



“Strategies For Winning Customer In A Competitive Market Environment” (A Case Study Of Mtn Nigeria Ltd)

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ABSTRACT: *There is hardly any business organisation to successfully serve a particular market without experiencing any form of competition in the market environment. Every firm must strive to develop effective and appropriate market strategies which will enable it to create a dependable position against competition forces either by defensive or offensive action. The study is set to assess how marketing strategies enhance company performance of MTN Nigeria Limited, Maiduguri. The research used both primary and secondary data. Primary data were collected through administered questionnaires using simple random sampling of fifty (220) respondents: out of which (190) were returned, data collected were analysed using simple percentages and frequency tables. Chi-square tool of data of analysis was used to test the hypothesis raised in the study at 0.05 of level of significance. The findings revealed that most customers of MTN Nigeria are not happy with the incentive provided by MTN. Base on the findings, the researcher recommended that the management of MTN should make customer care service very effective and extend their services to all part of the country in order to reduce congestion.*

Key words are; Consumer, Customer. Market Segmentation, Customer Satisfaction ,Touch Point

INTRODUCTION

There is hardly any business organization that is not faced with some form of competition in his effort to serve a particular customer market. Those business organizations that persist and survive usually have some unique advantage over all others. As they interact in the market place, each firm tries to understand the strategies of the other and tries to sidetrack them. Success in this situation depends on the strength of the competitive analysis on which the strategy would be developed on.

According to Porter (1980), each firm faces two types of competitors, current and potential competitors. Current competitors may be divided into two types. They are those competitors who offer similar or who define their business in a similar manner. They may serve almost the same customer groups, seek to perform the same customer functions, utilize similar technologies or exhibit similar degree of vertical integration. The second type is those who may define their business differently but interest each other in the market place. Those differences may be in customer group served, the customer function performed, the technologies utilized and the degree of vertical integration. Ordinarily, they may be perceived as indirect competitors.

It is very difficult for any business organization to successfully serve a particular target market without experiencing on form of competition or the other.

Therefore every firm must strive to develop effective and appropriate competitive marketing strategies which will enable it to create a dependable position against competitive forces by either defensive or offensive action. In view of this the research aims to find out the strategies being adopted by MTN Nigeria to win customers in the competitive market environment and to see the influence of those strategies on the customer's loyal for their product and service, therefore the objectives of the research are;

- i. To assess how marketing strategy enhance company performance.
- ii. To examine the implication of competitor on the activity of the company.
- iii. To determine the challenges associated with planning and executing of competitive marketing strategy.
- iv. To assess the impact of the strategies on customer's demand for their product. The hypothesis formulated will explain the condition for discovering the most appropriate alternative through research findings.

H01: competitive strategies have no strong influence on MTN customers.

H02: competitive strategies has strong influence on MTN Custome



It is obvious for a research such as this to have its significant. So the study shall be useful to any business organization that are choked and surrounded by competitors in order to know the strategies to be adopted to prevail and succeed in such environment without much stress. It will also act as a guide that will determine the marketing techniques or strategies requirements for the companies to enhance their effectiveness.

The scope of the study will be limited to MTN service in Maiduguri metropolis.

LITERATURE REVIEW

The concept of strategy is borrowed from the military and adapted for use in business. In business as in the military, strategy bridges the gap between end and means. Porter (1998), says that corporate strategy is the pattern of decision in a company that determines and reveals the objectives, purpose or goal, produces the principal policies and plans for achieving those goals and define the range of business the company is to pursue the kind of economic and non-economic contribution it intends to make to its shareholders, employees, customers and communities.

For the purpose of this, marketing can be defined as a process which identified consumer's need and wants through the conception of promotion, mutual exchange and physical distribution of economic goods and services.

MTN, Glo, Airtel and other companies struggle for market share with \$9billion acquisition, over N300 billion loans, and \$800million undersea cable, the stage is now set for the fiercest battle to control a dominant market share of \$12 billion cash flow and the 160 million people.

The Nigerian telecommunications sector has come a long way since 2001 when licenses were granted operators for the Global System for Mobile Communication (GSM) services.

The sector has propelled Nigeria into a leading telecoms nation ahead of South Africa with a subscriber base of over 70 million GSM users, and cumulative revenue of about \$12 billion as at December 2009. When MTN and the then Econet Wireless came on board in 2001, the environment was non-competitive enough to ensure complacency that was the era when GSM services were only for the privileged few and service deliveries were anything but Owning a phone then was a status symbol. A SIM pack was sold then for a whopping N50,000 and even more. The environment

was sustained because GSM services were newly-introduced and Nigerians were still euphoric over the fact that communications could defy time, location, distance and boundaries.

Today, telecom campaigns on the value proposition of their brands such as Starcomms - "We speak your language" phenomenon, MTN- "Everywhere you go" and Glo's "Glo with pride" mega communications campaigns have given way to incessant sales promotions particularly SMS induced promos from both GSM and CDMA brands. Like a brand analyst asked, where have the good old campaigns from telecom gone? Instead of telecom brands focusing on pricing, which has become a major debate in the industry, almost all the brands have gone the way of making Nigerians millionaires through unconvincing 'text4 million' promotions in partnership with some reprehensible short code service telecom companies to rip-off their innocent and perhaps ignorant consumers.

In 2009 Glo initiated "Glo Text4 million promo" and was subsequently followed by "Glo BID2WIN" promo, others GSM companies joined the bandwagon as Airtel broke its "Wake Up A Millionaire "promo. MTN joined the fray with "MTN naira splash" promo to commemorate its Worlds Cup in South Africa, an event it is a major sponsor. Apart from Etisalat's "9jillions promo, which charges its subscribers just N10 per SMS, MTN, Airtel and Glo 'TEXT4Million' promotions all have one feature and that is N100 per SMS. These promos have been tagged a rip-off not only by analysts and activists but also by consumers. A new dimension has been added and that is interactive version to con innocent subscribers.

The condition governing telecommunication in Nigeria is that of the Nigerian Communications Act 2003 and the Competition Practices Regulations 2007, issued by the NCC pursuant to the Communications Act, as well as specific license conditions.

The act expressly prohibits any conduct that has the effect of substantially lessening competition in any aspect of the communications market. The NCC may determine that a licensee is in a dominant position in any aspect of the communications market. The act gives the NCC the right to publish guidelines and regulations regarding how it will apply the test of a dominant position to licensees, and the NCC may direct a licensee in a dominant position to cease conduct which has the effect of substantially lessening competition.



The provisions of the Investments and Securities Act 2007 are also relevant where a telecommunications sector merger and/or acquisition arrangement is being considered. Section 118 of the act provides that every merger, acquisition or business combination between or among companies shall be subject to prior review and approval by the Securities and Exchange Commission (SEC). The SEC rules define an 'acquisition' as "the takeover by one company of sufficient shares in another company to give the acquiring company control over the other company". The SEC will give its approval only if it is satisfied that: (i) the acquisition is unlikely to cause substantial restraint of competition or tend to create a monopoly in any line of business; and (ii) the use of such shares by voting or granting proxies or otherwise shall not cause substantial restraint of competition or tend to create a monopoly in any line of business enterprise

RESEARCH METHODOLOGY

The population for this research consists of consumers of MTN Nigeria Limited Maiduguri Metropolis. The sample size of 220 was randomly selected using simple random sampling within Maiduguri Metropolis. Primary and secondary data were used.

The data collected was analysed using statistical tools. Chi-square was used to test the hypothesis that were formulated

The analysis was based on the information collected through distribution of questionnaires to customers of MTN Nigeria limited.

Data presentation and discussion

Table 1: Questionnaire Distribution

Category of respondent	No. of questionnaire %			Not returned
	Sent out	Returned	Returned	
Customers	220	190	86.4	15.7

Source: Field Survey, 2016

The table above shows that (220) two hundred and twenty copies of questionnaire were distributed out and (190) one hundred and ninety were returned, representing 86.4% returned and 15.7% unreturned.

Table 2: Gender of Respondents.

Gender	Frequency	Percentage (%)
Male	123	64.8
Female	67	35.2
Total	190	100

Source: field 2016

From the above table, 190 respondents were interviewed. 123 were male while 67 were female representing 64.8 and 35.2 percent respectively.

Table :3 Distribution

Age interval	Frequency	Percentage(%)
16 years – 20 years	49	25.7
21 years -25 years	71	37.3
26 years – 35 years	34	17.8
36 years – 50 years	26	13.9
51 years –and above	10	5.3
Total	190	100

Source: field 2016

From the above table, the age distribution of respondents ranged between 16 years to 20 were 49 in number representing 25.7 % while ages ranging from 21 to 25 years were 71 signifying 37.3% this age range had the highest number of respondents following by ages 37.3% with 34 respondents within this age interval representing 17.8% of the sample population. Others were 26 for ages 36-50; 10 for ages 51 – and above, representing 5.3 percent respectively



Table 4: Educational Qualification.

Qualification	Frequency	Percentage(%)
Wassce/gce/neco	95	50
Diloma/nce/ond	62	32.6
Hnd/bsc/ba	28	14.7
Above bsc	5	2.7
Total	190	100

Source: field 2016

Tale 4: shows the educational distribution of the customers of MTN who responded to the questionnaire, 95 respondents were ssce, gce and neco school certificate holders representing 50% of sample population. Others were 62 respondents diploma holders, 28 respondents 1st degree holders singnifying 2.7%

Table 5: Marital Status

Status	Ferquency	Percentage(%)
Single	119	62.6
Married	49	25.7
Divorced	12	6.4
Widowed	10	5.3
Total	190	100

Source: field 2016

The table shows the marital status of respondent. most of the respondents were single 119, married people were 49, divorced were 12 while widowed were 10 in number.

Table 6: Designation of the Respondents.

Designation	Frequency	Percentage
Student	92	48.5
Trader	68	35.7
Civil servant	22	11.5
Others	8	4.3
TOTAL	190	100

Source : field 2016

The above table shows 92 people were student 68 people were trader and 22 were civil servant while other are 8

Table 7: Tariff Plan of the Respondents

Package	Frequency	Percentage
Family and friends	5	2.5
Super saver	0	0
Fun link	0	0
MTN biz plus	130	68.4
MTN zone	5	2.5
Tru talk	23	12.2
MTNpluse	27	14.2
Total	190	100

Source: field 2016

The above table shows the plan of customers who responded to the questionnaire. 5 are for family and friends tariff plan, 0 for super saver and funlink while 130 people go for MTN zone while 23 for true talk and 27 use MTN pulse.

The respective percentage of usage to the sample population is presented on the right side of the table.

Table 8: Customers Benefit From MTN

Response	Ferquancy	Percentage
Yes	90	47.3
No	100	52.6
Total	190	100

Source: field 2016

The table shows that 90 respondent with 47.3 percent agree to the fact that customer benefit from the marketing strategies engage by MTN while 100 with the percentage of 52.6 disagree to this fact.



Table 9: Rate of MTN Charges

Response	Frequency	Percentage(%)
Highly satisfactory	49	25.3
Not satisfactory	90	47.3
Total	190	100

Source field: 2016

The above table shows 51 respondent present 26.4% of highly satisfactory rate while 49 respondent present 25.3% of satisfactory and 90 respondent with 47.3% shows not satisfactory.

Table 10: MTN Coverage

Respondent	Frequency	Percentage
Highly satisfactory	120	63.7
Satisfactory	70	36.1
Not satisfactory	0	-
Total	190	100

Source field 2016

Shows that 120 (63.7%) highly satisfactory and 70 (36.1%) satisfactory and zero percentage respectively.

Table 11: Reference for MTN Services

Response	Frequency	Percentage
Yes	101	53.1
No	89	46.0
Total	190	100

Source field 2016

From the table above shows that 101 respondent presenting 53.1% prefer MTN network and 89 respondent while 46.0% percent NO to MTN

Table 12: MTN Availability of Services

Response	Frequency	Percentage
Highly satisfactory	165	86.1
Satisfactory	22	11.6
Not satisfactory	3	1.5
Total	190	100

Source field 2016

From the table shows highly satisfactory respondent 165 presenting 86.1% agreed with the MTN availability of services while satisfactory respondent 22 presenting 11.6% and 3 not satisfactory while the percentage of 1

Table 13 Social Integration of MTN

Response	Frequency	Percentage
Highly satisfactory	66	34.7
Satisfactory	71	37.3
Not satisfactory	53	27.8
Total	190	100

Source Field, 2016

The above table 13: indicate that the highly satisfactory responded are 66 presenting, the percentage of 34.7% 71 satisfactory respondent presenting 37.7% while 53 responded not satisfy.

Table 14: Package Enjoyed From MTN

Respond	Frequency	Percency
A Extra cool	78	41.5
B Extra connect	47	24.7
C Extra promo	49	25.7
D Extra profit	16	8.42
Total	190	100

Source field 2016

According to the above table extra cool 78 responds with the percentage of 41.5% while extra connect 47 respondent with



percentage of 24.7% and the extra promo 49 presenting 25.7% while extra profit 16 respondent with percentage of 8.42% respectively

Table 15 MTN Rating Among Network

Response	Frequency	Percentage
Yes	115	6.5
No	75	39.4
Total	190	100

Source field: 2016

Table 15: shows the MTN promotion is rating highly among other network strategies who responded to the questionnaire (115) presenting 6.5% all agreed yes while 75 people are against, No with the percentage of 39.4%.

Table 16: Promotion Charges of MTN

Response	Frequency	Percentage
Yes	70	36.8
No	120	63.1
Total	190	100

Source field 2016

The above table show 70 respondent agreed Yes representing 36.8% while No for 120 respondents with 63.1%, percentage respectively.

Table 8: Customers Benefits and Marketing Strategies

Response	8	11	Total
Yes	90	101	191
No	100	89	189
Total	190	190	380

Source field 2016

DISCUSSION OF RESULTS

The calculation $X^2 = 432.29$ while the critical table value at 0.05 significance level and 1 degree of freedom is 7.88 that is x^2 calculated value of 4.35.24 $7 \times X^2$ table value.

Therefore we reject the null hypothesis when states that, the strategies does not win customer in a competitive market environment.

From the research findings it could be concluded that in a competitive market environment, survival depends on the use of competitive marketing strategies with appropriate marketing mix variables such as product, price, promotion and place, if the expected result are to be achieved in the light of the set company's marketing objectives.

The management of MTN Nigeria believed that appropriate use of marketing mix variables (price, promotion, product, and place) enhance the achievement of their company and also majority of customers of MTN believed that marketing strategies adopted by MTN such as product strategy influence their choice and patronage of MTN product and services.

Therefore, for any business organization to achieve the set of company's marketing objectives, appropriate use of marketing mix variables must be adopted.

RECOMMENDATIONS:

In view of the findings obtained from the survey of customers within Maiduguri Metropolis, the researcher made the following recommendations to enhance effectiveness and efficiency operation of MTN Nigeria and to assist them to gain more customers so as to prevail among competitors. The researcher recommends:

1. That management of MTN should always conduct a customer value analysis to determine the benefit of customer wants and how they perceive the relative value of competitors.
2. For growth, survival and substantially, the management of MTN should give cognizance to its use of all marketing programmes to enhance customer loyalty for their products and services.
3. That the management of MTN should try to extend their services to all parts of the country in order to reduce congestion.
4. That in order to compete effectively and profitably with other competitors they should moderate their tariffs.
5. That to prepare an effective marketing strategy, MTN should study their competitors as well as their potential customers, because company needs



to identify competitors strategies, objectives, strengths, weaknesses and reaction pattern.

6. That management of MTN should not over do the emphasis on competitors, they should maintain a good balance of consumer and competitors monitoring.
7. That management of MTN should make customer care services very effective.

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