the research.

Theoretical Foundation

A theory provides a structured explanation of a specific aspect of the natural or social world, offering a framework to understand and predict phenomena (Kerlinger, 2000). This study is primarily anchored in the Dynamic Capabilities Theory by Teece (1997), with additional support from the Resource-Based View (RBV), introduced by Penrose (1959).

Dynamic Capabilities Theory

The Dynamic Capabilities Theory builds on the Resource-Based View (RBV) (Teece, 1997) by addressing how companies can achieve lasting competitive advantages in fast-changing environments (Eisenhardt, 2000). Teece (1997) defined dynamic capabilities as the ability of a firm to integrate, develop, and reorganize both internal and external resources in response to changing markets. These capabilities involve routines and strategies that allow companies to adapt and grow as markets shift, evolve, or become obsolete (Eisenhardt, 2000). Teece (1997) further developed the theory by highlighting three core aspects of dynamic capabilities: sensing (identifying and assessing opportunities), seizing (mobilizing resources to take advantage of those opportunities), and transforming (continually updating and reorganizing a company's assets to stay competitive).

Despite its strengths, the Dynamic Capabilities Theory has been criticized for being unclear and hard to measure. Some scholars say the concept is too vague to assess its impact on organizational performance (Bleady, 2018). Others point out the lack of clear models to evaluate these capabilities and their effect on performance (Easterby-Smith, 2009). There are also concerns about the lack of clarity in its main ideas (Helfat, 2009), and the need for more research to connect these ideas to real-world organizational practices, even though many studies discuss the theory (Samsudin, 2019).

Despite these criticisms, applying Dynamic Capabilities theory in this study remains relevant to understanding Safaricom's expansion into Ethiopia. The theory provides a robust framework to analyze how Safaricom can integrate, build, and reconfigure its competencies to navigate the rapidly changing Ethiopian market environment. By examining Safaricom's strategic management decisions through the lens of Dynamic Capabilities, this study offered insights into how the company can achieve sustainable competitive advantage and superior performance in Ethiopia's dynamic telecommunications sector. The theory's focus on adaptability and reconfiguration is particularly useful for analyzing Safaricom's strategic initiatives in overcoming regulatory, competitive, and operational challenges in the Ethiopian market.

Resource Based View Theory

The Resource-Based View (RBV) complements the Dynamic Capabilities Theory by focusing on how a firm's internal resources and capabilities drive organizational growth (Mailani, 2024). RBV posits that organizational growth is primarily achieved through the effective utilization and development of a firm's unique resources, which are critical for sustaining a competitive advantage (Barney, 1991). This theory posits that the quality, rarity, and uniqueness of internal resources such as technological expertise, brand reputation, and human capital are fundamental drivers of sustainable growth (Mailani, 2024). Within this study, RBV was instrumental in examining Safaricom's internal strengths, including its technological assets, skilled workforce, and innovative capabilities, as critical components that fortify its competitive standing in the telecommunications industry.

However, the RBV theory is not without its critics. One major critique is its tendency to overlook external factors that may influence growth, such as market conditions and competitive dynamics (Nima, 2022). Critics argue that RBV focuses too heavily on internal resources without adequately considering how external pressures and opportunities can impact organizational performance (Nima, 2022). Additionally, RBV may overemphasize the importance of resource uniqueness without fully accounting for the dynamic nature of competitive advantage, which can shift rapidly due to technological advancements or changes in market conditions (Easterby-Smith, 2009).

Despite these critiques, RBV remains highly relevant for this study as it explains how Safaricom's distinctive resources such as technological expertise, a strong brand, and skilled workforce are leveraged through strategic management decisions to achieve growth. By analyzing how these resources drove Safaricom's expansion into Ethiopia, this study provided insights into the practical application of RBV, linking the theory directly to the firm's strategic decisions and the resulting growth in the Ethiopian market.

Resource Dependence Theory

Resource Dependence Theory (RDT), introduced by Pfeffer and Salancik (1978), emphasizes the influence of external dependencies on organizational behavior and decision-making. According to RDT, firms operate within an interconnected ecosystem and depend on critical external resources—such as financial capital, regulatory support, and technological inputs—that often fall beyond their direct control. This dependency creates a need for firms to strategically manage their relationships with external stakeholders and navigate environmental constraints. To secure resources and mitigate uncertainties, organizations often engage in partnerships, alliances, and compliance strategies that help them reduce dependency and adapt to changing external pressures.

In this study, RDT provides a valuable framework for understanding Safaricom's reliance on external factors, such as regulatory requirements, partnerships, and access to international markets. Safaricom's expansion into Ethiopia, for instance, is influenced by its ability to negotiate regulatory compliance and align with local stakeholders to secure operational resources. By applying RDT, this study assessed how Safaricom managed these dependencies to drive growth while reducing potential vulnerabilities in foreign markets.

RDT has been critiqued for its assumption that external dependencies primarily shape organizational behavior, potentially underestimating a firm's internal strategic autonomy. Critics argue that RDT may portray firms as overly passive, responding only to external pressures rather than actively shaping their environments (Casciaro & Piskorski, 2005). Furthermore, RDT may not fully capture the reciprocal nature of resource exchanges, particularly in cases where firms have significant bargaining power. Despite these critiques, RDT remains valuable for examining growth in contexts where external factors, such as regulatory frameworks and access to markets, play a substantial role.

In terms of selecting growth parameters, RDT is particularly relevant. By focusing on the types and levels of external dependencies Safaricom faces, RDT informs the choice of parameters that can effectively measure the impact of these dependencies on growth. For instance, metrics such as partnership effectiveness, compliance with regulatory requirements, and the scale of foreign market penetration were used to assess growth within the framework of RDT. These parameters help capture how Safaricom's strategies to manage external dependencies translate into measurable growth outcomes. Therefore, RDT not only elucidates the relationship between external resources and growth but also provides a foundation for selecting specific metrics that reflect Safaricom's adaptive strategies in response to its external environment.

Strategic Management Decisions and Organizational Growth

To fully understand the relationship between strategic management decisions and organizational growth, it is crucial to examine the strategic decision-making process and its implications on growth. This process involves four key stages (Alkhafaji, 2010): environmental scanning, setting objectives, strategy formulation, and implementation, with each step involving critical decisions that shape the organization's growth trajectory.

The first stage, environmental scanning, involves assessing internal and external factors that impact growth. Internally, organizations evaluate strengths, weaknesses, resources, and capabilities (Hornsby, 2002). Key strategic decisions include determining if the organization possesses the necessary financial, human, and technological resources to support growth initiatives (Hornsby, 2002). Externally, businesses analyze market trends, regulatory changes, competition, and technological advancements (Pagell, 2004). By identifying opportunities and threats through environmental scanning ensures that growth decisions align with organizational objectives (Alkhafaji, 2010).

Following environmental scanning, businesses face a critical decision about the growth mode to pursue. One option is organic growth, which involves internal expansion through activities such as increasing production capacity or enhancing product offerings (Kor, 2016). Decisions regarding organic growth are complex and may involve investing in innovation or improving operational efficiencies (Weinzimmer, 1998). As (Penrose, 1959) highlights, internal managerial limitations or external market saturation can hinder organic growth, necessitating strategic decisions around managerial development or market diversification. Companies may need to allocate resources to specialized training or new technologies to enhance their operational capabilities and support sustainable organic growth (Easterby-Smith, 2009).

An alternative growth mode is acquisition, where a firm accelerates expansion by purchasing another company (Adomako, 2018). Strategic decisions surrounding acquisitions include evaluating potential targets based on their market position, resources, and compatibility with the acquiring company's longterm goals (Pagell, 2004). Acquisitions allow companies to rapidly enter new markets, access new customer bases, or acquire valuable resources such as technology or intellectual property (Adomako, 2018). (Penrose, 1959) notes that acquisitions can help companies overcome internal limitations and external barriers. However, decisions related to financing the acquisition, integrating the acquired firm, and aligning its

operations with the parent company's objectives are essential to ensuring sustainable growth (Dalton, 2022). Growth through networks and alliances represents another strategic decision pathway (Adomako, 2018).

Companies must decide whether forming partnerships with other firms enables them to access new markets, resources, or innovations (Dalton, 2022). Strategic decisions in this mode involve determining the scope of the alliance, the sharing of intellectual property or resources, and the overall governance of the partnership (Pagell, 2004). By sharing risks and resources, businesses can jointly pursue growth opportunities that may have been too costly or risky to undertake independently (Dalton, 2022). Decisions in this area focus on collaboration management, and they can play a key role in facilitating collective growth and innovation in industries where rapid technological changes occur (Ali Khalif Gure, 2018).

Once the organization has identified the best growth opportunities, the next stage involves setting clear and measurable objectives (Adomako, 2018). The decisions at this stage revolve around defining the specific outcomes the organization seeks to achieve, such as increasing market share, expanding into new geographical locations, or launching new products (Kor, 2016). These objectives form the foundation for the organization's growth strategy. For instance, if a company plans to expand internationally, it must decide which countries to enter, the timeline for market entry, and the resources required to support this expansion (Alkhafaji, 2010). Setting clear objectives ensures that the strategic decisions made at each stage of the growth process are aligned with the overall business goals (Kor, 2016).

In the third stage, strategy formulation, the company decides how to achieve its growth objectives (Blackburn, 2013). Here, strategic decisions include selecting the specific growth strategy, whether to pursue organic growth, acquisitions, alliances, or internationalization (Adomako, 2018). If the company decides to expand internationally, it must make critical decisions regarding the mode of entry, such as exporting, setting up a local subsidiary, or forming joint ventures with local companies (Kor, 2016). The strategy formulation process also involves making decisions about how to allocate resources effectively to support these growth initiatives. This requires careful planning to ensure that the company's financial, human, and technological resources are sufficient to sustain long-term growth beyond market entry (Adomako, 2018). It is essential that these strategies remain flexible enough to adapt to changing market conditions while still aligned with the company's growth goals (Adomako, 2018).

The fourth stage, implementation, focuses on putting the chosen growth strategies into action (Adomako, 2018). Strategic decisions during this phase revolve around the allocation of resources, assigning responsibility for executing the growth initiatives, and determining timelines for achieving specific milestones (Dalton, 2022). For instance, if the company has chosen to grow through acquisitions, decisions must be made regarding the integration of the acquired firm's operations, management structures, and culture (Ali Khalif Gure, 2018). Ensuring that these integration processes run smoothly is key to realizing the expected benefits of the acquisition (Dalton, 2022). Similarly, for internationalization, strategic decisions involve setting up local management, adapting the product or service to fit the local market, and navigating regulatory challenges specific to the new country (Alkhafaji, 2010).

Continuous monitoring of the implementation process is essential to ensure that growth objectives are met. This requires making decisions about which key performance indicators (KPIs) to track, such as revenue growth, market share, operational efficiency, and customer satisfaction (Al, 2016) (Ahlstrand, 2001). Monitoring allows companies to identify areas where the strategy may need to be adjusted in response to internal challenges or external market dynamics (Alkhafaji, 2010). If the chosen growth strategy is not delivering the expected results, businesses must be prepared to pivot by forming new alliances, optimizing their operations, or revising their approach to market entry (Kor, 2016). Strategic decision-making at this stage involves maintaining flexibility and adaptability to ensure the organization remains competitive and continues to grow (Hornsby, 2002).

Growth is not a linear process and can be hindered by various factors (Dalton, 2022). Strategic decisions play a critical role in navigating constraints such as limited managerial capacity, market saturation, regulatory hurdles, and competition (Ali Khalif Gure, 2018). Internally, poor resource allocation, ineffective leadership, or misaligned strategies can also create barriers to growth. However, growth can be facilitated by effective strategic planning, adequate financial resources, technological innovations, and a strong capacity to innovate (Dalton, 2022). Companies that continuously assess their internal capabilities and external opportunities are better positioned to overcome these challenges and achieve sustainable growth (Kor, 2016). Strategic decisions that align internal strengths with external opportunities facilitate growth and help organizations thrive in competitive markets. (Ali Khalif Gure, 2018).

Review of Empirical studies and Research Gaps

Umuhoza (2019) conducted a study exploring how generic competitive strategies, such as cost leadership, focus, and differentiation, affect Safaricom's performance. Using a descriptive research design, the study surveyed 125 Safaricom

employees, with data analyzed using SPSS and Pearson's Correlation coefficient. The key findings indicated that economies of scale, capacity utilization, segmentation, and differentiation significantly contribute to Safaricom's performance. However, the study identified gaps, such as the need for further research on additional strategies and the incorporation of Porter's models for a more comprehensive understanding of organizational performance. Additionally, the study was confined to the Kenyan market and did not address how these strategies might need to be adapted for international expansion, such as in Safaricom's entry into Ethiopia.

Tharamba (2018) explored the effects of strategic positioning on the performance of Kenya's mobile telecommunications companies. The study focused on key factors such as product diversification, availability of resources, and the role of marketing and research & development. Using a descriptive research design, a census approach was applied, targeting managers in the marketing and research & development departments at Safaricom Limited's headquarters. The data, analyzed with SPSS version 18, showed that marketing, research & development, resource availability, and product variety positively influenced the performance of institutions within Kenya's telecommunications industry. However, the study was limited to the domestic market and did not address the strategic changes needed for entering international markets.

Ali (2018) investigated how strategic management decisions influence the growth of small and medium-sized enterprises (SMEs) in Kenya. The research focused on decisions concerning resource allocation, market entry strategies, and competitive positioning. The results highlighted the critical role that strategic decision-making plays in promoting organizational growth. However, the scope of the study was limited to SMEs and did not explore the specific challenges encountered by larger corporations, especially in the telecommunications industry, nor did it delve into the complexities of expanding into international markets. Nima (2022) explored how strategic positioning contributes to Safaricom's long-term competitive advantage. The study emphasized that Safaricom's market dominance in Kenya is largely attributed to its innovative range of products and robust network infrastructure. Despite these insights, the study did not address the challenges and strategies required for cross-border expansion, leaving a significant gap in understanding how Safaricom's strategies might need to adapt for success in international markets like Ethiopia.

Obonyo (2015) examined the influence of growth strategies on performance within Safaricom Limited, using a case study approach. While the study provided valuable insights into competitive strategies within Kenya's telecommunications sector, it primarily focused on domestic growth. The study did not consider the strategic challenges and necessary adjustments for entering and succeeding in international markets, such as Ethiopia.

RESEARCH METHODOLOGY

Research Design

According to Saunders (2023), research design refers to the overall plan that brings together the different elements of a study in a coherent and logical manner, ensuring effective data collection, measurement, and analysis (Larry, 2023). This study used a case study approach, focusing on Safaricom's expansion into Ethiopia to explore how strategic management decisions affect organizational growth. The case study method was particularly appropriate for this research as it enabled an in-depth, contextual examination of the issue within its real-world setting. This approach provided a thorough understanding of how strategic decisions drive growth, offering insights that may not be attainable through other research designs.

Data Collection

This study employed both primary and secondary data collection methods to ensure a comprehensive analysis of Safaricom's strategic management decisions and their impact on growth. Primary data was gathered through personal interviews, using a structured interview guide with open-ended questions designed to elicit detailed responses. Interviews were conducted with four senior managers at Safaricom Plc, specifically the Head of Strategy, Head of ICT, Head of Risk, and Head of Marketing. These individuals were selected due to their significant roles in strategic decision-making and in-depth knowledge of the company's expansion into Ethiopia. The interview guide covered several sections, including Introduction and Background Information to gather demographic data and contextualize responses; Strategic Management Decisions to explore specific decisions made during the expansion and the factors influencing them; Challenges and Opportunities to delve into the challenges faced and opportunities identified, and how these shaped strategic decisions; and Impact on Organizational Growth to investigate the perceived effects of these decisions on Safaricom's growth, including financial performance, market share, and anticipated future strategies. This approach ensured a detailed understanding of how strategic decisions influenced Safaricom's organizational growth during its expansion into Ethiopia.

Secondary data was also utilized to supplement and validate the primary data collected through interviews. This included analyzing Safaricom's quarterly performance reports, industry reports, and relevant literature on strategic management

and organizational growth. Secondary data provided quantitative insights, such as customer acquisition numbers, revenue growth, and key performance indicators, which were instrumental in supporting the findings from the primary data. Incorporating secondary data allowed for a broader perspective on Safaricom's market performance and strategic outcomes, enhancing the reliability and depth of the analysis. By combining these data sources, the study achieved a holistic view of Safaricom's growth trajectory and the efficacy of its strategic management decisions in the Ethiopian market.

Data Analysis

The qualitative data gathered from the interviews was examined using content analysis, systematically organizing responses into categories to uncover patterns, themes, and relationships within the text (Larry, 2023). By examining the frequency and context of these themes, the analysis aimed to interpret the underlying meaning of the data, focusing on the impact of strategic management decisions on organizational growth, particularly in the context of Safaricom's expansion into Ethiopia. Key themes such as decisionmaking processes, challenges faced, and opportunities leveraged, and the resulting growth outcomes were closely examined. Secondary data was analyzed alongside primary data to corroborate and contextualize the findings, ensuring that insights were well-grounded in actual performance metrics and industry trends. The integration of both primary and secondary data in the analysis process strengthened the validity of the study's conclusions, offering a comprehensive understanding of how strategic decisions have influenced Safaricom's growth trajectory in Ethiopia.

DATA ANALYSIS, FINDINGS, AND DISCUSSION

Demographic Information

The demographic profile of interviewees, all senior managers involved in Safaricom's Ethiopian operations, is presented here to establish their expertise and role in strategic decision-making. Most interviewees held positions in departments such as Strategy, ICT, Risk, and Marketing, with at least five years of experience at Safaricom. Each respondent held a minimum of a bachelor's degree, with several having advanced qualifications (Master's or Ph.D.), confirming their comprehensive knowledge of Safaricom's operations and strategic initiatives.

Strategic Management Decisions

To establish a competitive position in the Ethiopian telecommunications market, Safaricom PLC implemented a series of strategic management decisions designed to address unique market challenges and leverage growth opportunities. These strategies were critical in navigating regulatory barriers, expanding service reach, and ensuring affordability in a new and complex market environment. Key decisions focused on building partnerships for market entry, expanding network coverage, integrating mobile financial services, adopting customer-centric pricing, and employing adaptive financial strategies to cope with Ethiopia's economic conditions. Each strategy was tailored to overcome specific challenges and align with the Ethiopian market's dynamics, as discussed below.

Consortium Partnership

Safaricom's entry into Ethiopia was a landmark expansion requiring substantial resources, strategic alignment, and risk mitigation, which were effectively addressed through the formation of the Global Partnership for Ethiopia (GPE) consortium. This consortium brought together key industry players—Vodafone, Vodacom, Sumitomo Corporation, and British International Investment (BII)—each contributing unique strengths that made the venture feasible. By joining forces, the consortium members could pool financial resources, diversify expertise, and share technological infrastructure, creating a solid foundation for the significant market entry costs and operational challenges involved in expanding into Ethiopia. The consortium structure was essential in addressing the \$850 million license fee imposed by the Ethiopian government, which could have been prohibitively high for a single entity. The collaborative approach also allowed the consortium to navigate Ethiopia's strict regulatory landscape, where the telecommunications sector had been state-controlled until recent liberalization. By combining the technological and operational expertise of Vodafone and Vodacom with Sumitomo's local market insight and BII's financial backing, the consortium ensured that Safaricom could meet compliance requirements, deploy infrastructure, and establish services effectively.

Additionally, strategic financial backing from the International Finance Corporation (IFC) and the

Multilateral Investment Guarantee Agency (MIGA) provided vital support for the consortium's efforts. The IFC contributed \$157.4 million in equity and a \$100 million loan, while MIGA's involvement offered insurance against political and economic risks in Ethiopia. These financial inputs were instrumental in stabilizing the consortium's

investment against potential market volatility, allowing Safaricom to move forward with the confidence that major operational risks were managed. This collaborative investment model not only minimized exposure to risk but also offered a mechanism to sustain long-term investments in infrastructure and service deployment without compromising the consortium's financial stability. The GPE consortium partnership thus served as a well-coordinated market entry strategy, mitigating risks, spreading the substantial costs associated with licensing and regulatory compliance, and enabling Safaricom to launch a scalable operation in Ethiopia. This approach positioned Safaricom to establish a competitive foothold in Ethiopia's nascent telecommunications market by leveraging the combined resources, local expertise, and financial security provided by the consortium.

Network Expansion Strategy

Respondents consistently identified network expansion as foundational to Safaricom's Ethiopian growth strategy, emphasizing the importance of creating an infrastructure that reached both urban centers and underserved, rural areas. They noted that this extensive network deployment included not only densely populated regions but also conflict-prone areas like Tigray, where connectivity was previously limited. Safaricom's commitment to accessibility across such regions reinforced its image as a provider committed to inclusivity and reliable service, regardless of geographical or political challenges. By Q1 FY25, Safaricom had deployed 2,912 base stations, providing coverage to 44% of the Ethiopian population, an accomplishment that respondents viewed as essential in building a broad and loyal customer base.

The operational data reflected the impact of this strategy, with customer numbers growing from 2.74 million in Q1 FY24 to 4.57 million in Q1 FY25, attributed to Safaricom's broad network reach and reliability. Respondents indicated that this wide coverage was instrumental in establishing trust and brand loyalty, as customers in remote and conflict-affected areas could access Safaricom's services, often for the first time. Some respondents suggested that further collaboration with local infrastructure providers could accelerate deployment in challenging regions, making the network even more resilient and expansive.

TABLE 4.1: SUMMARY OF SAFARICOM NETWORK ROLLOUT AND POPULATION COVERAGE IN ETHIOPIA

Quarter	Base Stations Deployed	Cities Covered	Population (%)	Coverage
Q1 FY24	1,700	22	25	
Q3 FY24	2,242	33	33	
Q1 FY25	2,912	44	44	

Source: Researcher (2024)

M-PESA's Integration and Financial Inclusion

The integration of M-PESA was another strategic move that respondents regarded as instrumental in addressing Ethiopia's low banking penetration. They noted that M-PESA's introduction provided Ethiopians with much-needed access to financial services, especially for those without traditional banking options. By Q3 FY24, M-PESA had registered 3.1 million users, supported by a network of 26,200 agents and partnerships with nine banks, which facilitated interoperability across financial systems.

The impact of M-PESA extended beyond financial inclusion; respondents saw it as a strategic asset that solidified Safaricom's brand as a digital innovator and financial leader. Quarterly data reinforced this view, with transaction volumes and user adoption rates indicating strong demand for mobile financial services. Respondents suggested that expanding M-PESA's services to include micro-loans, savings, and insurance products could deepen user engagement and drive additional growth. This approach could cater to a broader range of financial needs and further strengthen M-PESA's position within Ethiopia's financial ecosystem.

TABLE 4.2: SUMMARY OF M-PESA GROWTH METRICS IN ETHIOPIA

Quarter	Registered Users (Mn)	M-PESA	Active Merchants (000s)	Transaction Volume (Mn)	Transaction Value (KES Mn)
Q1 FY24	1.2		12.4	2.0	3,000
Q3 FY24	3.1		43.1	9.2	18,500
Q1 FY25	5.8		29.2	34.97	47,248

Source: Researcher (2024)

Customer-Centric Pricing Strategy

Affordability emerged as a central element of Safaricom's pricing strategy, a focus that respondents identified as critical for capturing Ethiopia's price-sensitive market. Safaricom structured its pricing to ensure that its services remained accessible without compromising quality, resulting in an increase in average data usage per customer from 2GB in Q1 FY24 to 6.5GB in Q1 FY25. This increase in usage, coupled with a rise in Average Revenue per User (ARPU) by 70%, underscored the effectiveness of Safaricom's approach. Revenue growth from service operations, reported at KShs 577.6 million in Q1 FY24 and reaching KShs 2.04 billion in Q1 FY25, provided further evidence of the success of this strategy. Respondents attributed this growth to Safaricom's ability to align its pricing with local demand, which drove customer engagement and retention. Several respondents proposed refining this approach by introducing tiered service packages tailored to different customer segments, such as students and small businesses. Such targeted packages could optimize revenue per user and further enhance customer loyalty by offering more personalized solutions that cater to specific user needs.

TABLE 4.3: SUMMARY OF SERVICE REVENUE AND ARPU COMPARISON BY SERVICE TYPE

Quarter	Voice Revenue (KES Mn)	Data Revenue (KES Mn)	M-PESA Revenue (KES Mn)	ARPU Voice (KES)	ARPU Data (KES)	ARPU - MPESA (KES)
Q1 FY24	152.1	361.3	0.0	35.98	117.86	0.0
Q3 FY24	678.0	2,506.7	44.9	40.06	199.92	4.22
Q1 FY25	273.4	1,599.8	8.6	37.99	244.7	217.68

Source: Researcher (2024)

Adaptive Financial Strategies

Ethiopia's economic challenges, particularly inflation and currency fluctuations, required Safaricom to adopt adaptive financial strategies, as noted by respondents. By sourcing materials locally and relying on Ethiopia's power grid, Safaricom managed to control operational costs, a strategy that respondents considered essential for maintaining service affordability amidst economic volatility. This approach minimized the impact of inflation on customer pricing, preserving Safaricom's competitive edge and ensuring that it could continue offering accessible services despite external pressures.

Respondents highlighted that these adaptive measures were crucial for sustaining profit margins and maintaining financial stability. Some saw value in further strengthening local procurement efforts by prioritizing Ethiopian suppliers, which could reduce import costs while fostering community support for Safaricom's operations. This local focus would enhance Safaricom's long-term resilience and contribute positively to its integration within Ethiopia's economic framework.

DISCUSSION OF FINDINGS

The findings from this study demonstrate a positive relationship between Safaricom's strategic management decisions and its organizational growth in Ethiopia. Through targeted strategies such as consortium partnerships, network expansion, M-PESA integration, customer-centric pricing, and adaptive financial measures, Safaricom successfully addressed the complexities of entering a new market, underscoring the strong connection between strategic decision-making and growth outcomes. The alignment of these findings with previous studies further validates the effectiveness of these strategies.

The consortium partnership through the Global Partnership for Ethiopia (GPE) provided Safaricom with the necessary resources to address financial, regulatory, and operational challenges. This approach aligns with Resource Dependence Theory (RDT), which emphasizes leveraging external partnerships to secure critical resources and mitigate dependencies on regulatory and capital inputs (Pfeffer & Salancik, 1978). By pooling resources, Safaricom minimized financial risks and navigated regulatory hurdles, reflecting similar findings by Ali (2018), who highlighted partnerships as a key mechanism for entering new markets. This positive relationship between partnership formation and successful market entry illustrates the value of strategic alliances in fostering organizational growth.

The extensive network expansion undertaken by Safaricom supports Dynamic Capabilities Theory (DCT), which emphasizes organizational adaptability in dynamic environments (Teece, 1997). Safaricom's broad network reach, including underserved areas, allowed the company to establish a reputation for reliability and inclusivity, essential

attributes in a competitive telecommunications market. This approach is consistent with Tharamba's (2018) findings, which showed that network expansion and resource availability play crucial roles in competitive positioning. By prioritizing connectivity in underserved and conflict-prone areas, Safaricom effectively demonstrated adaptive capacity, a core tenet of DCT, and solidified its market presence. The positive relationship between network expansion and market reach underscores the importance of adaptability and inclusivity as drivers of organizational growth.

The integration of M-PESA into the Ethiopian market showcases how Safaricom leveraged its unique digital financial platform to address low banking penetration, aligning with Resource-Based View (RBV) principles. RBV suggests that unique internal resources can provide competitive advantage (Barney, 1991), and Safaricom's innovative use of M-PESA illustrates this by filling an unmet need for financial services. This strategic move aligns with findings by Nima (2022), who observed that digital innovation in Kenya enabled Safaricom to build a sustainable competitive edge. M-PESA's rapid adoption in Ethiopia, supported by partnerships with local banks, demonstrates the positive impact of leveraging distinctive assets to foster financial inclusion. This strategic choice reflects a positive relationship between innovation and competitive advantage, supporting growth by enhancing both financial access and brand leadership.

Safaricom's customer-focused pricing approach played a vital role in capturing the Ethiopian market, aligning with studies on the importance of market-driven pricing strategies. By offering affordable pricing tailored to Ethiopia's price-sensitive consumer base, Safaricom increased average data usage and revenue, demonstrating alignment with Kagika's (2016) findings on the link between customer-centric strategies and organizational growth. The results also corroborate Wanjiru's (2021) findings on how pricing strategies can drive customer retention and revenue growth. The positive relationship between customer-focused pricing and revenue performance reinforces the significance of pricing as a strategic lever for organizational growth, particularly in price-sensitive markets.

Safaricom's financial adaptability in response to Ethiopia's inflation and currency fluctuations reflects the Dynamic Capabilities Theory, which emphasizes the importance of ongoing adjustment to external economic factors (Eisenhardt, 2000). By sourcing locally and using Ethiopia's power grid, Safaricom managed to stabilize operational costs, reinforcing findings by Kiilu (2008) on the importance of resource allocation in supporting operational efficiency. This adaptability to local economic conditions, essential for sustaining growth, underscores the positive relationship between financial resilience and organizational stability in emerging markets.

Overall, Safaricom's strategic management decisions exemplify a strong alignment with the principles of

Resource Dependence Theory (RDT), Dynamic Capabilities Theory (DCT), and Resource-Based View (RBV). These theoretical frameworks collectively underscore the positive relationship between strategic resource management, adaptability, and competitive advantage. The successful integration of Safaricom's internal resources and external partnerships in Ethiopia highlights the critical role of comprehensive strategic planning in achieving sustained growth. The findings agree with previous studies that emphasize the value of adaptable, resource-based, and partnership-driven strategies in enhancing performance and growth within dynamic, emerging markets. Through these strategies, Safaricom achieved significant growth outcomes, as reflected in customer acquisition, revenue increases, and positive brand perception, further validating the impact of strategic management on organizational success in complex environments.

Table 4.4: Summary of Outcomes of Strategic Decisions in Ethiopian Market

Strategic Decision	Outcome
Network Rollout	Achieved 44% population coverage across Ethiopia with 2,912 base stations.
M-PESA Launch	Registered 5.8 million M-PESA users, partnering with local banks for interoperability.
Customer Growth	Gained 4.6 million active customers, demonstrating strong market penetration.

Source: Researcher (2024)

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary of the Findings

This research demonstrates that Safaricom's success in Ethiopia can be attributed to a series of interconnected strategic decisions focused on network expansion, digital financial inclusion through MPESA, customer-centered pricing strategies, and adaptive financial planning. The data gathered from interviews and quarterly reports reveals that network expansion

was fundamental to establishing a strong market presence. By strategically deploying over 2,900 base stations and extending its services to conflictprone and rural regions, Safaricom positioned itself as a provider capable of reaching even the most underserved communities, gaining substantial customer loyalty.

Equally transformative was the launch of M-PESA, Safaricom’s mobile money service, which rapidly became an essential financial tool for Ethiopia’s unbanked population. By partnering with local banks and enabling interoperability with nine financial institutions, M-PESA’s services became accessible nationwide. This decision aligned with Ethiopia’s financial inclusion goals, and within months, M-PESA recorded millions of registered users. Furthermore, Safaricom’s customer-centered pricing strategy contributed significantly to user growth and retention. Offering affordable data packages in a price-sensitive market proved effective, as reflected in the substantial increase in both average data usage per customer and overall revenue. Lastly, Safaricom’s adaptive approach to economic challenges ensured cost management amidst inflation and currency depreciation, securing profitability while maintaining competitive pricing.

CONCLUSIONS

This study concludes that Safaricom’s strategic management decisions were integral to its successful market entry and growth in Ethiopia. The decision to expand network coverage quickly enabled Safaricom to establish a reliable infrastructure that attracted a broad customer base, including previously underserved areas. This expansion not only boosted connectivity but also reinforced Safaricom’s brand as a reliable and accessible service provider. Moreover, M-PESA’s launch was instrumental in creating financial access for millions of Ethiopians, offering an essential service in a country where traditional banking infrastructure is limited. This step underscored Safaricom’s commitment to addressing local needs while expanding its influence as a financial services provider.

The pricing strategy adopted by Safaricom, focused on affordability and value, further strengthened its position in the Ethiopian market. By meeting customer expectations for low-cost, high-value data services, Safaricom built strong customer relationships, establishing itself as a trusted and accessible telecommunications provider. This pricing approach supported sustainable growth, enabling Safaricom to balance customer needs with profitability. Additionally, Safaricom’s adaptability in managing economic challenges—such as inflation and currency depreciation—was essential for sustaining its operational stability. By leveraging Ethiopia’s local power grid and minimizing currency dependencies, Safaricom ensured that it could continue to grow while preserving operational resilience. Collectively, these strategies align with the Dynamic Capabilities Theory and the Resource-Based View, as Safaricom’s adaptability and unique assets contributed directly to its competitive advantage and growth in a complex market environment.

Recommendations of the Study

To build on its current success, Safaricom could consider several strategic initiatives aimed at deepening market engagement and ensuring long-term growth. Firstly, expanding M-PESA services to include products such as micro-loans, savings accounts, and insurance would enhance M-PESA’s value to users and strengthen Safaricom’s role in promoting financial inclusion. These additional financial services would meet the diverse needs of Ethiopia’s population, especially the underbanked segments, and position Safaricom as a comprehensive digital financial services provider.

Increasing network coverage in remote and rural areas would further solidify Safaricom’s brand as an inclusive provider. By focusing on infrastructure in underserved regions, Safaricom can capture new customer segments and reinforce loyalty among users who value access to consistent, reliable connectivity. Additionally, Safaricom could benefit from investing in localized marketing campaigns and Corporate Social Responsibility (CSR) initiatives that resonate with Ethiopia’s social and cultural context. Programs that address digital literacy, youth empowerment, and community development would foster deeper connections with local communities, enhancing brand loyalty and trust.

To manage operational costs effectively in Ethiopia’s challenging economic landscape, Safaricom could pursue partnerships with local vendors and service providers. These collaborations would help minimize import costs, support local businesses, and further embed Safaricom within the Ethiopian economic ecosystem. Such partnerships would also bolster Safaricom’s image as a community-focused organization committed to Ethiopia’s socio-economic development, strengthening both operational resilience and customer trust.

TABLE 5.1: Summary of Challenges and Strategic Recommendations

Challenge	Recommendation
Regulatory Hurdles	Form partnerships with government to ensure compliance and smooth operations.
Economic Instability	Implement adaptive pricing and local procurement strategies to manage costs.

Competition	Invest in local brand-building and customer engagement to strengthen market position.
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Source: Researcher (2024)

Limitations of the Study

While this study offers valuable insights into Safaricom’s strategic management and growth in Ethiopia, it is essential to recognize certain limitations. One limitation is the study’s exclusive focus on Safaricom’s operations within the Ethiopian market. The insights gained from this case may not fully apply to other industries or companies with different operational dynamics. Additionally, the data sources were limited to quarterly reports and managerial perspectives, potentially limiting the scope of insights from a broader customer or regulatory viewpoint. Another consideration is that the study covered a relatively short timeframe, from FY24 to FY25. This limited period may not fully capture the long-term effects of Safaricom’s strategic decisions or any subsequent adaptations that may arise in response to future regulatory or market shifts. Future studies could benefit from a longitudinal approach to assess these long-term impacts more comprehensively.

Suggestions for Further Research

This study opens several avenues for further research, particularly regarding strategic management in emerging markets. One area of interest could be an in-depth exploration of the long-term impact of Safaricom’s expansion on Ethiopia’s telecommunications landscape. Researchers could examine how MPESA has influenced financial behavior and economic activity in Ethiopia, specifically regarding digital financial inclusion and empowerment. This focus on financial inclusion would provide insights into how digital payment solutions impact socio-economic development in regions with limited access to traditional banking.

Comparative studies involving other telecommunications companies that have expanded into similar markets would also be valuable. By comparing strategies and outcomes, researchers could identify best practices and key differentiators that contribute to successful market entry and growth in emerging economies. Finally, future research could explore the role of CSR initiatives in building brand loyalty and customer trust in new markets. Such studies would provide insights into how community engagement and localized marketing strategies enhance customer relationships, ultimately supporting long-term organizational growth in culturally diverse regions.

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57. **Interview Guide**
58. This interview guide is designed to collect data that will help in better understanding the strategic management decisions made by Safaricom PLC during its expansion into Ethiopia and their impact on the company's organizational growth. The data collected by this interview guide will be held with strict confidentiality.
59. **Section 1: Introduction and Background Information**
60. Can you please describe your role at Safaricom and your involvement in the company's expansion into Ethiopia?
61. **Section 2: Strategic Management Decisions**
62. What frameworks or models did Safaricom use to guide its strategic decision-making during the Ethiopian expansion, and how were these frameworks adapted to the local market environment?
63. How did Safaricom evaluate the potential risks and benefits associated with entering the Ethiopian market, and what role did these evaluations play in final strategic decisions?
64. Can you elaborate on the key strategic decisions made during Safaricom's expansion into Ethiopia, particularly those that influenced the company's ability to navigate market entry, competition, and regulatory challenges while positioning itself for sustained growth?
65. How did Safaricom's leadership balance between short-term operational goals and long-term strategic growth when making key decisions for the Ethiopian market entry?
66. **Section 3: Challenges and Opportunities**
67. What challenges did Safaricom encounter in Ethiopia's regulatory and competitive landscape, and how were they addressed?
68. What growth opportunities did you identify in the Ethiopian market, and how did Safaricom position itself to capitalize on these opportunities?
69. What specific metrics does Safaricom use to measure the success of its strategic decisions in Ethiopia, both quantitatively (e.g., revenue, market share) and qualitatively (e.g., innovation, customer satisfaction)?
70. How have Safaricom's strategic decisions impacted its organizational growth in Ethiopia, and what factors have contributed the most to this growth?
71. **Section 5: Future Strategies and Lessons Learned**
72. Based on Safaricom's experience in Ethiopia, what are the key lessons learned regarding international market entry and growth, and how will these lessons influence future expansion strategies?
73. What strategic adjustments do you foresee Safaricom making in Ethiopia to ensure continued growth and competitive advantage in the coming years?
74. Is there anything else you would like to share about the strategic management decisions and their impact on Safaricom's growth?