
AGGREGATE ANALYSIS OF COMPETITIVE STRATEGIES AMONG THE GLOBAL SYSTEM FOR MOBILE- TELECOMMUNICATION OPERATORS IN NIGERIA

By

OLAMITUNJI DAKARE, Ph.D.
*Department of Business Administration,
University of Lagos,
Akoka, Lagos.*

Abstract

This study investigates competitive strategies and its relationship with the performance of GSM network operators in Nigeria. A cross-sectional survey research design was adopted with the use of primary data, which were gathered with the aid of a questionnaire. The questionnaire was structured to elicit information from respondents. Three hundred and eight-five (385) copies of questionnaire were administered on the respondents using the stratified sampling technique. The strata comprised of the four GSM service providers operating in Nigeria as at when this study was carried out. The Pearson Product Moment Correlation and Multiple Regression Model were the statistical tools used to test the formulated hypothesis at 5% level of significance. The findings reveal that there was positive statistical significant relationship between the combination of competitive strategies variables and the performance of the GSM network operators in Nigeria. Based on the findings, the study recommends that, managers of the four sampled GSM service should move more towards specialisation and the servicing of niche markets, rather than depend only on cost-leadership strategy, as shown in the findings of this study. The niche strategy will enable them to offer unique and high value-adding products to buyers, particularly in terms of product quality, special features, and after-sales services.

The Global System for Mobile Communication (GSM) sector of telecommunication industry occupies a central position in national and international economic development. That is, they are catalytic agents in the development process of the economy. For instance, the GSM industry makes a major contribution to gross domestic product, employment generation, productivity increases, and taxation revenue within local communities and national economies (Bhavnani, Won-Wai Chiu, *Journal of Resourcefulness and Distinction, Volume 10 No. 1, May, 2015, ISSN: 2276 - 9684*

Janakiram&Silarszky, 2008). In the same vein, Vodafone (2005) reported that in a typical developing country, an increase of 10 mobile phones per 100 people boosts GDP growth by 6%. Lane, Sweet, Lewin, Sephton, & Petini (2006) reported that the mobile services industry contributed Rs 313 (\$7.8 billion) towards the GDP in India. Similar to this, empirical studies by Pyramid Research (2010) revealed that the strategic significance of GSM industry to some 10 African markets in 2009 was enormous, as the mobile service revenue alone contributed an average of 4.2% to the gross domestic product in these countries. In some instances, the ratio was much higher, such as in Ghana (7.0%), the Democratic Republic of Congo (6.0%), Senegal (5.8%) and Cote d'Ivoire (5.1%) in terms of their presence (number of enterprises), the employment opportunities they offer and the revenue (turnover) generated. Meanwhile, the mobile market in Nigeria has grown to represent more than 80% of the overall telecom services in Nigeria. The mobile market has grown from representing 1.2% of the GDP in 2001 to, roughly, 4.2% of the country's economy in 2009 (Pyramid, 2010). As a strategic tool for economic development, the GSM sector in Nigeria has increased significantly her total generated revenue from \$135m in 2001 to roughly \$7.0bn in 2008 (Pyramid Research, 2010). This, according to Pyramid Research (2010) puts the mobile sector at roughly the level of the manufacturing sector but above transportation, the finance sector and government services. In this manner, the GSM sector's contribution to GDP as demonstrated that mobile telecommunications is a substantial driver of economic growth in Nigeria.

Apart from the economic benefits offered by the GSM industry to national economies, mobile telephony also offers intangible benefits, such as aiding disaster relief, enabling the dissemination of locally-generated and locally-relevant educational and health information, promoting social capital and social cohesion (Bhavnani, Won-Wai Chiu, Janakiram & Silarszky, 2008). The mobile services have also played a strategic role by reducing the time and cost of transactions, by enabling a different way of conducting business, by improving access to markets, by commoditising information and, generally, by allowing businesses to operate more efficiently (Pyramid Research, 2010).

However, this remarkable contribution made by the Global System for Mobile Communication (GSM) sector to the national development, particularly in Nigeria can be traced to the liberalisation and de-regulation of the industry which has prompted the entry of new players into the sector particularly the Global System for Mobile-Telecommunication (GSM) operators (Oyedijo, 2012). While, taking advantage of the opportunities provided by the de-regulation, these GSM network operators have sought to create a niche for themselves. The level of competitiveness among these GSM operators has increased significantly over the past ten years and it is envisaged that this will not abate soon (Oyedijo, 2012). Consequently, the environment of this GSM sector

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is becoming so hyper-competitive and complex in nature that firms lacking competitive strategies cannot compete effectively in the industry. The prospects of stiffer competition, maturing markets, limited local market opportunities, and the ability of users to switch from one network to another, drives competition among these GSM network operators in Nigeria. In the same vein, Porter (1985) had argued that the potential for a firm to be profitable is negatively associated with increased competition, lower barriers to entry, a large number of substitutes, and increased bargaining power of customers and suppliers. On the basis of analysis of these forces, Porter further argues that an organization can develop a generic competitive strategy of differentiation or cost leadership, capable of delivering superior performance through an appropriate configuration and coordination of its value chain activities.

The aforementioned changes in the competitive landscape among these GSM network operators in Nigeria demonstrate the need for the GSM operators in Nigeria to identify and design a competitive strategy in order to exploit core competencies and achieve sustainable performance. The article aims to examine the impact of the competitive strategies on the performance of GSM network operators in Nigeria. The article is divided into five sections. The first section provides brief history of development of Global System for Mobile Communication (GSM) Sector in Nigeria. The second section provides a picture of the existing literature related to the study. The third section addresses the research methods used in this study. The fourth section contains results and discussions. Finally, the fifth section provides concluding comments.

Historical Development of Global System for Mobile Communication (GSM) Sector in Nigeria

The antecedent of GSM is traced back to 1982 when the European Conference of Postal and Telecommunications Administrations (CEPT) created a group called the Groupe Spécial Mobile (GSM) from which Global System for Mobile communications (GSM) originated, for the purpose of developing a standard for a mobile telephone system that could be used across Europe. The first GSM network was launched in 1991 by Radiolinja in Finland with joint technical infrastructure maintenance from Ericsson. It was however, reported that over a million subscribers were using GSM phone networks being operated by 70 carriers across 48 countries as the end of the 1993 (Adewoye, and Obasan, 2010).

Meanwhile, the GSM sector in Nigeria was established under Decree 75 of 1992 and regulated by the Nigerian Communication Commission (NCC). This decree liberalized the Nigerian telecommunications industry, opening it to private participants such as the GSM service providers to support the existing national operator Nigeria Telecommunication Limited (NITEL). However, the success story of the GSM sector

in Nigeria began in 1999, when the past president Obasanjo's administration issued a new policy framework and set some target which includes increase in telecom growth rate by 13.5 percent minimum annually, ensuring that telephones are within 5km of walking distance throughout the country. The NCC as the regulator of the sector was charged with the following functions, among others:

- The facilitation of investments in and entry into the Nigerian market for provision and supply of communications services, equipment and facilities.
- The protection and promotion of the interests of consumers against unfair practices, including, but not limited to, matters relating to tariffs and charges for and the availability and quality of communications services, equipment and facilities.
- Ensuring that licensees implement and operate at all times the most efficient and accurate billing system.
- The promotion of fair competition in the communications industry and protection of communications services and facilities providers from misuse of market power or anti-competitive and unfair practices by other service or facilities providers or equipment suppliers.
- Making and enforcement of such regulations as may be necessary under this Act to give full force and effect to the provisions of the Act.
- Management and administration of frequency spectrum for the communications sector and assisting the National Frequency Management (NFM) Council in developing a national frequency plan.

Furthermore, in order to remove the barrier to market entry and allow natural market forces to promote telecoms market in Nigeria, the Nigerian Communications Commission (NCC) was charged to award new licences to new players into the sector, particularly the Global System for Mobile communications (GSM) operators in 2001. The following five GSM operators were the major players that entered into the Nigerian market within a few years:

- (i) MTN Nigeria Communication Ltd.
- (ii) Econet (now Airtel)
- (iii) Nigeria Mobile Telecommunications Limited (MTEL)
- (iv) Globalcom Limited (Glo Mobile)
- (v) Etisalat

The Nigerian GSM sector since its liberalisation in 2001 has received a series of developments. For instance, the GSM technology in Nigeria remains the dominant platform in the mobile market, representing 90% of total subscriptions. GSM providers in Nigeria have also played an important role in spreading internet access to the millions of Nigerians who are currently unable to obtain access through fixed-line networks (Pyramid Research, 2010). The growth of the Nigerian mobile services market has

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increased at a rapid pace, from 422,000 subscriptions at the introduction of GSM networks in 2001 to 73m at the end of 2009. The Tables 1 below show the summary of key activities and milestones by GSM operators and growth in the GSM sector of Nigeria between the periods of 2001 to 2009 respectively.

Table 1: Growth in the Telecommunication Sector of Nigeria

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009(June) |
|----------------|---------|---------|-----------|-----------|------------|------------|------------|------------|------------|------------|
| Pop in Million | 120 | 120 | 120 | 120 | 120 | 130 | 140 | 140 | 150 | 151 |
| Fixed line | 553,374 | 600,321 | 702,000 | 888,534 | 1,027,519 | 1,223,258 | 1,673,161 | 1,579,664 | 1,307,625 | 1,435,279 |
| Mobile(GSM) | 35,000 | 266,461 | 1,569,050 | 3,149,472 | 9,174,209 | 18,295,896 | 32,184,861 | 40,011,296 | 56,935,985 | 59,194,972 |
| Total | 588,374 | 866,782 | 2,271,050 | 4,038,006 | 10,201,728 | 19,519,154 | 33,858,022 | 41,590,960 | 58,243,610 | 60,630,251 |

Source: Adapted from Nigeria Communication Commission

In summary, Nigeria remains one of the most competitive GSM markets in Africa, with five GSM mobile operators presently. This laudable competitiveness of the sector as noted by Pyramid Research (2010) emanated from her wide variety of innovative services, lower tariffs, attractive offers and improvements in service quality in order to differentiate and set the brands aside.

Literature Review

Competitive strategy refers to how a firm competes in a particular business (David, 2010). It is concerned with how a company can gain and sustain optimal performance through a distinctive way of competing. Consequently, firm's strategic choice of competitive strategy or business strategy is designed to exploit core competencies and achieve sustainable performance (Hitt, Ireland, & Hoskisson, 2003). Meanwhile, the concept of competitive strategy is an important issue in strategic management. This is due to the increasingly dynamic environment that mandates having a strategy and particularly a "Competitive Strategy" more essential than ever. The question then is "what is competitive strategy" as there exists considerable confusion in the business literature on this matter. However to answer this question, Porter (1996), the undisputed guru of competitive strategy, writes: "Competitive Strategy" is "about being different". He adds, it means deliberately choosing a different set of activities to deliver a unique mix of value". Furthermore, strategy is about competitive position, about differentiating yourself in the eyes of the customer, about adding value through a mix of activities different from those used by competitors (Porter, 1996)

Consequently, firms within their industry can be successful if they are able to deliver value for a customer in one of two ways: "...offering lower prices than competitors for equivalent benefits or providing unique benefits that more than offset a higher price" (Porter, 1985). Concentration on one of these two generic strategies (low cost or differentiation) is crucial to a firm's ability to achieve sustainable performance,

but strategic selection is not enough. Successful performance depends on successful implementation and this depends on a firm's capabilities to carry out its strategic intent while matched to its environmental context (Besanko, Doraszelski, Kryukov, & Satterthwaite, 2007). However, it should be noted that Porter first defined three generic competitive strategies cost leadership, differentiation, and focus-for businesses in 1980. Since then the three competitive strategies have been studied extensively and considerable support for their existence and effectiveness has emerged (Dess & Davis, 1984; Kim & Lim, 1988; Miller, 1988).

Porter (1980) had argued that a firm, desiring to strategically position itself in an industry or cope with the external pressure emanating from the industry structure which include increased competition, lower barriers to entry, a large number of substitutes, and increased bargaining power of customers and suppliers, should adopt any of the three generic strategic approaches, or any combination of three in order to outperform other competitors or firms in an industry.

In view of the above discussion, the hypothesis stated below is proposed for validation:

H₁: There is no significant relationship between competitive strategies and the performance of the GSM network operators in Nigeria.

Methodology

Survey research design was adopted in this study to investigate competitive strategies and its relationship with the performance of GSM network operators in Nigeria. The research area was Lagos State, Nigeria and the population for this study was made up of the employees at the managerial levels across the following GSM companies: MTN, AIRTEL, GLO, and ETISALAT. In this study, proportional stratified random sampling was used to select equal sample from each of the GSM firms surveyed. A total of 385 copies of a questionnaire were administered and 264 copies were returned, representing a 68.57% response rate, considered quite satisfactory for the study. The main variables in this study were competitive strategies and organizational performance.

Measure of Competitive Strategy

Twenty-five items, using a five Likert type scale adapted from previous research instruments by Dess and Davis (1984); Kim and Lim (1988); Miller, (1988); Robinson and Pearce (1988) was used to measure competitive strategy. The scale, ranging from "much less than competitors to much more than competitors", was used to measure the extent of usage of organisational strategies which included low cost strategy, differentiation strategy and focus strategy. However, to determine the competitive strategy index, the respondents' rating on the five- point Likert type scales

of twenty-five items were summed up and averaged to obtain organisational strategy index. Competitive strategy is classified high when the index is equal to or greater than 3.8 and low when it is lower than 3.8. The reliability score for the scale was found to be high at 0.89.

Measure of Organisational Performance

Organisational performance scale included ten performances criteria derived from Khandwalla (1995). These were: profit growth, sales revenue, financial strength, operational efficiency, performance stability, public image, employee morale, environmental adaptation, new ideas, and social impact on the society. A five-point Likert type scale was applied to measure the extent of firm performance using the ten criteria. However, to determine the organisational performance index, the respondents' rating on the five- point Likert type scales often items were summed up and averaged to obtain organisational performance index. An index of less than 3.9 was regarded as low organisational performance while an index of 3.9 and above was regarded as high organisational performance. An alpha score of 0.76 indicates that a high reliability is associated with the scale.

Analytical Tools for Hypothesis Test and Results

The analysis and interpretation of data in this study were presented, using the following statistical tools: Descriptive statistics, such as frequencies, percentages, mean, standard deviation and Product Moment Correlation (r) was employed to ascertain the association between each pair of the variables and also the inter-correlation among them. The Multiple regression analysis was used to investigate the prediction of dependent variable by means of independent variable. For the data processing of the study, the completed copies of questionnaire for this study were coded and responses were captured in the SPSS statistical software programme. The Statistical Package for Social Sciences (SPSS), Version 17.0, was used for the data analysis of this study.

Data Analysis and Results

Table 1: Summary of Respondents' Demographic Variables

| Variable | Value Label | Respondents (%) | Total |
|---------------|----------------------------|-----------------|-----------|
| Gender | Male | 172(65.2) | 264(100%) |
| | Female | 92(34.8) | |
| Age | 30 and below | 96(36.4) | 264(100%) |
| | 31-40 years | 134(50.7) | |
| | 41-50years | 30(11.4) | |
| | 51-60 years | 4(1.5) | |
| | 60 and above | Nil | |
| GSM Operators | MTN | 71(26.9) | 264(100%) |
| | AIRTEL | 64(24.2) | |
| | GLO | 62(23.5) | |
| | ETISALAT | 67(25.4) | |
| Position | Middle Level Manager | 195(73.9) | 264(100%) |
| | Top/Senior Level manager | 48(26.1) | |
| Education | First Degree or Equivalent | 145(59.9) | 264(100%) |
| | Master's Degree | 103(39.0) | |
| | Doctorate Degree | 11(4.2) | |
| | Professional Qual. & | 5(1.9) | |
| | Others | | |

Source: Author's field work

The descriptive data analysis shows that the majority of the respondents were male (65.2%), while only (34.8%) of the respondents were female. The above Table shows that survey for this study has been gender sensitive. Therefore, data collected through such a survey can be considered comprehensive and reliable. The Table also shows that the respondents are all sufficiently educated to be able to respond adequately to the questions posed in the questionnaires. The optimum age of the respondents is between 30 and 40 (50.7%). The above Table shows that the survey has adequately covered managers from all the four GSM network operators. The descriptive data analysis also shows that the data have been collected from the relevant managerial levels, (73.9%) of the respondents are middle levels managers and (26.1%) are top/senior levels managers.

Analyses of Response on Competitive Strategy

The respondents were asked to rank the importance of various competitive strategies according to the following scale: much less than competitors; less than competitors; not sure; more than competitors; and much more than competitors. These were ranked from 1 to 5 respectively. The total mean score for each strategy is shown in Table 2a and this indicates the overall importance of each strategy to the *Journal of Resourcefulness and Distinction, Volume 10 No. 1, May, 2015, ISSN: 2276 - 9684*

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respondents. Table 2b, 2c, and 2d, present the mean scores of the three generic strategies (cost leadership, differentiation, and focus) that are implemented by GSM network operators in Nigeria. The following sections describe the results of the analyses of the data collected in respect of each of these strategies.

Table 2 Generic Strategies – summary (n= 264)

| S/N | Generic Strategy | Mean | SD |
|-----|--------------------------|------|------|
| 1 | Differentiation strategy | 4.03 | 0.85 |
| 2 | Focus | 3.84 | 0.83 |
| 3 | Low Cost Leadership | 3.63 | 0.90 |

Source: Author’s field work

Strategy guides the way a firm performs individual activities and organises its whole value chain (Porter, 1980). There are two central concerns that underlie the choice of an organisation’s strategy: the industry structure, in which the firm competes, and the heterogeneous resources and capabilities that are accumulated by the firm. The three generic strategies or competitive strategies are the low-cost, differentiation and focus. Gaining cost advantage requires optimizing the linkages among the activities as well as the close co-ordination with suppliers and channels. The differentiation results from the way a firm’s products or associated services are perceived unique or different from that of competitors. The focus strategy, on the other hand, rests on the choice to achieve one or both of these positions (low cost or differentiation) vis-à-vis its narrow competitive scope in the industry.

Table 2 above shows that the majority of the GSM network operators in Nigeria applied high differentiation and low cost strategy.

Table 3: Cost Leadership Strategy (n=264)

| S/N | Measures | Mean | SD |
|-----|---|------|------|
| 1 | Trade/consumer sales promotion | 3.99 | 0.80 |
| 2. | Manufacturing process improvements and innovation | 3.88 | 0.76 |
| 3. | Operating efficient/cost control | 3.59 | 0.86 |
| 4. | Price below competitors | 3.53 | 1.15 |
| 5. | Managing raw materials cost and availability | 3.42 | 0.79 |
| 6. | Product cost reduction | 3.39 | 1.01 |

Source: Author’s field work

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Low cost leadership strategy is characterized as one in which products are low in price but the standard of products maintained is similar to that of competitors (Johnson & Scholes, 2002).

Table 3 presents the mean scores of critical success factors required to achieve overall cost leadership among the GSM network operators in Nigeria. It is can be seen from Table 4.5b that that majority of the respondents ranked trade/consumer sales promotion (mean score = 3.99) as the most important critical success factor that underpin their achieving overall cost leadership strategy. The second most important factor to these GSM network operators is manufacturing process improvements and innovation (mean score = 3.88). The least important factor is considered to be product cost reduction (mean score = 3.39). This implies that for these GSM network operators to continue to implement the low cost strategy, they have to examine carefully each cost-creating activity and also determine the strategic factors that make costs to be high or low.

Table 4: Differentiation Strategy (n=264)

| S/N | Measures | Mean | SD |
|-----|--|------|------|
| 1 | Advertising | 4.24 | 0.77 |
| 2. | Building/maintaining the firm’s reputation | 4.18 | 0.79 |
| 3. | Providing product(s) with many features | 4.16 | 0.78 |
| 4. | Marketing innovation | 4.14 | 0.81 |
| 5. | New product development | 4.07 | 0.98 |
| 6. | Extensive customer/consumer services | 4.02 | 0.86 |
| 7. | Building/maintaining brand equity | 4.00 | 0.91 |
| 8 | Premium product quality | 3.97 | 0.89 |
| 9. | Targeting high-priced segment(s) | 3.92 | 0.88 |
| 10. | Influence over distribution channels | 3.59 | 0.83 |

Source: Author’s field work

A differentiation strategy is observed where products are unique or different from that of competitors (Johnson and Scholes, 2002).

Table 4 presents the mean scores of critical success factors that underpin the differentiate strategy of these GSM network operators. The Table shows that advertising (means = 4.24) was the most important factor that underpin their being unique and different from other competitors.

Table 5 Focus Strategy (n=264)

| S/N | Measures | Mean | SD |
|-----|---|------|------|
| 1 | Manufacturing/Selling customized products | 3.85 | 0.85 |
| 2. | Serving special market segment | 3.83 | 0.81 |

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Source: Author's field work

The generic strategy of focus rests on the choice of a narrow competitive scope within an industry. The firm selects a segment or group of segments in the industry and tailors its strategy to serving them to the exclusion of others.

Table 5 shows that the majority of the GSM network operators are competing with a high value added product or service.

Analyses of Response on Organisational Performance of GSM Network Operators in Nigeria

In this study the GSM network operators' performance variable was measured by self-reported ratings of the respondents. The respondents were asked to indicate on a five-point Likert scale, ranging from 1= much less than competitors to 5 = much more than competitors, the degree of their firms' performance relative to competitors.

Table 6 Performance Measures (n=264)

| S/N | Performance Indicators | Mean | SD |
|-----|------------------------------|------|------|
| 1 | Social impact on the society | 4.27 | 0.82 |
| 2 | New idea | 4.15 | 0.85 |
| 3 | Financial strength | 4.12 | 0.79 |
| 4 | Public Image | 3.99 | 0.95 |
| 5 | Sales revenue | 3.88 | 0.94 |
| 6 | Profit growth | 3.87 | 0.97 |
| 7 | Performance stability | 3.82 | 0.88 |
| 8 | Operating efficiency | 3.80 | 0.91 |
| 9 | Environmental adaptation | 3.80 | 0.96 |
| 10 | Employee morale | 3.43 | 1.16 |

Source: Author's field work

Table 6 shows that performance of the GSM network operators in Nigeria is satisfactory with the statistical means, ranging from 3.43 to 4.27. However, there is one item viz. Employee morale, with a score less than 3.5 point, indicating low performance in this area.

Testing of Hypothesis

Hypothesis 1 - There is no significant relationship between competitive strategies and the performance of the GSM network operators in Nigeria.

This hypothesis was tested, using the Pearson's Product Moment correlation and multiple regression analysis. The results of Pearson's correlation matrix and multiple regression analysis are reported in Tables 7 and 8 respectively.

Table 7: Summary of Pearson’s Correlation Matrix Results for H₁

| Variables | Performance | Low-Cost | Differentiation | Focus | Strategy |
|------------------------|-------------|----------|-----------------|---------|----------|
| Performance | 1 | | | | |
| Low-cost | 0.657** | 1 | | | |
| Differentiation | 0.646** | 0.662** | 1 | | |
| Focus | 0.234** | 0.336** | 0.539** | 1 | |
| Strategy | 0.686** | 0.855** | 0.942** | 0.610** | 1 |

** Significant at the 0.01 level

Table 8: Summary of Multiple Regression Results for H₁

| Variable | H ₁ (Performance) | | Variable | H ₁ (Performance) | |
|----------------------------|------------------------------|---------|----------|------------------------------|----------|
| | Regression Coefficient | t-ratio | | Regression Coefficient | t-ratio |
| Constant (α) | 6.900 | 2.404* | Constant | 5.459 | 1.827* |
| Low-Cost | 0.403 | 5.240** | Strategy | | 11.357** |
| Differentiation | 0.458 | 5.333** | | | |
| Focus | -0.148 | -2.167 | | | |
| R- Square | 0.526 | | | 0.471 | |
| Adjusted R Sq | 0.516 | | | 0.467 | |
| F statistic | 52.865** | | | 128.977** | |
| Std. Error of the Estimate | 4.460 | | | 4.680 | |
| No of observation | 264 | | | 264 | |

* Significant at the 5% level; ** Significant at the 1% level.

Discussion of Findings

The results in Table 4a showed a correlation between organisational performance and the combination of competitive strategies variables (i.e., low-cost strategy (0.657), differentiation strategy (0.646), and focus strategy (0.234)). This result showed that all the combination of competitive strategies significantly accounted for the performance of the GSM network operators in Nigeria. Furthermore, the result in Table 4a also demonstrated that, thereis positive statistical significant relationship between the combination of competitive strategies variables and the performance of the GSM network operators in Nigeria (R=0.686, p< 0.01).

To further verify these findings, the multiple regression analysis was carried out to determine the strength of relationship between organisational performance and the combination of all competitive strategies variables. Table 8 above presents the results of the multiple regression analyses for both combination of all the competitive strategies variables as predictors of organisational performance and each of the components of the competitive strategies variables as predictors of organisational performance. Table 8 showed that the co-efficient of determination for the two models

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are ($R^2 = 0.526$) and ($R^2 = 0.471$) respectively. This demonstrated that there is a strong expression of measure of the fitness from the two models in Table 8, although, the adjusted R-square statistics for the two models in Table 8 are more suitable for comparing models with different numbers of independent variables are 51.6% and 46.7% respectively. The standard error of estimate for the two models showed that the standard deviations of residuals are 4.460 and 4.680 respectively. The ANOVA results for each of the components of the competitive strategies variables as predictors of organisational performance and the combination all the competitive strategies variables as predictors of organisational performance displayed in Table 4.10 are significant with F-value of 52.865 ($p < 0.01$) and F-value of 128.977 ($p < 0.01$) respectively. This means that there is a significant variation between the predictors (low-cost strategy, differentiation strategy, and focus strategy) and the dependent variable (organisational performance). Therefore, H_1 is rejected, considering the fact that both the Pearson's correlation matrix statistically significant at the 1% level and the statistical values of the two regression models: $R^2 = 0.526$ and 0.471 , $F_{(4,460 \text{ and } 4,680)} = 52.865(p < .01)$ and $128.977(p < 0.01)$ respectively and the conclusion is that there is a significant relationship between competitive strategies and organisational performance of GSM network operators in Nigeria. This confirms the empirical findings of Spanos and Lioukas (2001) that strategy driven competitive advantage defines condition for above average performance.

Conclusion and Managerial Implications

The study examined the relationship between competitive strategies and the performance of GSM network operators in Nigeria. The result of the study shows that there is considerable empirical evidence that organisational performance of the GSM network operators in Nigeria is significantly influenced by competitive strategies. However, other findings of the study reveal that the high differentiation strategy is a prominent strategy used by GSM network operators in Nigeria. This finding is in accordance with the proposition by Thompson and Gamble (2007) that organisations, attempting to gain competitive advantage through differentiation strategy, must study buyers' needs and behaviour cautiously to gain knowledge of what buyers consider important, what they think has value, and what they are willing to pay for.

The findings have some important implications for management of the GSM network operators in Nigeria. As the findings of the study show that the three competitive strategies or generic strategies (low cost, differentiation, and niche or focus) are very relevant to the success of the GSM firms in Nigeria and as the GSM firms are in need of a strategy that would ensure their survival, growth, profitability and the sustenance of their competitive advantage within their business environment, it is suggested that their managers should move more towards specialisation and the servicing of niche markets, rather than depend only on cost-leadership strategy, as shown in the findings of this

study. This strategy will enable them to offer unique and high value-adding products to buyers, particularly in terms of product quality, special features, and after-sales services. This is especially because a niche strategy is said to be beneficial as it provides an easier defence against potential competitors (Parrish and Cassill, 2004) and also provides a competitive edge for a firm against its existing competitors in case of price wars. Furthermore, a niche strategy can ensure an organisation's survival and enable it to penetrate large markets or existing segments for future growth.

Consequently, the managements of the GSM firms can launch out their niche strategy by providing and constantly improving value-adding services (VAS), such as ringing tone music, movie, person-to-person SMS, mobile-banking, ATM-recharge, ticket booking, bill paying, mobile commerce, e-mail check and news items (PanAfrican Capital, 2011).

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