
The Impact of the Regulatory Activities of NCC on the Marketing of Telecommunication Services in Nigeria

(A Study of GSM Operators in Imo State)

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ABSTRACT

This seminar paper is intended to generally appraise the marketing practices in the telecommunication sector before and after deregulation, and also the impact of deregulation and the regulatory activities of NCC on the marketing of GSM services in Nigeria. Prior to the deregulation of the sector, the erstwhile monopoly service providers in the sector paid little or no attention to the practice of marketing and this situation resulted in poor quality of services, limited scope and low capacity utilization resulting in low availability of services and high prices of telecommunication services. The above situation necessitated the involvement of private initiative in the sector hence the deregulation of the sector and the establishment of a regulatory agency (NCC) to regulate the activities of the stakeholders in the sector. The deregulation of the sector dismantled the disequilibrium in the market structure, thereby engendering competition. In order to cope with the challenges of competition, the newly licensed GSM operators adopted marketing practice. Survey research design was used in conducting this study because the study involves collection of data from respondents through the administration of questionnaire. Simple random sampling technique was used in selecting five (5) key staff of NCC from a staff population of two-hundred and fifty(250) staff at its corporate headquarters and nine(9) staff of the three selected GSM operators (MTN,GLO and ETISALAT) in Imo state. These two sets of staff serve as sample size for the study and two sets of questionnaires were administered to them .The data collected was tested for reliability using a Cronbach. The hypotheses stated were analysed using Pearson moment coefficient correlation. Based on the analysis of the data collected, the following findings were made; Poor and/or absence of marketing practice and competition as a result of monopoly power of service providers in the sector prior to deregulation, dismantling the monopoly power of the defunct service providers in the sector after deregulation, providing enabling environment for private sector participation in the sector, improved quality and scope of service and reduction in prices of service to the subscribers. Based on the findings, the following recommendations were made; Consumer forum/committee should be constituted, closer collaboration between NCC and security agent, NCC should enforce policies that should compel operators abide by global best practices, especially in technology.

1.1 INTRODUCTION

For the past twenty five years, the telecommunication sub-sector has been going through restructuring and re-engineering to reposition the sector to meet the changing needs of the market. The restructuring of the sector started sometimes in 1985, when the technical section of the defunct Post and Telecommunication Dept (P & T) was merged with the defunct NET to form what we have now as Nigerian Telecommunication Limited (NITEL). These defunct telecommunication outfits were 100% Federal Government owned, enjoyed monopoly of service provision in the industry and operated on statutory basis. This means that they were not profit oriented and their operations were funded and controlled by the Federal Government. The above factors resulted in poor service provision and limited scope of telecommunication services in the country. A retrospective appraisal of the sector's performance prior to the establishment of NITEL shows that government and indeed the general public had shown serious concern over the poor services of P and T. The above situation prompted Njoku (1980) to observe that after 1960, the need for telephone facilities was no longer confined to government functionaries because of the increased tempo of development of trade, commerce and industries which also needed efficient telecommunication services. To support this argument statistically, he cited the increase in the number of telephone lines in the country from 70,000 in 1970 to 119,000 in 1974. Anderson (1982), observed from his own perspective on the situation in the telecommunication sector, that the demand by subscribers in the rapidly expanding industrial and commercial sectors of the economy has given rise to congestion, failure of calls and poor services. He went further to state that Nigeria economic development requires a much better telephone service than we have at present, but there have been difficulties to overcome such. This is as a result of the fact that equipments are not standardized and this created difficulties of expansion. From the foregoing, it is obvious that the then government of the federation had suddenly realized the importance of efficient telecommunication services in the economic and social development of the country. Hence, Anderson (1982), remarked that the third National Development Plan included the complete reorganization of Nigerian Telecommunication Limited to be managed on a business-like manner. The reason for the decision to run the corporation as a business organization may be traced to the lapses experienced in services offered by the government ministries and departments.

The above situation prompted the establishment of NITEL by the Federal Government with a charge to be self-sustaining and more efficient with a view to improving the quality of services and increasing the scope of operation to meet the changing needs of the market. The Nigerian Telecommunication Limited (NITEL) could not meet up with this charge and in 1992, the Federal Government embarked on a phased deregulation of the industry aimed at involving the private investors in the industry. This, the Federal Government started by setting up Nigerian Communication Commission (NCC) which was charged with the responsibilities of putting together a regulatory framework that would ensure private sector participation in the provision of telecommunication services in Nigeria.

Prior to the establishment of Nigerian Communication (NCC) and the issuance of operating licenses to GSM operators, the sector was characterized by poor service provision resulting from the inability of the only service provider in the sector (NITEL) to cope with the demands of the market. In 1998, the Federal Government embarked on a phased deregulation of the industry by issuing operating licenses to five private operators, to provide fixed wireless telephone services alongside NITEL providing land line telephone services. Even with the issuance of operating license to the five private operators and the massive expansion programme

embarked by NITEL, the operators in the industry were still not able to meet with the market needs and the International Telecommunication Union (ITU) teledensity ratio of one telephone to one hundred persons. Manuwa (1991), confirmed the situation when he observed that the telephone density as at 1991 was one telephone to four hundred persons and he went ahead to state that the poor teledensity ratio was as a result of the monopoly enjoyed by NITEL which limited private sector initiative in the industry.

Nigeria had a population of about one hundred and twenty million (120m) people as at 1992(Federal Office Of Statistic,1990). The installed capacity of NITEL and the five private operators throughout the federation stood at seven million, two hundred thousand (7,200,000) lines with connected services standing at six hundred and sixty thousand (660,000) lines, out of which only four hundred and twenty thousand (420,000) telephone lines were functional before the advent of GSM telephone services in the country (NITEL Service Brochure, 1997). A comparative analysis of Nigerian population vis – a – vis the installed capacity of the operators in the industry revealed a wide gap between the supply and demand of telecommunication services in the country as at then. Again, the increasing globalization of trade and the growing sophistication of telecommunication services the world over called for a review of the country's telecommunication policy (Nebo 2007). Ndukwe(1997), while assessing the post deregulation state of telecommunication service in the country, observed that NITEL was finding it essentially difficult to acquire spare parts to refurbish the analogue system which accounts for the erratic and unreliable telephone service in the country . It is therefore seeking optic fibre transmission network as an ideal medium for the anticipated line up of traffic. He also went ahead to observe that some NITEL External Lines Plants or underground telephone cables have been buried for over twenty years.

The need to redress the above situations prompted the federal government to embark on a full deregulation of the sector by issuing operating licenses to four GSM operators. The federal government also took further step to ensure full deregulation of the sector by divesting its 51% stake with NITEL and this move was to strengthen and prepare the organization to cope with the competition that would be engendered by the deregulation of the sector. It is important to note that the attempted privatization of NITEL by the federal government was frustrated by the staff union of the organization in collaboration with other interested groups.

The full deregulation of the telecommunication industry tremendously boosted the tempo of business in the sector. This situation therefore necessitated the establishment and/or strengthening the existing regulatory agencies in the sector to provide a level playing ground for the operators and ensure full protection of the consumers in the sector.

Based on the above situation, Nigerian Communication Commission which was established in 1992 was restructured, strengthened and re-empowered in 1999 to regulate the activities of the operators in the sector in order to ensure fair play and improved quality of service in the sector.

1.2 STATEMENT OF PROBLEMS

The Nigerian telecommunication sector, prior to its deregulation was characterized by poor service provision by the erstwhile government owned, monopoly service provider (NITEL).

The defunct organizations (P & T and NET) that operated in the sector were 100% government owned, enjoyed monopoly of service provision in the industry and operated on statutory basis.

The absence of the private sector initiative resulted in disequilibrium in the market structure, thereby making the monopoly service provider to be complacent about the adoption of marketing practice.

The non-adoption of marketing by the monopoly service provider was justified as there was no competition. The absence of competition resulted in limited scope and poor quality service as the monopoly service provider (NITEL) did not have the capacity to provide enough telecommunication services to Nigerians.

Limited scope of service occasioned by the inability of NITEL to meet with the demand of the market result in high price of telecommunication services to Nigerians.

Still as a result of limited scope of service, the distribution of the service was limited to only government functionaries, multinationals and only the very rich in the country.

The above situations prompted the establishment of NITEL and subsequent deregulation of the sector by the federal government by issuing operating licenses to GSM operators. For effective deregulation, the federal government set up Nigerian Communication Commission (NCC) to regulate the activities of the stakeholders and also protect their interests.

1.3 STATEMENT OF OBJECTIVES

The purpose of this study is to generally appraise the impact of the regulatory activities of Nigerian Communication Commission (NCC) on the marketing of telecommunication services by GSM operators in Nigeria. The other specific objectives of this study are as follows: to

- generally appraise the marketing practice of GSM operators in the Nigerian Telecommunication sector before and after deregulation and the activities of NCC in regulating the operators after deregulation.
- identify the defects in the marketing practices of the operators prior to the deregulation of the sector.
- identify the problems militating against effective marketing practice prior to the deregulation of the sector.
- highlight the post-deregulation marketing practices of the telecommunication operators.
- appraise the impact of the regulatory activities of NCC on the marketing of telecommunication services.

Finally, to recommend the most appropriate marketing strategies the new telecommunication (GSM) operator should adopt to enable them cope with the regulatory activities of NCC.

1.4 RESEARCH QUESTIONS

- Did P&T and NET practice marketing?
- Did the defunct telecommunication operators (NET and P&T) practice marketing?
- What were the defects in their marketing practices prior to the deregulation of the sector?
- What were the factors that impeded the practice of marketing by the defunct telecommunication operators prior to the deregulation of the sector?
- How would the Nigerian Communication Commission be assessed in its regulatory activities?
- What are the impacts of the regulatory activities of NCC on the marketing practices operators in the sector?

1.5 STATEMENT OF HYPOTHESIS

With due consideration to the statement of problems and objectives of this study, there is need to test some hypothesis with a view to identifying the relationship between some variables. To this end, the following hypotheses are hereby stated.

- H₀₁:** There were no defects in the marketing practices of the defunct organizations prior to the deregulation and establishment of NCC.
- H₁₁:** There were defects in the marketing practices of the defunct organizations prior to the deregulation of the sector and establishment of NCC.
- H₀₂:** The deregulation and regulatory activities of NCC did not have any impact on the marketing practices of GSM operators in the Nigerian Telecommunication sector.
- H₁₂:** The deregulation and regulatory activities of NCC had impact on the marketing practices of GSM operators.

1.6 SIGNIFICANCE OF THE STUDY

This study will be both practically and theoretically significant. Theoretically, it is significant because it will add to the number of studies already carried out in this area. It will also serve as a guide to upcoming scholars who will carry out research on similar topics. To the best of the researcher's knowledge, this is a pioneer work in the area of government regulation as it affects GSM operators in the marketing of their services in Nigeria. As a result, this work will seek further scientific investigation into the impact of government regulation on the marketing of GSM as they affect the operators in the industry. It will also serve as a basis for further studies in the area of government regulations and their impacts on other service providers

Practically, this seminar paper will be of immense significant because it will provide guides to policy makers in the formulation of regulatory policies that will ensure effective protection of consumers' rights in the marketing of telecommunication services in Nigeria.

The findings and implementation of this seminar paper will not only ensure the protection of the consumers' rights, but will ensure effective implementation of these regulations to the benefit of the GSM service providers and marketers.

Finally, this seminar paper will provide government opportunity to incorporate the views of service providers, marketers and subscribers of telecommunication services in the formulation of future regulations.

LITERATURE REVIEW

2.1 PROBLEMS AND CHALLENGES IN THE TELECOMMUNICATION SECTOR PRIOR TO THE ESTABLISHMENT OF NCC AND ISSUANCE OF OPERATING LICENSES TO GSM OPERATORS

Prior to the establishment of Nigerian Communication (NCC) and the issuance of operating licenses to GSM operators, the sector was characterized by poor service provision resulting from the inability of the only service provider in the sector (NITEL) to cope with the demands of the market. In 1998, the Federal Government embarked on a phased deregulation of the industry by issuing operating licenses to five private operators, to provide fixed wireless telephone services alongside NITEL providing land line telephone services. Even with the issuance of operating license to the five private operators and the massive expansion programme embarked by NITEL, the operators in the industry were still not able to meet with the market needs and the International Telecommunication Union (ITU) teledensity ratio of one telephone to one hundred persons. Manuwa (1991), confirmed the situation when he observed that the

telephone density as at 1991 was one telephone to four hundred persons and he went ahead to state that the poor teledensity ratio was as a result of the monopoly enjoyed by NITEL which limited private sector initiative in the industry.

Nigeria had a population of about one hundred and twenty million (120m) people as at 1992(Federal Office Of Statistic,1990). The installed capacity of NITEL and the five private operators throughout the federation stood at seven million, two hundred thousand (7,200,000) lines with connected services standing at six hundred and sixty thousand (660,000) lines, out of which only four hundred and twenty thousand (420,000) telephone lines were functional before the advent of GSM telephone services in the country (NITEL Service Bronchure, 1997). A comparative analysis of Nigerian population vis – a – vis the installed capacity of the operators in the industry revealed a wide gap between the supply and demand of telecommunication services in the country as at then. Again, the increasing globalization of trade and the growing sophistication of telecommunication services the world over called for a review of the country's telecommunication policy (Nebo 2007). Ndukwe(1997), while assessing the post deregulation state of telecommunication service in the country, observed that NITEL was finding it essentially difficult to acquire spare parts to refurbish the analogue system which accounts for the erratic and unreliable telephone service in the country . It is therefore seeking optic fibre transmission network as an ideal medium for the anticipated line up of traffic. He also went ahead to observe that some NITEL External Lines Plants or underground telephone cables have been buried for over twenty years.

The need to redress the above situations prompted the federal government to embark on a full deregulation of the sector by issuing operating licenses to four GSM operators. The federal government also took further step to ensure full deregulation of the sector by divesting its 51% stake with NITEL and this move was to strengthen and prepare the organization to cope with the competition that would be engendered by the deregulation of the sector. It is important to note that the attempted privatization of NITEL by the federal government was frustrated by the staff union of the organization in collaboration with other interested groups.

The full deregulation of the telecommunication industry tremendously boosted the tempo of business in the sector. This situation therefore necessitated the establishment and/or strengthening the existing regulatory agencies in the sector to provide a level playing ground for the operators and ensure full protection of the consumers in the sector.

Based on the above situation, Nigerian Communication Commission which was established in 1992 was restructured, strengthened and re-empowered in 1999 to regulate the activities of the operators in the sector in order to ensure fair play and improved quality of service in the sector.

2.2 NIGERIAN COMMUNICATION COMMISSION (NCC): BACKGROUND, OBJECTIVES AND FUNCTIONS.

The Nigerian Communication Commission (NCC) is an independent National Regulatory Authority set up by the Federal Government in 1992 to oversee and regulate the activities of operators in the telecommunication industry in Nigeria. The commission is specifically charged with the responsibility of creating an enabling environment for the participation of private operators and investors in the provision of telecommunication services in the country. By this charge, the commission was supposed to ensure fair competition among the operators in the industry by providing a level playing ground that would break the monopoly power of the

erstwhile monopoly service provider (NITEL) in the sector. It was also charged to ensure provision of qualitative and efficient telecommunication services to Nigerians.

The mission of this commission is to support a market driven telecommunication industry and promote universal access. It hopes to achieve this through consistent enforcement of clear and fair policies that protect stakeholders, ensure efficient resource management, share industry best practices and deliver affordable, quality telecommunication services.

The commission's vision is to bequeath an information rich environment comparable globally in quality telecommunication service provision to Nigerians, regulated by a responsive, world class organization. The commission is driven by three guiding principles (fair, firm and forthright) in carrying out its duties and functions as the National Telecommunication Regulator. These principles drive the commission's core values of integrity, excellence, professionalism, responsiveness and innovation (www.ncc.gov.ng).

The primary objective of the Act that established the commission is to create and provide a regulatory framework for the Nigerian Communication industry and all matter related thereto and for the purpose and without detracting from the generality of the foregoing, specifically to:

- Promote the implementation of the national communication or telecommunication policies as may from time to time be modified and amended;
- Establish a regulatory framework for the Nigerian Communication industry and for this purpose to create an effective, impartial and independent regulatory authority;
- Promote the provision of modern, universal, efficient, reliable, affordable and easily accessible communication services and the widest range thereof throughout Nigeria.
- Encourage local and foreign investments in the Nigerian communication industry and also encourage participation of Nigerians in the ownership, control and management of communication companies and organizations;
- Encourage the development of a communication manufacturing and supply sector within the Nigerian economy and also encourage effective research and development effort by all communication industry practitioners;
- Protect the rights and interest of service providers and consumers within Nigeria;
- Ensure that the needs and interest of the disabled and elderly persons are taken into consideration in the provision of communication services and
- Ensure an efficient management, including planning, coordination, allocation, assignment, registration, monitoring and use of scarce national resources in the communication sub-sector, including but not limited to frequency spectrum, number and electronic addresses and also promote and safe-guard national interests, safety and security in the use of the said scarce resources. (www.nigeria.law.org)

2.3 THE REGULATORY ACTIVITIES OF NCC, ITS IMPACT ON OPERATORS, CONSUMERS AND THE SOCIETY

The federal government's effort to address the telecommunication problems of this country through mobile cellular phone came to limelight in 1993 when Global System for Mobile phone (GSM) license was issued to a telecommunication company known as EMIS. This was followed by the issuance of similar licenses to other operators by the last military administration and these licenses including that of EMIS were later revoked. Still in an effort to improve the quality of telecommunication services through the introduction of Global Mobile telephony services, the federal government inaugurated the National Telecommunication Policy in 1999 which was later reviewed in 2000 to consider other options of Global Mobile telephony

services like Code Division Multiple Access (CDMA), GSM and International mobile Technology (IMT 200).

However, Nigeria made an indelible landmark on January 17, 2001 when the auction for the four mobile cellular licenses for the deployment GSM technology was held at Abuja. The auction was conducted and supervised by Nigerian Communication Commission under the chairmanship of its former chief executive, Engr. Ernest Ndukwe. Seventeen telecommunication companies participated in the auction bid and only five of them qualified for the final bid. It should be noted that only three licenses were available for auction with the fourth already reserved for mobile cellular company limited, an offshoot of the merger of the Nigerian Telecommunication Limited (NITEL) and Nigerian Mobile Telecommunication Limited (M-TEL).

After the final bid, three out of the four bidders emerged winners. They are Econet Wireless Nigeria Limited, MTN Nigerian Communication Limited and Communication Investment Limited. As part of the regulatory functions of Nigerian Communication Commission (NCC), it mandated the three winners to pay the sum of \$285million each as license fees, latest February 9, 2001 and upon compliance the commission would approve the requisite frequency band for the winners. The sum of \$285million license fees was paid by each of the winners and this was to cover the cost of frequency spectrum, numbering plan, international gateway and interconnectivity. The Nigerian Communication Commission's rule further states that the licenses require that an annual operating levy representing 2.5 percent of the licensees' audited net revenue be paid within three months, at the end of the second year of the license. Thereafter, assessed net revenue on the licensee's income should be paid within thirty (30) days to the end of such a quarter to be adjusted immediately on receipt of the audited annual financial statement of the licensee (Ayoade 2001).

Upon commencement of business by the three newly licensed GSM operators, the tempo of business activities in the sector tremendously increased thereby necessitating the intervention of the regulatory agency (NCC) to:

- Protect operators from each other
- Protect subscribers from unfair business practices
- Protect the larger interest of the society.

The major objective of the deregulation of telecommunication sector by the federal government was to adjust the disequilibrium in the market structure from pure monopoly to deregulated market by breaking the monopoly of service provision in the sector by NITEL. This noble objective was far from being realized after the commencement of business by the three licensed G.S.M operators as two operators (Econet Wireless Nigeria Limited and Mobile Cellular Company Limited) could not meet up with the stipulated three hundred thousand (300,000) lines deployment except MTN that exceeded the mandate by over 200% within the first three years of operation. The above situation created another kind of disequilibrium in the GSM market structure (as was the case in the landline market structure) as the combined capacity of the two operators could not be a match to MTN. MTN took advantage of the weakness of the two operators and its wealth of experience, technological expertise and strong financial backing from parent company in South Africa to capture almost 80% of the total GSM market in the industry. This situation did not go down well with Nigerian Communication Commission (NCC) whose objective in issuing operating licenses to the three operators was to provide a level playing ground that would ensure fair competition among the operators. In order to redress this situation, Nigerian Communication Commission (NCC) issued the fourth license

to Globacom and this was followed by issuance of operating licenses to other operators. The action of NCC actually challenged MTN as the market leader. Though, it still remained the market leader but for the first time it became conscious of the fact that there are competitors lurking around to take over its position.

In the area of price control, Nigeria Communication Commission (NCC) did not and has not engaged in direct price control in the sector, rather it allowed the market forces to determine both the tariff charges and prices of simcard. Prior to the commencement of business by Globacom and other newly licensed operators, MTN dictated the price in the sector. MTN simcard sold as much as thirty thousand naira while its tariff billing was on per minute billing pattern. Globacom, on commencement of business adopted per second billing pattern and crashed the price of simcard to as low as N1,000. MTN had no option than to follow suit as it was not ready to loose its customers.

RESEARCH METHODOLOGY

3.0 RESEARCH DESIGN

Tackling the problems of this research involves administration of questionnaires to the respondents and conducting personal interview. Therefore, the appropriate research design for this study is survey research design. Survey research design is a method of eliciting data from the respondents through questionnaire administration, personal interview and observation.

3.1 DATA COLLECTION PROCEDURE

In this seminar paper, both secondary and primary sources of data were used. For the primary source, questionnaires were administered to staff of Nigeria Communication Commission NCC and also the staff of selected GSM operators (MTN, GLO and ETISALAT) in Imo state. Primary data were also collected from both the staff of operators and the regulatory agency through personnel interview.

For the secondary data, the following sources were explored: textbooks, journals, local newspapers, magazines, internet browsing, consultancy agencies and libraries. The review of related literature provided the needed theoretical background of the study.

3.2 POPULATION OF STUDY

The population of this study involves the staff of the corporate headquarters of Nigerian Communication Commission (NCC) and the staff of selected GSM operators (MTN, GLO and ETISALAT) in Imo State.

Nigerian Communication Commission (NCC) has a staff population of 250 at its corporate headquarters in Abuja while the selected GSM operators have staff population in their Owerri branch offices as follows:

MTN	-	35
GLO	-	25
ETISALAT	-	15

3.3 SAMPLING TECHNIQUES AND SAMPLE SIZE

Simple random sampling technique was adopted in selecting the respondents from the two sets of population. Five key staff of Nigerian Communication Commission were randomly selected from the five departments of the agency at its corporate headquarters. For the GSM operators, three staff each were randomly selected from the three selected operators.

Therefore, this study has two sets of respondents: five key staff of NCC at its corporate headquarters and nine staff of the three selected GSM operators in Imo State.

3.4 SCOPE OF THE STUDY

The topic of the study is a corporate management issue involving the GSM operators by Nigerian communication commission. Based on this, NCC's corporate headquarters make up the first segment of the population. The other segment of the population involves the GSM operators in Imo state. Three GSM operators (MTN, GLO and ETISALAT) were selected to represent the GSM operators in Imo state.

3.5 METHOD OF DATA ANALYSIS

Data collected were subjected to simple statistical treatment. Firstly, they were organized, tallied and presented in tables. Then, the percentages were found and based on this, the data were interpreted in understandable form.

Secondly, for the statistical test as means of acceptance or rejection of hypothesis, was adopted.

4.1 ANALYSIS, INTERPRETATION AND PRESENTATION OF DATA

The data collected through the responses of the respondents were carefully analyzed by using simple statistical techniques involving percentages. Also, the hypothesis formulated were tested for acceptance or rejection of either the null or alternate hypothesis using the ...

A total number of fourteen questionnaires (14) were distributed and all of them were returned. The questionnaires were directed to two sets of respondents: the key management staff of Nigerian Communication Commission (NCC) at its Corporate Headquarters and selected staff of three GSM operators in Imo State: MTN, GLO and ETISALAT.

Out of the fourteen questionnaires, five (5) were directed to the key staff of NCC at its corporate headquarters and the remaining nine were directed to the staff of the three selected GSM operators in the proportion of three staff each to the operators. All the fourteen (14) questionnaires directed to the two sets of respondents returned.

Table 4.1.2: Reasons for Poor Marketing Practice by the Defunct Organization Prior to Deregulation

Responses	No of Respondents	Percentage
Absence of competition	4	80%
Government control and finance of the defunct monopoly service providers in the sector	3	60%
Absence of a regulatory agency	2	40%
Use of poor technology by the defunct organizations	3	60%
Scarcity and high cost of telecommunication service	3	60%
Use of unqualified staff in the performance of marketing function by the defunct organization	4	80%
All of the above	-	-
None of the above	-	-
Aggregate Response	3	100%

Source: Research Data

In the above table, 4 respondents (or 80%) of the respondents indicated absence of competition, 3 respondents (or 60%) of the respondents indicated government control and finance of the defunct monopoly service providers in the section, 2 respondents (or 40%) of the respondents indicated absence of regulatory agency, 3 respondent (or 60%) of the respondents

indicated use of poor technology by the defunct organization, 3 respondents (or 60%) of the respondents indicated scarcity and high cost of telecommunication services while 4 respondents (or 80%) of the respondents indicated the use of unqualified personnel in performing marketing functions.

On the aggregate, 3 respondents (or 63%) of the total respondents indicated all the options as the reasons for the poor marketing practices of the defunct monopoly organization prior to the deregulation of the sector.

Table 4.1.4: How Deregulation and Regulatory Activities of NCC Affected Marketing Practice in the Sector

Responses	No of Respondents	Percentage
Dismantling of the monopoly power of the defunct service providers in the sector.	4	80%
Providing enabling environment for private sector participation in the sector.	4	80%
Improved quality of service	3	60%
Encouraging competition in the sector	4	80%
Increased scope of service and by extension making the service available to more people	4	80%
Reduction in prices of telecommunication services	4	80%
Increased use of marketing communication tools like advertising, sales promotion and personal selling	3	60%
All of the above	-	-
None of the above	-	-
Aggregate Responses	4	74%

Source: Research Data

In the table above, 4 respondents (or 80%) of the respondents indicated dismantling of the monopoly powers of the defunct organization in the sector, 4 respondents (or 80%) of the respondents indicated providing enabling environment for private sector participation in the sector, 3 respondents (or 60%) of the respondents indicated improved quality of service, 4 respondents (or 80%) of the respondents indicated encouraging competition in the sector, 4 respondents (or 80%) of the respondents indicated increased scope of service and making the more available to people, 4 respondent (or 80%) of the respondents indicated reduction in the prices of telecommunication services and 3 respondents (or 60%) of the respondents indicated increased use of marketing communication tools like advertising, sales promotion and personal selling.

On the aggregate, 4 respondents (or 74%) of the total respondents indicated all the options as the effects of deregulation and the regulatory activities of NCC on the marketing practice of the operators in the sector. The implication of the above analysis is that the key staff of NCC are of the opinion that the above options are the effects of deregulation and regulatory activities of NCC on the marketing practices of GSM operator in the sector.

Data Analysis 11

Test of Hypotheses

The instrument of data collection (questionnaire) was tested for validity and reliability. The result of the reliability test is 0.840. The result of the Cronbach alpha test was valid because it exceeds the minimum threshold of 0.7 recommended by Saunders, Thronhill and Lewis (2009), and adopted by Nwokah and Ahiauzu (2010) and Ibekwe (2012). The evidence of the reliability test analysis result is shown in table 1.1

Reliability Statistics	
Cronbach's Alpha ^a	N of Items
.840	3
Source: Researcher's desk and SPSS output 2014.	

Data collected were subjected to simple statistical treatment. Firstly, they were organized, tallied and presented in tables. Then, the percentages were found and based on this; the data were interpreted in understandable form. Secondly, for the statistical test as means of acceptance or rejection of hypothesis, Pearson Product Moment Correlation was adopted. This was supported by the fact that the data descriptive result shows that it is normally distributed. The results of the analysis were presented in SPSS version 19 output attached in the appendix 1.

Correlations				
		Pre NCC Regulation Era	Marketing Practices	NCC Regulation Era
Pre NCC regulation era	Pearson Correlation	1	.150	.758
	Sig. (2-tailed)		.003	.005
	N	250	250	250
Marketing Practices	Pearson Correlation	.150	1	.316
	Sig. (2-tailed)	.003		.004
	N	250	250	250
NCC regulation era	Pearson Correlation	.758	.316	1
	Sig. (2-tailed)	.005	.004	
	N	250	250	250

Source: Researcher's desk and SPSS output 2014.

The result shows that for the hypothesis one.

H₀₁: There were no defects in the marketing practices of the defunct organizations prior to the deregulation and establishment of NCC.

There is a very weak relationship between NCC regulation and marketing practices in the telecommunication industry prior to the establishment of NCC. The evidence from the correlation coefficient output shows that r value is 0.150. The result shows that at 5percent level of significant, there is a very weak relationship between pre NCC regulation and the marketing practices in the then telecommunication sector in Nigeria. Also, lack of regulations made the marketing practices less interesting in terms of lack of promotion, reliable product development

and design and the nature characterized by seller's monopoly market. The services providers were less sensitive to the complaints of the customers and the market characterized by analogue and archaic form of service delivery.

The second hypothesis analysis shows the relationship between the NCC regulation era and marketing practices.

H₀₂: The deregulation and regulatory activities of NCC did not have any impact on the marketing practices of GSM operators in the Nigerian Telecommunication sector.

The evidence of the data shows that there is a very strong relationship between the two variables. The evidence of the data shows the correlation coefficient value for the variable $r = 758$. This result confirms the findings from the descriptive analysis that the NCC regulatory era has improved the marketing practices in the telecommunication industry. This shows that regulation of the industry lead to a very strong change in terms of the nature of service provided, responsive nature of service, digitalization of the product design and competitive pricing or tariff.

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF FINDINGS

5.1.1. Reasons for Poor Marketing Practice by the Defunct Organizations Prior to Deregulation

The study found that the reasons for poor marketing practice by the defunct monopoly service providers (like NITEL, P&T and NET) in the sector prior to deregulation are as follows:

- i. Absence of competition in the telecommunication sector prior to deregulation.
- ii. Government control and finance of the defunct monopoly service providers in the sector.
- iii. Absence of a regulatory agency prior to the deregulation of the sector.
- iv. Use of poor and analogue technology by the defunct organization in the provision of service to the deregulation of the sector.
- v. Scarcity and high cost of telecommunication service in the sector prior to deregulation.
- vi. Use of unqualified staff in the performance of marketing functions by the defunct organizations prior to deregulation.

These findings were based on the analysis of the responses of the respondents on question numbers 1 and 2 of NCC's key management staff questionnaire.

5.1.2 The Effects of Deregulation and the Regulatory Activities of NCC on the Marketing Practice in the Nigerian Telecommunication Sector after Deregulation

The study found that the effects of deregulation and the regulatory activities of NCC on the marketing practice in the sector are as follows:

- i. Dismantling of the monopoly powers of the defunct service providers in the sector.
- ii. Providing enabling environment and level playing ground for private sector participation in the sector.
- iii. Improved quality of telecommunication service.
- iv. Encouraging competition in the sector through the involvement of private operators in the provision of telecommunication service.
- v. Making telecommunication services available to all segments of the population through increased scope of operation.
- vi. Making telecommunication services more affordable through reduction in prices.
- vii. Increased use of marketing communication tools like advertising, sales promotion and personal selling.

These findings were based on the analysis of the responses of the respondents on question numbers 3 and 4 of NCC's key management staff questionnaire.

5.1.4 **The Effects of Deregulation and the Regulatory Activities of NCC on the Marketing of GSM by Operators**

The study found that the effects of deregulation and regulatory activities of NCC on the marketing of GSM services are as follows:

- i. Increased competition as a result of the involvement of private operators in the industry.
- ii. Improved quality and increased scope of operation in the sector.
- iii. Reduction in prices of GSM services
- iv. Adoption of marketing communication tools like advertising, sales promotion and personal selling in the marketing GSM services.
- v. Use of marketing research and marketing information system by the GSM operators for identification of needs of consumers.
- vi. Adaptation to global changes in technology.
- vii. Increased availability GSM services to all segments of the population.
- viii. Better customer satisfaction through better customer service.

5.2 **CONCLUSION**

Prior to the deregulation of the telecommunication sector, the industry was characterized by poor service provision and disequilibrium in the market structure as a result of the monopoly of service provision enjoyed by the defunct government owned corporation – NITEL. In order to improve the quality of service in the sector, check exploitative pricing of services by the monopoly service organizations and ensure the availability of the service to all segments of the population, the federal government issued operating licenses to GSM operators and this resulted in the deregulation of the sector. This, therefore, necessitated the establishment of Nigerian Communication Commission (NCC) to regulate the activities of the operators in the sector.

The deregulation and regulation of the sector by NCC have resulted in improved quality and increased availability of telecommunication services by dismantling the disequilibrium in the market structure and engendering competition.

Through effective regulation of the sector, telecommunication services (GSM) have become affordable to virtually all segments of Nigerian population including the rural dwellers. The deregulation and regulation of the sector has also resulted in the adoption of competitive strategies like advertizing, sales promotion and personal selling by the GSM operators.

To improve the effectiveness of the commission in its regulatory activities and the quality standard of the operators, the following recommendation are made: government should review the Act establishing the commission to make security one of the cardinal oversight functions, intensify effort to conclude the SIM Card registration exercise.

RECOMMENDATION

Based on the findings from this study, the following recommendations are hereby made as measures that should be taken by GSM operators in the marketing of GSM in order to achieve improved quality of services and better customer satisfaction:

The GSM operators should constitute committees made up of the key marketing staff of the operators, major distributors and subscribers of the networks and through constant and closer

interactions among the members of the committees, the operators will have better understanding of the problems and needs of the subscribers.

Given the enormous security challenges confronting the nation since the inception of GSM, there is need for closer collaboration between Nigerian Communication Commission and the nation's security agencies like State Security Services, Nigeria Police Force and Economic and Financial Crime Commission in the fight against the use of information and communication technologies in the perpetration of such crimes like kidnapping, cyber –crime and insurgency.

The fight against the use of GSM in the perpetration of crime cannot be effective without a comprehensive record of all the subscribers of the different networks operating in the country. Therefore, the commission should build a data-base of all the subscribers of all the GSM operators and then establish an exchange system that would be linked with the networks of the operators. Such exchange system should be exclusively run by the commission specifically to monitor the use of GSM phones by subscribers. This will not only check the reckless and careless sale of simcards but will also check the use of GSM phones in the perpetration of crime.

The fact that GSM is a global telecommunication service makes it necessary that operators should abide by global best practices in terms of technology and other associated services. Therefore, NCC should intensify effort in the regulation of the sector to ensure that operators use technology that conform to global standard and also that the other services meet international standard.

Finally, NCC should provide enabling platform that would encourage operators to provide other options telecommunication like Code Division Multiple Access (CDMA) and International Mobile Technology (IMT). This will provide subscribers alternative services in the sector and hence further improvement in quality standard.

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