

## **Abstract**

Doing business in developing economies like Kenya is difficult because of resource scarcity, weak institutions, poor market infrastructure and lower purchasing power of consumers especially in rural areas. In the past, most multinational corporations have repeatedly failed to penetrate this market, acquire relevant and valuable resources, to create value for these consumers, launch, and grow a sustainable business. The challenges in designing a business model in this market is how to combine and maintain a balance between low cost, quality products, sustainability, profitability, and integrate all stakeholders in value creation. Safaricom Kenya offers a viable business model for this market, as they are socially and culturally appropriate and environmentally sustainable building value off local resources and capabilities. The company harnesses customer competencies by engaging with them beyond the mere buyer-seller relationship to innovate products with them. Their strength and survival largely depend on how they understand consumers' needs and how they create, enhance, retain, and, most importantly, utilize and preserving the existing social capital."