



## The Impact of ICT on Marketing of Communication Services (A Case Study of MTN Maiduguri, Nigeria).

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**ABSTRACT :** *The use of information technology on marketing of communication services is a major problem faced by most communication companies many organizations are still in integrating marketing functions with information technology hindering effective marketing of communication services. The main objective of the study is to determine the impact of information technology on marketing of communication services with a specific reference of MTN Maiduguri. The study narrowed its research on the major effects such as information technology, marketing and communication. The population of the study included the entire staff of MTN Nigeria, Maiduguri branch, were (100) sample size was selected using convergence and simple random sampling technology. Data were collected using questionnaires and analyzed using a qualitative and tabulation method of data analysis. Table were used to present the study finding and the statement of hypothesis that was postulated were tested using chi-square statistical tools and from the test it was found out that information communication technology have positive impact on marketing of Communication services. The study established that promotion was a major factor that has great impact on marketing of communication service. The use of information technology influenced introduction and application of effective promotion methods that eased marketing of organization service in the target market, the study concluded that the impact of information technology have eased acquiring products information and conducting communication globally. Applications of effective promotion methods have been made better and this has contributed toward achievement of increased sales revenue. The study finally recommended that the company should incorporate updated and most effective information technology in all its departments especially marketing.*

*The key wards are ; Information technology, Marketing and communication, Marketing Management, Service Marketing, internet and E- Marketing*

### INTRODUCTION

Marketing strategies and improvement have been advancing. As defined by kotler(2010:p 10), marketing is a social process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others. Marketing is a business section that focuses on the practical application of marketing techniques and the management of a company's marketing resources and activities. Marketing managers are often responsible for influencing the level, timing and composition of customer demand in a way that will achieve the company's objectives Kotler(2000: 8). Marketing management involves choosing the target market which has to be maintained through creating, delivering and communicating customer value. In this regard, marketing management is quiet broad and defines all the activities a company uses to acquire customers and manage relationship with them. Additionally, the Kotler definition involves both the development of new products and services and their delivery to customers. (Kotler& Keller 2005: p45). The developing and use of the internet on a global scale has created opportunities for end users, sellers and producers to

communicate online and hence no physical movement required.

Internet marketing combines creative and technical aspects of the internet, including design, development, advertising and sales. Internet marketing does not simply entail building or promoting website nor does it mean placing a banner advertisement on another website. Effective internet marketing requires a comprehensive strategy that synergizes a given company's business model and sales objectives with its website function and appearance, focusing on its target market through proper choice of advertising type, media and design (Combe 2006: p118). Information technology has been a key contributor to the major transformations and has companies market their products and services. Anticipating the impact of information technology is becoming more difficult. Businesses are experiencing fundamental transformations due to the impact of information technology. When utilized appropriately, technology can affect information process and the information made available to decision makers, as well as the roles and



responsibilities of organization personnel. Due to its potential impact, understanding the nature and use of information technology in solving problems is becoming increasingly important to professionals. (Hollander, Denna&Cherington 1996:p46). All new information and communication technology (ICT) system bring a range of associated changes with them. These may be changes to the business process and procedures, new roles and responsibilities, organizational restructuring, new equipment or facilities, or new skill to learn. All these issues involve people and it is they within the organization that are the key to success of any IT implementation. Many companies are also attempting to use information systems to form closer relationships with the customers and their suppliers through sophisticated extranets ( wheelen& Hunger 2004: p176).

#### STATEMENT OF THE RESEARCH PROBLEM

The use of information technology in marketing of communication services is a major problem experienced by most communication companies. Many organizations are still striving in integrating marketing functions with information technology and this has influenced most of ICT effects to hinder effective marketing of communication services. MTN Nigeria is one of the major communication companies that have not effectively incorporated information technology in all its marketing functions. The use of information technology has led implementation of ICT in promotion methods, product development, distribution methods, pricing methods and realization of increased competition

Since no major study has been undertaking to address these problems, marketing managers lack knowledge and skills and has to effectively incorporate ICT in marketing of communication services(Turban & Ephraim 2001: p201). This study bridged the knowledge gap by exploring the effects of ICT and marketing of communication services with a specific reference to MTN Nigeria.

#### AIMS AND OBJECTIVES OF THE RESEARCH

- Determine the impact of information technology on promotional strategies adopted by companies in marketing of communication services
- Establish the impact of information technology in development services and products that can give customers satisfaction.

- Determine whether information technology facilitate effective distribution of services with particular reference to MTN Nigeria, Maiduguri.
- Evaluate how information technology affect price in marketing of communication services.
- Assess the effect of information technology on competition in marketing of communicationservices.

#### RESEARCH QUESTIONS

The research questions are :

- Does information technology have impact on the promotional strategies adopted by companies in marketing of communication services?
- What is the impact of information technology in development of services and products that can give customers satisfaction?
- Does information technology facilitate effective distribution services with particular reference to MTN Nigeria Maiduguri?
- Does information technology affect price in marketing of communication services?
- What effect does information technology have on competition in marketing of communication services?

#### RESEARCH HYPOTHESIS

Ho: information technology does not have positive impact on marketing of communication services.

H1: information technology does have impact on marketing of communication services

#### LITERATURE REVIEW

Marketing can be defined as a process by which organizations, individuals and groups investigate the needs and wants of the customers, create products/services that satisfies them to the intended markets (Kotler 2000: p8).

Service marketing can be used to market a product or service & is based on relationship and value. A service unlike a product is intangible and this means that the service



cannot be retained by the customer in case of dissatisfaction. Service marketing mix adds 3 more ps such as people, physical environment and process. (Baron & Harris 2003: p21-26). The role of advertising is to create demand for a product. It is also important to consider the cost of advertising so that it does not exceed the intended return. However, the expenses to be incurred vary based on the nature of the product. For example, new products need a larger advertising budget to help create awareness and to encourage customers to try the product.

A product that is highly differentiated may also need more advertising in order to gain competitive advantage, emphasizing on the difference. To achieve the objectives, marketers should select carefully their market segments. Attractiveness of the market may be due to size, income level and competition available. The implication of selecting target segments is that the business will subsequently allocate more resources to acquire and retain customers in the target segments than it will for other, non-target customers. In some cases, the company may operate to the extreme of discouraging customers that are not in its target segment (Baron & Harris 2003: p 8-9).

According to Sable et al (2004), adopting social media as part of a holistic approach towards customer relationship management is one of the most effective digital marketing strategies. Since social media tools are free and easily accessible to users from wherever they are, adopting them as part of marketing platform increases efficiency and effectiveness in the marketing operations. This is because offering customers with opportunities to express their opinions and experiences about a particular brand measures their online experience value (Ryan & James 2009). This implies that adopting social media as part of digital marketing platform contributes towards increased customer engagement and hence facilitates customer satisfaction.

As the world technology gears up, smart televisions are opening up new paradigms of user interactions and excitements (Mastorakins 2011). Smart Tv applications allow users to receive updates from the markets or commercial scene and this provides market with new opportunities to promote their brands online through smart Tvs. According to Winterberg (2013), the smart Tv has brought up the concept of television learning from companies which have established their presence in the internet. As a result, the smart Tv is among the most potential digital marketing platforms which provides users

with not only outstanding online experiences, but also delivers more value through personalized applications.

Based on Mulhem (2009), maximum communication effects occur when the communication media and the message are in line with the recipients existing lifestyle, beliefs and ideology. Since effective brand communication is a two-way where customers should also be given opportunities to reach to the marketers, the media chosen should be able to facilitate feedbacks as well (Soava & Raduteanu 2012). In this regard, marketers should not only ask themselves how can we reach consumers, but also 'how can the consumers reach us as well'. In this regard, the process of managing and coordinating brand communication activities necessitates the use of unifying mechanism which enabled two-way communication.

## RESEARCH METHODOLOGY

The area of the research is Maiduguri metropolitan area where most of the MTN Nigeria offices are located.

The population of the research consists of the entire staff of MTN Maiduguri main branch.

The sample size for the research work is 100 staff of MTN Maiduguri main branch, out of the one hundred sampled population of the study 20 is the management staff, while the remaining eighty constitutes marketing and sales representatives of MTN branch.

The technique used in the selection process of the sample size out of the population of the study is the convenience sampling technique.

The data used in this study are classified into two types, that is primary and secondary data.

In this research, frequency and percentage distributions were used in data analysis. This yielded a number of tables that portray the true feelings/options of the sample respondents as well as facts on key aspects of their personality and social status. The tables thus generated were used in testing the hypothesis formulated. Chi-square statistics was used in the test of the hypothesis.

The chi-square test examines the extent to which the frequencies that are actually observed in the study differ from the frequencies that are expected if the null hypothesis is correct.



**DATA PRESENTATION AND ANALYSIS**

Total number of (100) one hundred copies of the questionnaires were distributed and (90) questionnaires were filled and returned. As such 90 questionnaires were analyzed.

**Table 1 :GENDER OF THE RESPONDENTS**

Sex	No of respondents	Percentage
Male	60	66.67%
Female	30	33.33
Total	90	100

Source: field survey 2015

**Gender Analysis**

Table .1 above shows that more than half of the respondents who participated in the study were male as compared to female,

**Table 2 :AGE OF THE RESPONDENTS**

Age	No of respondents	Percentage
20 – 30 years	30	33.33%
31 – 40 years	40	44.45%
41 – 50 year	10	11.11%
Above 50 years	10	11.11%
Total	90	100

Source: field survey 2015

Table 2 shows that 33.33% of the respondents were within the age bracket of 20 – 30 years. Those between the ages of 30 – 40 years, which constitute 44.44% of the respondents, while those that full between the age of 41 – 50 years and above were 10 respectively which constitute 11.11%

**Table 3 :EDUCATIONAL LEVELS**

Education level	No of respondents	Percentage
Secondary level	20	61.11%
College level	15	16.67%
University level	55	22.22%
Total	90	100

Source: field survey 2015

Table 3 above shows the level of education held by the respondents which indicates that most of the respondents had academic qualification and they understood the impact of information communication technology on marketing of communication services

**Table 4 :WORKING EXPERIENCE**

Working experience	No of respondents	Percentage
Less then 5 years	60	66.67%
5 years to 10 years	20	22.22%
11 years to 13 years	10	11.11%
Total	90	100

Source: field survey, 2015

Table 4 shows that 66.67% of the respondents who participated in the study had a working experience of less than 5 years this could be noticed in the chart indicating the age breathes of the respondents because those already in the working population were aged between 31 – 40 the remaining groups represented 22.22% and 11.11% despondently.

Table 5 :theimpact of information communication technology on promotional strategies adopted by companies in marketing of communication services.

Respondents	No of respondents	Percentage
Yes	70	77.78%
No	20	22.22%
Total	90	100

Source: filed survey 2015

Figure 5 shows that most of the respondents agreed that information communication technology affects promotional strategies adopted in marketing of communication services. This is indicated in the empirical section the figure presents that 77.78% of the respondents rated the effect of promotion to be effective and 22.22% of the respondents were for average responses and not effective responses respectively. This indicated that promotion was a major effect of



information communication technology that affected marketing of communication services

Table 6 :Impact of information communication technology on marketing of communication services

Responses	No of respondents	Percentage
Very effective	40	44.44%
Effective	20	22.22%
Average	20	22.22%
Not effective	10	11.11%
Total	90	100%

Source: field survey 2015

Table 6 shows how the respondents rate the impact of information communication technology on promotion in marketing of communication services from the above figure; it was rated that effect of ICT in promotion is very effective which was 44.44% effectiveness of promotion in ICT was rated 22.22% and averaged effectiveness was rated 22.22% while 11.11% represents not effective

Table 7 :Impact of information communication technology on product development

Responses	No of respondents	Percentage
Very effective	40	44.44%
Effective	10	33.33%
Average	10	11.11%
Not effective	10	11.11%
Total	90	100%

Source: field survey 2015

Table 7 above, represents how the respondents rated the effect of product on marketing of communication services. The figure presents that most of the respondents rated the effect of ICT on product development to be very effective which constitute 44.44%, while 33.33% of the respondents rated it as effect and the remaining respondents rated it as average and not effective respectively constituting 11.11%

respectively, this implies product development has contributed especially quality and accessibility.

Table 8the impact of information communication technology in the distribution of communication services

Responses	No of respondents	Percentage
Yes	80	88.89%
No	10	11.11%
Total	90	100%

Source: field survey 2015

Table 8 shows the respondents opinion of the effect of information communication technology in the distribution and marketing of communication services. The figure presents that 88.89% of the respondents expressed that distribution greatly affected marketing of communication services

Table 9 information communication technology facilitates marketing of communication services.

Responses	No of respondents	Percentage
Strongly Agreed	40	44.44%
Agree	30	33.33%
Slightly Agree	10	11.11%
Strongly disagree	5	5.56%
Disagree	2	2.22%
Undecided	3	3.33%
Total	90	100%

Source: field survey 2015

Table 9 above presents that many of the respondents strongly agree that ICT facilitates the marketing of communication services.

Table 10 the use of information communication technology tools facilitates distribution and marketing of communication services.





Responses	No of respondents	Percentage
Strongly Agreed	50	55.56%
Slightly Agree	10	11.11%
Agree	10	11.11%
Not Agreed	10	11.11%
Undecided	10	11.11%
Total	90	100%

Source: field survey 2015

Table 10 above reveals that the use of ICT facilitates distribution of goods and services. From the table, it can be seen that majority of respondents which constitutes 55.56% of the respondents strongly agreed that ICT facilitates the distribution of goods and services

Table 11 information communication technology and its impact on prices of products and services.

Responses	No of respondents	Percentage
Yes	70	77.78%
No	20	22.22%
Total	90	100%

Source: field survey 2015

The study established that price is a major effect on information communication technology that affects marketing of communication services. This was expressed by 77.78% of the respondents who agreed as compared to 22.22% who had differed.

Table 12 the use of information communication technology leads to various pricing methods

Responses	No of respondents	Percentage
Strongly Agreed	40	44.44%
Agree	27	30%
Slightly Agree	11	12.22%
Strongly disagree	5	5.56%
Disagree	4	4.44%
Undecided	3	3.33%
Total	90	100%

Sucre: field survey 2015

The information in the table shows how the respondents expressed their news about how the use of information communication technology leads to application of various pricings methods. The figure represents that majority of the respondents which constitute 44.44% strongly agreed on that, while 30% of the respondent agreed on that and the other respondents either disagreed or did not know what to answer because of lack of knowledge on how companies price their products.

Table .13 information communication technology and its impact on competition.

Responses	No of respondents	Percentage
Yes	80	88.89%
No	10	11.11%
Total	90	100%

Source: field survey 2015

The study reveals that information communication technology influenced a high level of competition in the market. This was expressed by 88.89% of the respondents who indicated that the experienced competition negatively affected marketing of communication services. This is because there have been other competitors in the market using new technology to satisfy diverse needs of the consumers.

Table 14 use of information communication technology helps to achieve a competitive edge.

Responses	No of respondents	Percentage
Strongly Agreed	40	44.44%
Agree	30	33.33%
Slightly Agree	10	11.11%
Strongly disagree	5	5.56%
Disagree	5	5.56%
Total	90	100%

Sucre: field survey 2015

Table 14 determines of effective use of ICT helps the company to achieve a competition edge and gain a big market share. The study established that more than half of the respondents agreed that effective use of information



communication technology helps the company to achieve a competitive edge and gain a big market share, while the other half were unleaded. Majority of the respondents which constitute 44.44% of the respondents strongly agreed.

Table 15 the impact of information communication technology on gaining competitive advantage

Responses	No of respondents	Percentage
Very effective	42	46.67%
Effective	31	34.44%
Average	14	15.55%
Not effective	3	3.33%
Total	90	100%

Source: field survey 2015

Table 15 shows has the respondents rated the effect of information communication technology on gaining competitive advantage. The figure presents that 46.67% of the respondents rated the effect of information communication technology to be very effective, other respondents which constitute 34.44% of the view that it is effective the remaining percentage represented average responses and not effective responses this indicated effective use of information technology assisted the company to acquire a big market share in the target market.

#### 4.3 TEST OF HYPOTHESIS

The Hypothesis formulated earlier on is tested through the application of chi-square, statistic, and for the test of significance, a null hypothesis of no difference with regard level of alpha. The test is presented below:

The following chi-square ( $\chi^2$ ) formulation is used in the test

$$\chi^2 = \frac{\sum (f_o - f_e)^2}{f_e}$$

Where  $f_o$  = observed frequency

$f_e$  = expected frequency

Formula

Expect frequency ( $f_e$ ) =  $\frac{\text{row total} \times \text{column}}{\text{Grand total}}$

To test the hypothesis, data on table 4.5, 4.7, 4.9, 4.12, 4.14 were used

Table .18 :Actual frequency table

Responses table no	Yes	No	Total
Table 5	70	20	90
Table 7	80	10	90
Table 9	80	10	90
Table 12	70	20	90
Table 14	80	10	90
Total	380	70	450

Expect value =  $\frac{\text{row total} \times \text{column total}}{\text{Grand total}}$

Therefore in determining expected value for yes respondents the expected value table



Fo	Fe	Fo-fe	(fo-fe) <sup>2</sup>	(fo-fe) <sup>2</sup> /fe
70	76	-6	36	0.4736
80	76	4	16	0.2105
80	76	4	16	0.2105
70	76	-6	36	0.4736
80	76	4	16	0.2105
20	14	6	36	2.5714
10	14	-4	16	1.1428
10	14	-4	16	1.1428
20	14	6	36	2.5714
10	14	-4	16	1.1428
Total	450	0	240	10.1499

Now degree of freedom (Df) is determined as:

$$Df = (R-1) (c -i)$$

Where R = Row and C = column

$$\text{Hence Df } (5-1) (2-1)$$

$$=(4) (1)$$

$$= 4$$

Based on the decision rule, the determination above reveals that the table being 7.779 hence  $H_1$  will be accepted which stimulates that information communication technology have a positive impact on marketing of communicationservices and  $H_0$  rejected.

## FINDINGS

The study established that the use of information communication technology influences application of effective promotional strategies.

Promotion methods such as advertising through chart message services and the internet facilitates marketing of communication services to individual's location over long distances.

The use of information communication technology accelerates the pace of product development and this facilitates effective marketing of communication services.

New product development leads to a wide product range that influences attraction and retention of many customers

Application of inefficient distribution channel inconvenience many customers and this creates difficulty in the organizations effectiveness to distribute its communication services to many customers in the target market.

The use of information communication technology has created many marketing opportunities that have enabled organizations to reach many customers in the target.

Information communication technology accelerates the pace of product development. Communication and cooperation between the different departments such as marketing and R & D

## RECOMMENDATIONS

To ensure that the effects of ICT influence positively on marketing of communication services, the study provided the following recommendations

1. The organization should incorporate information communication technology in all its operations and a latest and most effective information technology should be used.
2. The organization should apply promotional methods that are integrated with information communication technology. This will contribute towards





attracting and retaining customers in the target market..

3. The organization should employ the latest information communication technology to speed the pace of product development.
4. Communication services that are affordable should be introduced to target low – income individual and this will contribute positively towards acquisition and retention of many customers in the target market.
5. Computerized distribution services should be implemented to enable all customers' access communication services all the time.
6. Effective pricing methods that are incorporated with information technology should be encouraged.
7. Through effective use of information communication technology, the organization should employ marketing techniques that counter the activities of competing communication companies

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