COMMERCIALISATION AND THE MARKETING OF NITEL SERVICES, A CASE STUDY OF KADUNA NITEL TERRITORY,

BY

MAIDODO BONNET SUNDAY

BEING A PROJECT SUBMITTED TO THE DEPARTMENT OF BUSINESS ADMINISTRATION, AHMADU BELLO UNIVERSITY, ZARIA, IN PARTIAL FULFILMENT FOR THE AWARD OF MASTER IN BUSINESS ADMINISTRATION (MBA)

DECEMBER. 1992

D E C L A R A T I O N.

I hereby declare that this write up is original and a product of my research findings and that I am responsible for any errors of commission or ommission.

MAIDODO, BONNET SUNDAY

C E R T I F I C A T I O N

This project titled COMMERCIALISATION AND THE MARKETING OF NITEL SERVICES, A CASE STUDY OF KADUNA NITEL TERRITORY BY MAIDODO, BONNET SUNDAY, meets the regulations governing the Award of the Degree of Masters of Business Administration (M.B.A.) of AHMADU BELLO UNIVERSITY (A.B.U.) and is approved for it's contribution to knowledge and literary presentation.

Mrs. Mary Akanet
SUPERVISOR — DATE 17/8/93

EXTERNAL EXAMINER — DATE 17-07-93

HEAD OF DEPARTMENT — DATE

DEAN, POSTGRADUATE SCHOOL — DATE 16/5/97

D E D I C A T I O N

To all My Brothers whose support, courage and understanding I can always count on.

A C K N O W L E D G E M E N T

I wish to express my gratitude to God almighty for giving me courage, faith and resilience to carry on my studies to an expected end, and for the successful completion of this project work. He gave me strength and made me sure-footed as a deer and kept me safe from all troubles throughout the years.

I owed a great deal of thanks to my parents, Brothers and Sisters for their love, patience and understanding.

My sincere gratitude goes to my Supervisor Mrs. Mary Akanet whose guidance will remain with me for the years ahead.

I also want to express my sincere appreciation and thanks to DR & MRS Bagobiri for their support throughout my stay in Zaria.

I wish to acknowledge the contribution of my friends especially Solomon Affi and David Aku whom support was crucial and paramount to my comfort

during the programme.

My sincere and special thanks goes to Alhaji Sadiq A. G. & Femi Afude of Kaduna Nitel Territory for their concern and contribution to the success of this project work.

Finally, I want to appreciate the effort of my typist Mrs. D. G. Akinwande of Islamic Law Department whose efficiency and accuracy was crucial to the neatness and acceptability of this project.

A B S T R A C T

This work is an attempt to determine the importance and necessity of Marketing in the Nigerian Telecommunication (NITEL) under its commercialised structure.

Marketing in NITEL is a necessity if the enterprise want to achieve one of the major objectives of commercialisation i.e. "To restructure and rationalise public enterprises to make them more efficient, cost effective and cost concious, under the charge of goat-oriented management and staff whose future is linked with the fortunes of the organizations they operate."

Since the future of the management and stall of NITEL depend solely on the fortunes of the enterprise, the management has to devise a strong and dynamic means of generating enough revenue for its survival.

And it is worth noting that marketing is the only source of great fortunes in"any organization. It is the only source of income and without it, nothing comes into the organization and eventually

nothing will go out. In this present age of change, Marketing is the beating heart of many operations. It must be considered a principal reason for corporate existence-because it is the life blood and central focus of all activities in the organisation. And this is the secret the research is out to reveal to the management of NITEL.

This research conducted, made use of personal oral interview together with the survey of relevant literature to gather enough data. Facts gathered were analysed. The research found out that there is no organized marketing department in NITEL: However there are symtoms or elements of marketing especially in the area of customer orientation and the creation of marketing research unit under the corporate department.

The findings of the thesis thereafter concluded by recommending for the establishment of a full-marketing department in NITEL which should be highly integrated with other units of the enterprise for efficiency and affectiveness in its entire operations.

TABLE OF CONTENTS

	PAGE
Title Page	(i)
Declaration	(ii)
Certification	(iii)
Dedication	(iv)
Acknowledgement	(v)
Abstracts	(vii)
Table of Contents	(ix)
List of Tables	(xii)

CHAPTER I

INTRODUCTORY CHAPTER

1.1	Preamble	1
1.2	Statement of Problem	4
1.3	Purpose of Study	4
1.4	Scope of Study	5
1.5	Significance of the Study	5
1.6	Research Methodology	6
1.7	Limitations	6

CHAPTER 2

LITERATURE REVIEW

2.1	Historical Background of NITEL . ..	8
2.2	Objectives of NITEL	11
2.3	NITEL Organizational Structure . ..	12
2.4	Nature and Types of Services Provides	16
2.5	NITEL Services Distribution System	23
2.6	General Problems of NITEL Before Comercialization	24

Table of Contents Contd.

Page

CHAPTER 3

DATA ANALYSIS.

3.1 The General Concept of Commercialization 26

3.2 Objectives of Commercialising NITEL 31

3.3 NITEL Organizational Structure After Commercialization 32

3.4 The Division of Kaduna NITEL Territory 36

3.5 Services Offered by Kaduna Territory. 38

3.6 Kaduna Territory Performance Assessment Under Commercialisation .. 45

CHAPTER 4

4.1 General Marketing Principles 49

4.2 An Assessment of the Application of Marketing Principles in NITEL.. 54

4.3 NITEL Problems as a Result of Ineffective Marketing 57

4.4 Marketing NITEL Services for Efficiency and Effectiveness 59

4.5 Trends and Future Propsects in NITEL. 61.

Table of Contents Contd.

Page

CHAPTER 5

5.1 Summary 63

5.2 Conclusion 64

5.3 Recommendations 65

5.4 References 69

Appendices

LIST OF TABLES:

	Page
Table 3.1.	31
Table 3.2	41
Table 3.3	42
Table 3.4	42
Table 3.5	43
Table 3.7	44
Table 3.8	45
Table 3.9A	46
Table 3.9B	46
Table 3.10	48

CHAPTER ONE

INTRODUCTORY CHAPTER

1.1 PREAMBLE:

Human beings are continuously creating new means of making life easier. In this endeavour, the exchange of ideas and all forms of information between persons, communities, countries, continents and even plannets have propelled telecommunications into a revolutionary tool for the unification of the world into what is referred to as "The Global Village." Communication therefore will continues to remain the most singular indispensable aspect of human existence on this plannet.

Man since creation learnt communication by instinct through spoken words, signs and signals. In the ancient African Communities, war messages were communicated to the entire community through the use of drums and songs (perhaps from the centre of the town or the Chief's Palace).

However, communication nowadays do not only enhance mutual understanding and social integration of disperse communities, but also fostered harmonious

relationship which contribute immensely to the over-all socio-economic, political as well as cultural developments of human society.

The recognition of its dynamics in the development of any nation has unrestrictedly inspires man in search for more sophisticated and yet simplified means and method of communicating, and high risks of road accidents and plane crash on a simple two minutes transaction becomes av avoidable.

The recognition of its importance has particularly influenced successive governments in the country to substantially invest in its development.

For instance, during the nation's first national development plan (1962 - 1968) about ₦30 million was allocated for the development of telecommunications, while ₦40.4 million, ₦1,180.21 million and N2 billion were allocated respectively during the second, third and fourth national development plans.

Based on these figures, it is very much relevant for one to question why upon all the financial support, telecommunications industry in this country has left much to be desired in terms of efficiency and reliability.

Telecommunications industry right from colonial period to a few years back was under the civil service bureaucracy. For that single reason, it could be said that the sector within that period, never experienced modern management handling. With the commercialisation of the industry, it is very much necessary for the organisation to have full business re-orientation to enable it achieve the basic objectives of the commercialization i.e. service efficienty, reliability and profitability.

The organization therefore need the adoption and proper application of marketing principles (marketing integration) in the whole company.

And this calls for everybody in the organization to think of customer satisfaction in his duties to the organization. In Marketing, the customer takes the first place always. Therefore personnel of

NITEL must receive the orientation to behave and act towards their customer in like manner.

1.2 STATEMENT OF THE PROBLEM.

The obvious problem facing NITEL as a Commercialised organization is how to be efficient and effective while maintaining and expanding its operations for profitability.

Another major problem facing NITEL is the absence of effective marketing of its services to enable the organization operate like other business enterprises since marketing serves as the mainstay of any commercial enterprise.

There is also the problem of inadequate use of facilities available in the organization as a result of its dependent attitude on government for funds.

1.3 PURPOSE OF STUDY.

The purpose of this study is to determine the relevancy of marketing principles and techniques in the provision of NITEL services to achieve service

efficiency and profitability.

The study seeks to highlight the importance and establish the need of marketing in NITEL as a business enterprise.

1.4 SCOPE OF THE STUDY.

The study is conducted within NITEL organization as a whole but with specific reference to Kaduna territory as the case study. An attempt was made to look at the provision of NITEL services under its new structure and how marketing can contribute to the attainment of its objectives such as efficiency effectiveness and profitability.

1.5 SIGNIFICANCE OF THE STUDY.

The significance of this study lies in the fact that behind every successful business enterprise, is a highly organized and integrated sets of marketing principles which are followed succintly by the management. NITEL now as a business enterprise cannot over look this fact. The study will therefore broaden their understanding and

application of marketing in their operations for survival and efficiency, all towards ensuring customer satisfaction at a profit.

1.6 RESEARCH METHODOLOGY:

The research made use of both primary and secondary data. Primary sources of data were obtained in the form of oral interview with some selected Senior Executives who are in charge of most of the major services and general management of activities of NITEL organization.

The secondary sources of data includes relevant literature from NITEL territorial district in Kaduna, annual reports, Newsletters, published work related to marketing and Commercialisation, articles on newspapers and magazines.

1.7 LIMITATIONS:

Marketing of NITEL Services is a topic on which relevant materials and publications are scarce. This is so because the organization just came into being in 1985 (Merger of P & T and NET), and was

fully commercialised in 1991. This constituted a major limitation to this study.

Furthermore postponment of interview dates especially with some of the senior executives who are always busy was a limitation to the study as it added to cost of the work and time spent on this study.

Furthermore, NITEL has a policy of not allowing visitors into the company untill 2.00 p.m. daily, this constituted a setback to the study, because at this hour, most Executives are tired and not really ready to attend to an outsider particularly a researcher whom they perceived as an intruder.

CHAPTER TWO

LITERATURE REVIEW.

2.1 HISTORICAL BACKGROUND

The Nigerian Telecommunication Services (NITAL)

A complete account of the history of the Nigerian Telecommunication Services could not be rendered unless it is traced to the pre-colonial era. It is an off-shoot of the postal services which was established in Lagos (1851) as an arm of the British Post Office, to serve the trade interest of the British and provide much needed contacts with their families back at home. Later, the postal services was re-constituted to a quasi-commercial department, providing postal and Telecommunication Services to the nation.

Telecommunications services in Nigeria just like the postal services was therefore meant to provide effective means of communication for the colonial administration. After independence however, it started to be viewed as a social service necessary to augment government development efforts by providing faster and efficient means of

communications to areas far away from the centre of administration, commerce and industry. Telecommunications industry therefore from inception has been the absolute monopoly of the Federal Government.

This important services hitherto were provided by two distinct bodies i.e. Department of Post and Telegraph (P&T) for internal telecommunications, and the Nigerian External Telecommunications (NET) responsible for the International Telecommunications Service. The two distinct bodies were allowed to operate under different management, hence some fundamental differences. As P & T was purely under the Federal Ministry of Communications, it was full of civil service bureaucracy, while on the other hand, NET has an autonomous setting. It was ran on the modern management practice with a lot of marketing principles in application which accounted for its high level of efficiency.

The two seperate entities, i.e. NET and P&T were brought together under the same management in January, 1985 and named Nigerian Telecommunications

Limited (NITEL). The new body acquired the status of a limited liability company.

The principal objectives behind the merger, were first to harmonize the operations of the former bodies since services provided are complementary. Secondly to streamline their activities by pulling resources together for a more efficient and effective telecommunications services. Thirdly, to make it commercially oriented with a view to make a profit.

The concept of NITEL was therefore a radical arrangement that became imminent as a panacea for finding a lasting solution to the problem of eratic provision of telecommunications services for a country that keeps on experiencing rapid growth in population, social, political and economic activities.

NITEL was born then to manifest the magic required to make telecommunication services in Nigeria a catalyst for the achievement of the goals of the Nigerian Society.

It was accordingly charged with the odious responsibility of providing efficient, reliable

and cost effective telecommunications services. It was also to be self-ustaining, and self-accounting.

There years after, NITEL was commercialised in 1988, with the enactment of a new decree (i.e. decree 25 - of 1988, on privatisation/Commercialisation of all government agencies) which was part of the economic relief measures under SAP. The idea behind the new order was total withdrawal of government's grants, and subventions to all Federal agencies slated for commercialisation and privatisation. As such NITEL has to evolve a lot of strategies which will improve its service quality towards full customer satisfaction at a profit.

2.2 OBJECTIVES OF NITEL.

Telecommunication service is a valuable commodity which is beneficial to mankind and to Nigeria as a nation. NITEL therefore has as its major objective to provide to the nation this essential telecommunication service. And this service is expected to in turn enhance growth and

development of the political, social and economic sectors of the economy.

Secondly, NITEL also aims at reducing drastically the cost of transportation, and accident rates to the minimum. Just compare what it will cost you to travel from Kaduna to Lagos by air, and what it will cost you to reach Lagos by telephone for the same purpose or the cost of meeting a business counterpart abroad by air and cost of reaching him through phone for the same purpose within a matter of minutes.

2.3 NITEL ORGANISATIONAL STRUCTURE.

An organization is a goal pursuing entity, and its structure shows how organizational activities are organized to best achieve its goals. Infact an organization is a social construct consisting of various specialists groups which are termed divisions, departments or sections. These are the functional segments that work in harmony with full co-operation towards the successful attainment of the overall organizational objective. The

functional relationship within such a construct can best be comprehensively visualised by structural presentation.

The structure does not only portray the functional co-existence of the various divisions and departments, but also shows the hierachical set-up of the respective positions throughout the organization.

The organizational structure of NITEL (prior to commercialization) as shown below provided for a managing director (MD) as the Chief Executive of the organization. And his immediate lieutenants according to the structure are two Deputy Managing Directors (DMD) for both company operations and corporate administration. Each of the DMDs had a number of functional directors who were fully in charge of their respective divisions. The structure consisted of seven directors and seven General Managers (Zonal GMs inclusive).

The directors as a whole were assisted by twenty deputy directors (DD) with each heading a department of the corporate level. While on the

other hands, the general managers had twenty-nine assistants (twenty five Zonal inclusive) who were known as deputy general managers (DMGs).

THE OLD STRUCTURE BEFORE COMMERCIALISATION:

MANAGING DIRECTOR

THE COMPANY SECRETARY

AUDIT MANAGER.

CORPORATE ADVISER SECURITY AND INVESTIGATION.

DMD CORPORATE ADMINISTRATION

DMD OPERATIONS AND MAINTENANCE.

IRECTOR ERSONNEL

DIRECTOR CORPORATE AFFAIRS.

DIRECTOR FINANCE

DIRECTOR PLANNING & OPERATIONS

G.M. LONG DISTANCE

ZONAL GENERAL MANAGER

MGT ACCT

CUSTOMER ACCTS.

FIN ACCT DD.

INTERNATIONAL

DOMSAT

NET WORK MGT.

TERR-ESTRIAL D.D.

M.I.A

MMGT

CORP STGY.

E.S.T.& TRANSP. D.D.

S.M.

RADIO

COAXIAL

BUILDING DD. ENG. SERVICES

SW

XM

CUSTR SERVICES

LOCAL LINE

PERSONNEL

TRAINING PRINCIPAL OSHODI

R&D

CHIEF OF INTE NATIONAL DD RELATIONS.

HEAD OF MEDICAL SERVICES DD.

2.4 NATURE AND TYPES OF SERVICES NITEL PROVIDES:

NITEL provides a wide range of services, but surprisingly, only a few of these services are known to the Nigerian populace. Once you mentioned 'NITEL' the immediate thought of an ordinary Nigerian is 'Telephone' as if that is the only single service offer by NITEL.

Below is the full range of services offered by NITEL.

(a) International Telephone plus I.D.D. (International Direct Dialing).

(b) International Telex and Telex delivery service.

(c) Telegraph International and Local.

(d) Registered Telegraphic Addresses (RTA).

(e) Bureau Fax (Facsimice).

(f) Leased Circuit (International and Local) for both Telephone and Telegraph.

(g) Telecast-Live Transmission/Reception. of Television for Network Services for International events.

(h) Alternate Voice Data (AVD).

(i) Maritime Mobile Services for your ship to shore telephone and Telex Services.

(j) International Public Counter Services.

(k) Local Telephone Service.

(l) Operator Services

(m) Public Pay Phones.

Detail description of some of the above mentioned services is given below.

TELEPHONE:

This is about the most popular medium of Communication in the World. Its transmission/ reception through safelite has greatly enhanced its preference to other media of communications. NITEL operators helped customers to connect their calls to any part of the world through the switch board. But the newly introduced Dial-it-yourself system is fast gaining ground than the operator assisted call.

It offers quick service as customers dial direct international numbers they want at anytime without

the intervention of NITEL operators.

TELEX: (internal and international).

The telex equipment is a teleprinter machine which is mainly acquired by firms, business organisations and government agencies who have constant exchange of correspondence with local and over-seas partners. The service is comparable with telephone service because the telex subscriber is fully in control and can establish both internal and international telex connections within a minute without the assistance of NITEL operators.

The connections is immediate and charge are based on minutes by minutes use. Telex machine guaranteed secrecy and privacy and records of discussions are automatically printed for upkeep.

PUBLIC COUNTERS/BOOTH SERVICES:

Public counter and booth are services made available to offer telephone, telex and telegraph services on 24 hours basis. These are designed to serve those who have no telephone and telex facilities in their homes, and offices and it is made up of the following:

(i) Public Telephone (International)

This is strictly a cash transaction affair and customers pre-pay for the estimated duration of call. However, customers deposit is refundable on the spot if the call is not through.

(ii) Telex Delivery Service (TDS).

This is an auxilary of the telex service which is ideally developed to meet the needs of Nigerian small scale or one main business.

(iii) Public Coin Telephone Booth Service:

This service enable customers to make phone calls out of homes and offices. Telephone coin boxes are installed in strategic locations in major towns of the federation such that with a few coins, you can make your phone call even on the street.

(iv) Private Automatic Branch Exchange Service (PABX)

Private automatic bfanch exchange, like a public telephone exchange, facilitates

intercommunication between extensions in an organization with or without the assistance of operators. It saves time, introduces control to unauthorised use and cuts down the number of direct telephone lines without any loss of business contacts.

(v) Telegraph/Cosit:

The telegraph service is the oldest system of local and overseas communications. It was popularly known as cablegram before the advent of high frequency radio and satellite communications. Though telegraphic service now takes third position after telephone and telex, it has not fallent in value and reliability.

TELEGRAPHIC ADDRESS SERVICE:

This is a service that helps organisations to cur back the cost of sending telegraphs. It is a registered short form of telegram whether you are sending or receiving a telegram. Each address serves as a reference code for an organization.

LIVE TELEVISION/RADIO BROADCAST.

Television broadcast of International events like soccer are received through NITEL Satellite system and relayed to domistic television sets by N.T.A. "Live." The NITEL Satellite Station is equipped with television concerter that converts to any standard required by the customer. Also with pre-arrangement with the press or broadcasting media, NITEL Play a prominent part in soccer commentaries and other international events broadcast. "Live" through domestic receivers.

PRIVATE WIRE SERVICE:

NITEL offers private lease sometimes referred to as "hot line" telegraph and telephone services. It operates on a point-to-point basis and is exclusive to the lease.

CUSTOMER SERVICE CENTER (CSC).

For the efficient provision of the above discussed services, NITEL created customer service centers throughout the nation. This centers were developed to ensure that NITEL is adequately equipped to offer high level satisfying services to each customer group via a single point of contact.

The customer service centre is therefore charged with the following responsibilities:-

*Processing all applications for service provision and related installation matters.

*Sales of, Directory and Telephone accessories in the phone shop section.

*Accept fault reports and clear them.

*Deal with all enquiries, including billings, payments, and other related issues.

*Tailor - Made Service provision to cater for customer's specific requirements and needs. It has however, been realised that to be successful, this commitment to service and excellence calls for a new customer awareness from all employees. Staff have therefore been carefully selected and are being trained through a variety of customer care training programmes.

2.5 NITEL SERVICES DISTRIBUTION SYSTEM.

There is no distinctive pattern as to how NITEL Services are distributed. However, in an attempt to analyse the manner in which the services are provided, there exist a tendency to view it in two different perspectives. i.e. the geographical spread perspective and the customer composition perspective.

Geographically, the services are spread between the rural and urban areas, with the services highly concentrated in the big cities as opposed to the rural communities with the exception of only telephone service which the spread is fair.

On the customer composition perspective, three categories of customers can be identify for which the services are spread:

(a) Business Customers

(b) Private Customers

(c) Governmental Agencies.

Telephone and Telegraph which are the most popular medium of Communication are widely used by private, government and business organisations. But Telex is used mainly by business organizations and government agencies who need documented exchange of information and correspondence with domestic and international parties.

Specialised services like Least Telegraph Circuits, Least Voice Grade Circuit of Alternate Voice Data (ADV) Circuit, and Sattelite Mobile Communication (INMARSAI) are mostly enjoyed by oil Companies, Commercial Houses, Institutions, indegenous firms, media Hauses and governmental agencies.

2.6 GENERAL PROBLEMS OF NITEL BEFORE COMMERCIALIZATION.

Prior to Commercialization, NITEL was purely a Federal Government Parastatal under the Ministry of Communication and as such was full of Civil Service bureaucracy and political interference. It was not an autonomous setting and consequently lacked the modern management practices.

As such, Personnels were not serious with their work. They developed an "I don't care attitude" base on the maxim of "government work is nobody's work." Competition was totally absent as the Enterprise enjoyed government monopoly. This affected the productivity of the enterprise negatively, service equality was poor and inefficiencies and ineffectiveness was high to an extent that it was generally acknowledge in the country. The zeal or determination to attract consumers was lacking which resulted to low level of patronage and improfitability.

In view of the observed problems, commercialising NITEL became crucial and unavoidable.

CHAPTER THREE

DATA ANALYSIS

3.1 THE GENERAL CONCEPT OF COMMERCIALIZATION

The concept of privatisation/commercialization of public enterprises first emerged as a policy in Great Britain about a decade ago. At the end of world war II, the British Government, in an attempt to revitalise the war - ravaged economy and engander rapid expansion in theproduction of essential goods and services, embarked a policy of extending public sector involvement into economic activities that traditionally fall within the province of the Private sector. While there was a genuine need for government intervention in rebuilding the economy after the ravages of war, it must be appreciated also, that the policy had a socialist orientation under the administration of the labour party.

However, when the conservative Government of Margaret Tharcher came into being in 1979, she reversed the socialist policy of nationalisation of key industries of the labour government. "Privatisation/Commercialisation" became the key variable and also the main strategic thrust in the industrial policy of the new administration which emphasized the role of the market

in determining the allocation of resources in the e : economy and the removal of subsidies to industries. By freeing the economy from excessive government controls through the policy of Privatisation/Commercialisation, and following the free rein of competition and private management initiatives, most of the loss-making nationalised industries have been turned aroound to the path of greater efficiency and profitability.

The Nigerian case however, dates back to 1960 when the indigenous private sector was made up mainly of small farmers and traders, artisans and a few small manufacturers while foreigners dominated large-scale trading, transportation, construction, manufacturing, etc.... Government intervention at that time was thus appropriate - to widen the scope of indigenous participation in the productive sectors of the economy especially in those areas that were beyound the reach of the indigenous private sector. With the improvement in the nation's oil fortunes and hence its revenue potentials, public sector Participation in economic activities became quite pervasive.

Although there was good reason for governments at that time to have venture so extensively into commercial activities, the experience has shown that

almost without exception, these ventures have remained inefficient, unprofitable, and a drain of public sector resources as they all continually turned up dismal results.

This poor performance of virtually all the enterprises in which government has a majority share -holding showed clearly that, the public sector machinery was unsuited for attaining the objectives of producing and providing goods and services which are purely 'private' in nature. Pratically all these enterprises became fat cows whose survival depended mostly and solely on government subsideis. So long as the oil boom continued to provide the resources to meet these subsidies, there was no urgency to rectify the growing dangerous trend and such institutions saw them (subsidies) as their own share of the national-cake.

The poor performance of most of the public sector enterprises was decried by almost everybody, glaring exampls were NEPA, NRC,NITEL, and NIPOST etc, whose inefficiency was generally acknowledge in the country.

Credit most therefore be given to the Babagida Administration for having the will-power to initiate and implement appropriate measures to rectify the mistakes of the past and provide right direction for the economy.

The focal point of the administration's economic package towards turning the economy arround is the structural Adjustment programme (SAP). And the lubricating factor of the programme is the removal of the stiffling influence of the government in all sectors of the nations economic activities, and allowing the interplay of market forces to determine prices and allocate scarce resources. To achieve these objectives, the privatisation and commercialization programme became an essential requisite of the structural adjustment programme.

It is against this background that Decree No 25 - the privatisation and commercialisation decree 1988- was promulgated.

The decree categorises parastatals and enterprises in which government has investment interest into 4.

(1) Companies to be fully privatised,

(2) Companies to be partially Privatised,

(3) Companies to be fully commercialised;

(4) Companies to partially commercialised.

At this juncture, the distinction between the two terms, re commercialisation and privatisation which has been used synonymously must be made clear.

Privatisation in its sense can be defined as the total transfer of government equity interest in some enterprises to private investors, or and economic arrangement whereby the state relinquishes its control on certain public enterprises to give room for private ownership.

Commercilisation on the other hand means making government establishments viable or profit oriented through changes in Management, pricing, product deli vary, s rvice orientation, competition etc ..... it may further be defined to connote a cautious move by public enterprises to adopt the private sector style of management and orientation towards profitability.

One major distinction of commercialisation is that ownership is not changed, rather, a reward system that motivates is introduced for the purposes of eliciting efficiency. It is important however, to observe that both strategies - privatisation and commercialisation have one thing in common, and that is possitive performance in profit terms through greater management efficiency by creating and adding more values in services rendered and for the fees prices charged. Therefore, while privatisation result in the transfer of government - owned enterprises into private hands, commercialisation on the other hand, entails the restructuring of selected enterprises to make them commercially viable.

3.2 OBJECTIVES OF COMMERCIALISING NITEL

As stated earlier, prior to commercialisation/ Privatisation of public enterprises, practically all these enterprises had become fat cows whose survival depended mostly on government subsideis (NITEL inclusive). According to available statistic, public sector investment in industrial/commercial actitivities accounted for about N35 billion of public expenditure at the end of October, 1985. This was made up as follows:

TABLE 3.1

Equity	11.4 Billion
Laon and Guarantees	11.8 "
Grants/Subventions	11.5 "
	34.7 Billion

However, returns generated by these investments, was less than ₦500 million per annum i.e less than 1.5%. It is not surprising therefore when a renowned classical economists, Adam Smith Advocated for commercialiation as a means of eliminating waiste and maximizing the value of assests. He maintained in his book "The wealth of Nations" that people are more periodical with the wealth of others than with their

own, hence public **administratiom** is negligent and wasteful, since according to him, bureaucrats and others public employees have no direct and personal interest or commitment, as such to the commercial outcome of their actions or inactions. NITEL was commercialised therefore to make it viable or profit oriented through changes in management, pricing, product delivery, service orientation and competition. It was charge accordingly with the responsibility of:-

(a) Provision of efficient, reliable and cost effective telecommunication services.

(b) To be self -sustaining and;

(c) Self accounting.

3.3 NITEL ORGANISATIONAL STRUCTURE AFTER COMMERCIALISATION

In compliance with the recommendations of the Technical Committee on Privatisation and Commercialisation (TCPS) NITEL Board of Directors approved a new organisational structure for the company.

At the apex of the chart, the Managing Director remains as the Chief Executive of the Company. He is now assisted in the running of the company by four Executives Directors as opposed to the former arrangement where there were only two. The Executives Directors will take charge of planning and operations, Finance and investments, Administration, and corporate and

zonal administration respectively.

The designation for the former heads of divisions has now been re-aligned to general managers. Formerly heads of divisions were known as directors while their counter-parts in the zones were general managers. There is now eleven general managers in the corporate headquarters and six for the zones. Sixting of these general managers will be reporting directly to the various Executives Directors as shown in the chart.

The General Manager, legal and Secretarial, however will report directly to the Chief Executive of the company. So also will the heads of internal Audit Department, public Relations and public Affairs Department and Management information systems and Data processing Department though their designations will be that of Deputy General Manager.

The other General Managers in the Corporate headquarters will, respectively, take charge of planning and development, operations, Project implementation and monitoring, Budgetary planning, Accounting, Transports, Estate Management and maintenance, Investment and treasury, Medical and Industrial Helath Services; Personnel, Training and manpower Development, and purchasing and supplies.

The six General Managers for the zones will respectively manage Lagos zone, South west zone, North-west zone, South East zone and long Distance Communication.

Under the new structure, the Divisions in the corporate headquarters and zones will oversee other departments as shown.

1. Planning and Development:

(a) Building Engineering and Accomondation Services.

(b) Chief Economist

(c) Systems planning

2. Operations:

(a) Customer services

(b) Stores Management

(c) Maintainance

3. Project Implementation and Monitoring

(a) Implementation

(b) Monitoring

(c) Resarch and Development

(4) Financial Accounting

(a) Finance

(b) Management Accounting

(c)

5. Investment and Treasury

(a) Investment

(b) Treasury

6. Budgetary Planning stock and lost Accounting

(a) Budget planning

(b) Stock Accounting

7. Purchasing and supplies

(a) Purchasing

(b) supplies

8. Personnel Training and Manpower Development

(a) Personnel

(b) Kano management centre

(c) Course Development

(d) Oshodi Training school

9. Transport, Estate Management and Maintainance.

(a) Administration

(b) Estate/Transport and Security

10. Medical and Industrial Health

(a) Medical services

(b) Environment and Industrial safety

11. Long distance communications

(a) International

(b) Network management

(c) Planning and Implementation

(e) Zones.

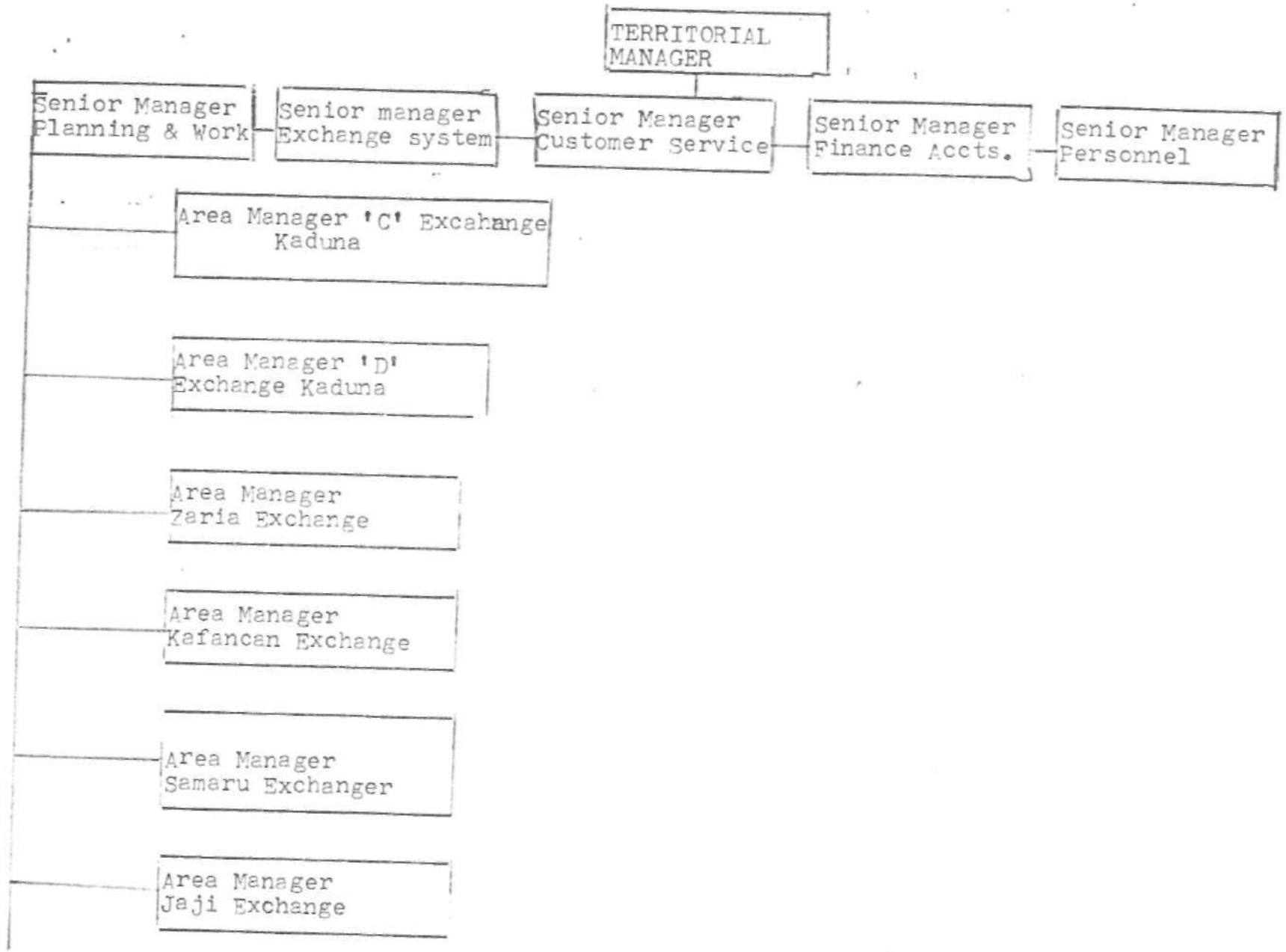
All these departments are supervised by Deputy General Managers.

From the above developments, it is clear that the dependence of the affected public enterpirse on government in their administrative, management, financial and related operational matters has apparently been broken. This suggest that the commercialisation policy aim at the devellpment of self reliant and self sustaining public enterprises.

This is a significant change from the old order to a new one which is expected to bring about a lot of innovations on the managerial operations. The management under the new dispensation is expected to employ all necessary modern management techniques and styles to solve any contingent managerial problem that might arises. That should be through the proper application of management principls, e.g management by objectives (M.B.O) and effective marketing strategies.

3.4 THE DIVISION OF KADUNA NITEL TERRITORY

As a result of the changes made in the over all organizational set up of NITEL, territories were structured to reflect similar changes.


TERRITORIAL MANAGER
Senior Manager Planning & Work
Senior manager Exchange system
Senior Manager Customer Service
Senior Manager Finance Accts.
Senior Manager Personnel
Area Manager 'C' Excahange Kaduna
Area Manager 'D' Exchange Kaduna
Area Manager Zaria Exchange
Area Manager Kafancan Exchange
Area Manager Samaru Exchanger
Area Manager Jaji Exchange

Changes made at the territorial level were very. slightly. Senior Managers planning and works, Exchange system, customer service, finance and Accounts and Personnel still report directly to the Territorial manager. However, Exchange areas were made autonomous and were given Area Managers. Under the new dispensation, they operates autonomously in all aspects of its operations and report directly too to the territorial manager, instead of the senior manager Personnel as the case used to be.

3.5 SERVICES OFFERED BY KADUNA TERRITORY

As it is indicated in the territory organisational chart the territory has six exchange areas where by the services are being provided, these are:-

i. Kaduna Exchange area 'C' This exchange areas is incharged of service Provision to the Northern part of Kaduna city.

ii. Kaduna Exchange Area 'D' The 'D' exchange area takes care of the southern part of Kaduna city.

iii. Zaria Exchange area. The Zaria exchange area serves the Zaria town and its environs, including Soba while Samaru is properly taken care by Samaru Excahange area.

iv. Kafanchan exchange Area:-

The Kafanchan excahnge area provide services to the Kafanchan town and areas like Zankwa, Kagoro Samaru and Zango Kataf, and the Southern part of Jema'a local Government.

v. Jaji Exchange area: This exchange area serves only Jaji area and its environs. This is so because of the strategic function of the area (the location of the Command and Staff college in Jaji) to the nation in General.

For effective and efficient provision of the services, the Kaduna territory established two customers service centres in Golf Course Road and Lafia Road Kaduna, respectively.

CUSTOMER SERVICE CENTRE (CSC)

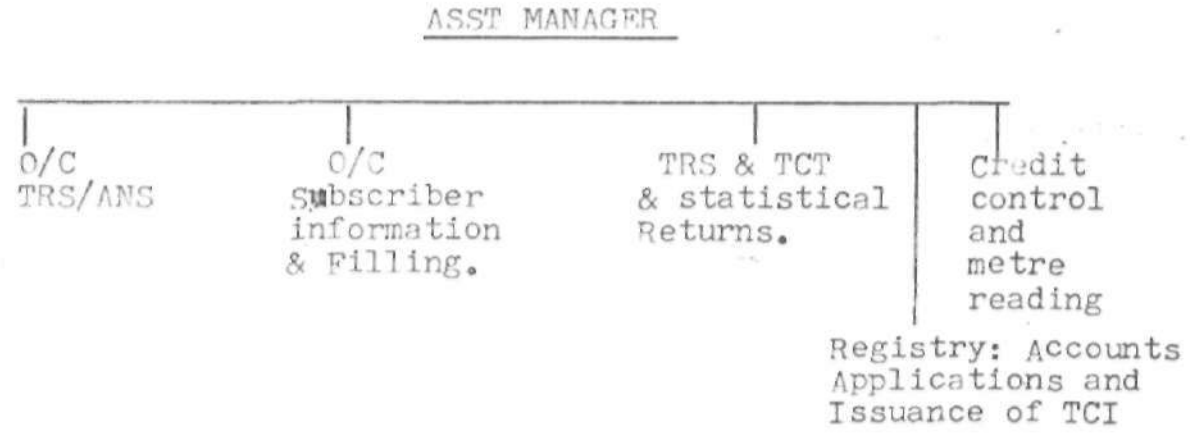
As earlier mentioned in chapter two, the customer service centre served as the point of contact between NITEL and the customers. The main purpose of the s service cantre is to attend to customers complaints immediately without further delay. The office is t therefore manned by a core of officers groomed to handle specific customers needs.

The customer service centre also has the responsibility of:-

- Setting for itself a target for processing new applications (i.e two weeks) within which a customer must utilize his new line.
- Encouraging efficiency, since work schedule are fully define for each officer.
- Being a privilege avenue for customers to fully explain their dissatisfaction with a particular service/ action of the management.
- Enabling management to under stand its effectiveness to the social needs by feed back through open discussion with customers as from time to time.

And finally, the customer service centre is surpose to differ greatly from the old business office system, because of the urgency customer complaints are handled and the efficiency and dexterity with which jobs are executed.

A structural set up in an ideal CSC as at Golf course Road in Kaduna is showed below.



The centre is headed by an Assistant Manager, who is directly answerable to the territorial manager. There are suposed to be at least two senior staff assisting the head of the centre. The other positions are manned by Assistant Officer I/II.

COST OF THE SERVICE

Procedures for obtaining NITEL services are made available at each customer service centre. Telecommunications agreement forms are first obtained which has to be signed by an authorised officer. Installation fees are then paid after the issuance of telecommunication contract form (TC.1) before service can be provided.

As a result of the commercialisation of the enterprises, the organisation introduced new service charges as shown below:-

INSTALLATION CHARGES: TABLE 3.2

	OLD RATE	NEW RATE
	₦	₦
1. Private telephone line Installation charges (₦250 in rual areas	500.00	500.00
Advanced rental for 3Month (20 x 3)	15.00	60.00
One copy of current National Telephone	10.00	00.00

2. Business Tel. Line

Installation Charges (₦250. in rural areas)	500.00	500.00
Advanced rental for 3 month (40 x 3)	30.00	120.00
One coppy of current National Telephone	10.00	50.00
Directory soft (deposit)	500.00	500.00
Total	1040.00	1170.00

TABLE 3.3

Radical distance between terminal exchanges or charging points:

Distance	Old rates	Minimum Charges at full rate (3 Number new rates
0 - 50Km	0.30k	2.70
51 - 90Km	0.60k	5.40
91 - 160Km	0.90k	8.10
161 - 250Km	1.20k	10.80
251 - 400Km	1.50k	13.50
Over 400 Km	2.00k	18.00

TABLE 3.4

TELEX INSTALLATION CHARGES:

Telex machine and associated items	₦500.00
Removal charges	500.00
Rental per month	170.00

TELEX CALL CHARGES

Local cal (per 60 seconds)	0.50k

TABLE 3.5

TRUNK CALLS PER 3 MINUTES

Radical distance between Terminal exchange or charging points	Miniumum charge at full rate ((3 minutes).	
	Old rates	New rates
0-05Km	N 0.15k	N 1.50
51 - 90Km	" 0.30k	3.00
91 - 160K	0.60k	6.00
161 - 250K	0.90k	9.00
251.- 400K	1.00k	10.00
Over 400km	1.50k	15.00

TABLE 3.6

Public Tlegraph Charges:

Types of Telegraph	Old charges N	New
Ordinary	30k for 1st 12 Words	N3.00
Urgent	3k per word	0.20k
Greatings	50k	5.00
Press (ordinary)	30k per 50 words(Min)	3.00
	15k each Successive at 25 words	1.50
Press (Urgent)	Double Ordinary Rate	Double rate
Poterage Outside	20k for 1st 5Km plus	2.00 1st Km
	10k for each Additional Km	Plus 1.00 per Km

TABLE 3.7

International Telecommunications service Charges:

1. TELEPHONE

Europe	₦22.00 per min
America	25.00 " "
Asia/Ocenia	25.00 " "
Africa	16.00 " "

* ₦40.00 suecharged for person to person Call.

2. TELEX

Europe	₦20.00 Per min
America	20.00 " "
Asia/Oceania	20.00 " "
Africa	15.00 " "

TELEGRAPH

Europe	₦5.00 Per word
America	5.00 " "
Asia/Oceania	5.00 " "
Africa	5.00 " "

SOURCE: NITEL SERVICE INFORMATION BRONCHURE
ALSO SEE APPENDIX.

These new charges has enable the enterprises to improved a lot in terms of profitability and self-sustainability. Customers who used the services ((especially telephone local) between 7am - 7pm are charge the full standard rates. However, customer that used same services between 7pm and 7am have 50% of the standard rate reduced, thereby saving 50% of his expences (cost).

3.6 KADUNA TERRITORY PERFORMANCE ASSESSEMENT UNDER COMMERCIALISATION

An assessement of an organisation performance is an attempt to evaluate the actitivities of that organisation with regard to the attainment of set objective s over a specific period of time.

Assessing the performance of NITEL at this particular time may be unrealistic and uncomplete owing to the fact that despite the Federal Government decree No. 25 of 1988 on privatisation and commercialisation, NITEL was not fully commercialised until late 1991. However, the short time span the enterpises has existed as a fully commercialised enterpise has witness a remarkable progress in terms of service efficiency and revenue generation.

TABLE 3.8

REVENUE GENERATION AND COLLECTION

NITEL NORTH WEST ZONE ANALYSIS OF REVENUE GENERATED 1988 - 1991 ANNUAL COMPARISON.

Territory	1988	1989	1990	1991
Abuja	8,408,532	1,208,452	49,482,569	64,893,305
Kaduna	18,511,346	24,988,659	71,510,181	93,856,271
Kano	28,652,976	32,308,005	64,320,365	69,783,730
Katsina	1,855,364	38,114,83	12,535,218	14,518,714
Kwara	31,28 ,958	81,69 189	34,140,433	43,083,199
Niger	3,859,575	6,917,414	27,994,865	34,009,539
Sokoto	57, 98,297	10,571,566	31,362,956	29,865,202
TOTAL	70,215,678	98,846,763	291,346,587	350,009,960

SOURCE: NITEL ANNUAL REPORT. SEE APPENDIX.

TABLE 3.9A

NITEL NORT WEST ZONE, ANALYSIS OF REVENUE COLLECTED
1988 - 1991 ANNUAL COMPARISON

Territory	1988	1989	1990	1991
Abuja	4,443,669	8,899,945	20,340,489	49,960,785
Kaduna	13,833,434	17,982,202	46,297,497	72,107,611
Kano	17,954,304	24,163,983	49,904,073	58,215,044
Katsina	1,415,936	3,517,587	6,738,989	8,976,099
Kwara	2,704,270	6,752,607	20,928,207	29,713,701
Niger	2,989,235	5,613,252	12,540,597	22,602,877
Sokoto	3,734,023	7,989,616	14,165,621	20,685,166
Total	47,074,871	74,919,192	170,915,383	262,261,283

SOURCE: NITEL ANNUAL REPORT - SEE APPENDIX

TABLE 3.9B

KADUNA TERRITORY, ANALYSIS OF REVENUE GENERATED AND COLLECTED
1988 - 1991

Year	Revenue Generated	Revenue Collected
	N	N
1988	18,511,346	13,833,434
1989	24,988,659	17,982,202
1990	71,510,181	46,297,404
1991	93,856,271	72,107,611
TOTAL	208,866,457	150,220,651

SOURCE: NITEL ANNUAL REPORT - SEE APPENDIX

From the analysis of revenue generated and collected by the Kaduna Territory, it is noticeable that a remarkable progress has been made in that area and it could be asserted that commercialization is making its

impact on the enterprise. The rise started in in 1989 when NITEL was partially commercialised and it continued through 1990 but skyrocketed in 1991 when it was fully commercialised. From the statement of profit and loss account for the Kaduna Territory for only the fourth quarter of the year 1991, it may be fair to assummed or generalised that the enterprise is not self-financing but profitable as substantial profit are being made.

TABLE 3.10

PROFIT AND LOSS ACCOUNT BY EXCHANGES FOR KADUNA TERRITORY FOURTH CUARTER OCTOBER, TO DECEMBER, 1991

Exchange	No of Connected lines	Revenue Generated ₦,000	Operating cost ₦,000	Contribution ₦,000	Depriciation ₦,000	Bad Debts Prov. ₦,000	Zonal HQ Over Head ₦,000
Exch.'C' Kad	8057	19549.37	3730.46	15818.91	907.88	2926.55	874.05
Kad TLx Exch.	345	718.58	100.26	618.32	1.37	411.00	23,49
Kad. South EX.	1159	2075.21	550.78	1524.43	73.82	580.39	129.05
Jaji Exch.	145	210.26	68.91	141.35	12.14	72.61	16.15
Zaria Exch.	1772	1951.60	842,09	1109.51	552.73	887.37	197.30
Samaru Exch.	1150	1559.93	540.80	1018.63	206.35	569.88	126.71
KAF Exch,	544	188.20	258.52	-70.32	184.60	272,42	60.57
Zaria TLX	24	81.81	11.41	70.40	0.12	80.16	2.67
Total	13196	26334.46	6103.23	20231.23	1929.01	6800.38	1430.00

SOURCE: NITEL ANNUAL REPORT.

From the statement, a profit of ₦20231.23 was made only for the fourth quarter alone. With the application of marketing principles in the organizational activities, greater heights will be expected in the near future.

CHAPTER FOUR

4.1 GENERAL MARKETING PRINCIPLES

Marketing is the business function that identifies unfulfilled needs and wants, defines and measures their magnitude, determines which target markets the organization can best serve, decide on appropriate produc$, services, and programs to serve these markets, and calls upon every one in the organization to "think and serve the customer".

To survive therefore, business has always had to be more, or less consumer oriented. Adams Smith and the classical economists established the fact that the purpose of an enterprise is to to satisfy human wants and that profit is merely a reward for faithful service. Top management of enterprises have realised that almost every decision in the operation of a business must be made in the light of consumer needs and preferences. Organisationally the marketing department is placed on an equal footing with production and finance as marketing decision have to be made at the beginning as well as at the end of the production or service cycle. But for marketing to achieve objectives, it needs a philosophy to guide it.

It is believed that for every business to be successful in its marketing efforts, marketing activies should be carried out under some well- thought-out philosophy of effective and responsible marketing.

There are five competing concepts under which organizations conduct their marketing activity; the production, product, selling, societal and the marketing concept. However in todays modern marketing, where economic environment are continually changing, customers, needs and wants change daily, competitors are increasing and their mode of satisfying consumers is consistently improved, the marketing concept stands out as the most appropriate and feasible concept under which organizations can market their products effectively.

The marketing concept therefore, is a business philosopy that arouse to challege the previous concepts. Although it has a long history, its central tenets did not fully crystalize until the mid-1950s. According to KOTLER (Pg 17,1988), the concept holds that "the key to achieving organisational goals consists in d determining the needs and wants of target markets and delivering the desired satisfactions more effectively

and efficiently than competitors. This has been expressed in many colorful ways such as:-

* "Find wants and fill them".
* "make what will sell instead of trying to sell what you can make".
* " Love the customer and not the product".
* " Have it your own way" (Burger King)
* " You are the boss" (America Airlines)
* " To do all in your power to pack the customers dollar full of value, quality and satisfaction" (J.C, Penney).

The marketing concept therefore rest on four main pillars, namely:

(a) MARKET FOCUS
(b) CUSTOMER ORIENTATION
(c) Co-ordinating marketing.
(d) Profitability.

Concepts like the selling concept takes an inside-out perspective. It starts with the factory, focuses on the company's existing products, and call for heavy selling and promotion to produce profitable sales. While th e marketing takes an outside - in perspective. It starts with a well defined market, focuses on customers needs, coordinates all the activities that will

effect customers, and produces profits through creating customer satisfaction. In essence, the marketing concept is a market focused, customer oriented, coordinated marketing effort aimed at generating customer satisfaction as the key to satisfying organisational goals. This four pillars of the marketing concept needs a closer examination to show how each pillar contributes to more effective marketing.

MARKET FOCUS

No company can operate in every market and satisfy every need. Nor can it even do a good job within one broad market. Even mighty companies cannot offer the best solution for every customer need. Market focus therefore calls for companies to define the boundaries of their markets carefully because they do best when they prepare a tailored marketing program for target market.

CUSTOMER ORIENTATION

This require the company to carefully define customer needs from the customer point of view, not from its own point of view. Every product/service involves trade - offs, and management cannot know what these are without talking to and researching customers.

For instance a car buyer would like a high -performance car that never breaks down, one that is safe, attractively styled, and cheap. Since all of these virtues cannot be combined in one car, the car designers must make hard choices not on what pleases them but rather on what customer prefer or expect. The aim after all, is to make a sale through meeting the customers needs,

COORDINATED MARKETING

It is unfortunate that not all employees in a company are trained or motivated to pull together for the customer. However, coordinated marketing means two things. First, the various marketing functions - sales force, advertising, marketing research, etc. Must be coordinated among themselves with the customer as their common goal.

Second, marketing must be coordinated with the other departments in the company. Marketing does not work merely as a department; it only works when all employees appreciates how they impact on customer satisfaction. As David Pacard of Hewlett-Packard put it. "Marketing is too important to be left to the marketing department". The Marketing concept therefore calls for internal marketing as well as external marketing.

Internal marketing is the task of successfully hiring, training, and motivating able employees to serve the customer well. As such internal marketing must precede external marketing because it makes no sense to advertise the organisation's service before it is ready to provide qualtiy service.

PROFITABILITY

The purpose of the marketing concept is to help organisation achieve their goals. In the case of private firms, the major goal is profit; in the case of non profit and public organisations, it is surviving and attracting enough funds to perform their work. The concept key aim is not for profit as such but to achieves them as a by-product of doing the job well. But this is not to say that organisational are or should be unconcern with profits. Quite the contrary they are highly involved in analysing the profits potential of different marketing opportunities. In conclussion, the marketing concept provides a sound foundation with laid down princepls for the effective marketing of company products/service.

4.2 AN ASSESSEMENT OF THE APPLICATION OF MARKETING PRINCIPLES IN NITEL

As competition intensifies, cost rises, productivity stagnates, service quality deteriorates, and patronage declines, an increasing number of service firms are realising the relevance of marketing.

Marketing in NITEL services is a new phenomenan, as such a good assessement of the application of its principles at this material time may be unrealistic and unfruitful.

However, the company having realised the strategic position of a customer group to a profit seeking enterprise, has started to re-orient its operations towards full customer satisfaction. That is borrowing a leaf from marketing philisophy i.e 'Customer Supremacy'. Among the number of measures to service customer right as adopted by NITEL are:- Customer service centre concept, staff training on custoemr handling techniques (this is epecially the case with operaters and field technicians), introduction of timing the accomplishment of a customer job within a specific time duration. As a fully commercialised enterprises, effective customer service orientation must be adhered to at every level of the company operations. This is very necessary for the maintainance and inddeed growth of the number of customers. A paper tittled, "Effective customer service for improved efficiency", define customer service as:- "The serries of activities often involving the intergrated functions of more than one departments in the firm, designed to ensure customer satisfaction with the service of the firm".

In the modern business environment, it has been acknowledged that, it is only the firm which maintains a core of satisfied customer through the development of carefully nourished customer relationship that enjoys real success. Effectvie customer service ensures that the firm obtain business, enhance corporate image (through positive words of mouth advertisement), and provides the capability of turning customer conflicts into customer confidence.

NITEL Must avoid the temptation of becoming complacent in an apprarent monoply situation thereby ignoring the importance of customer service and consequently fail to acknowledge competiton. History is replete with industries which have suffered due to this type of "Marketing myopia" syndrome. The railway business was said to have got into trouble because they refused to acknowledged competition from Road Trucks and Air Cargo Transport systems. A similar fate befell the Cinema industry in relation to Television.

Some of the government agencies being commercialised are apparently enjoying some degree of monoply but this is more apparent than real. They should therefore embrace the marketing techniques in customer service principles if they must fully achieve the aims of the commercialisation.

4.3 NITEL PROBLEMS AS A RESULT OF INEFFECTIVE MARKETING

The most obvious problem of NITEL as a service industry, is the absence of effective marketing. For any commercialised public enterpirse to achieve its set objectives, such an enterprise has to be re-oriented towards meeting customer satisfaction. And such a satisfaction is a function of marketing concept.

The concept provides a situation whereby customer supremacy is recognised fully by the top management of an organisation. It requires the organisation to under take what is referred to as market standing/ customer survey. According to Drucker (1995), "Marketing standing has to be measured against the martket potential and against the performance of the suppliers of competing products/service. To be able to set market standing objectives, a business must find out what its market is,who its customer are and what its unsatisfied wants are. The absence of this in NITEL has caused the enterprise a number, of problems as showed below.

(i) The direct exchanges in most of the rural areas are being under suscribed which leads to under-tilisation of the installed capacity in such areas. And this is due to the absence of stimulational

marketing. This aspect of marketing is an effort which aims at stimulating needs and wants for a service or product in some people who initially have no knowledge or interest in the service or product.

(ii) Decline demand for certain service: Some NITEL service have become staleand stagnat thereby having a declining demand, for instance the market for telex is gradually getting extinct due to a lot of unresearched reasons. And this is mainly due to the absence of remarketing which would have rebuild the interest of customer in the service.

(iii) Congestion of urban exchanges: There is high demand for certain service like telephones to the neglect of others. Effective demarketing and synchro-marketing would have reduced the demand for telephone and encourage the use of other services.

(iv) Finally there is a problem of effective recovery of revenue generated. And this is due to the absence of an organised marketing department which would mapped out strategies for both revenue generation and collection.

4.4 NITEL MARKETING/SERVICES FOR EFFICENCY AND EFFECTIVENESS

The need for marketing principles in NITEL cannot be over-emphasized due to the fact that marketing today is a subject of growing interest in all sizes and types of organisations within and outside the business sector in all kinds of countries. Infact most nations today - regardless of their degree of economic development or their political philosophy - are recognising the importance of marketing. No matter what the economic climate, marketing considerations are the most critical factors in planning and decision making thus the National association of manufacturers expressed the importance of marketing to an organisation in this way-

> "In this exciting age of change, Marketing is the beating heart of many operations. It must be considered a principal reason for corporate existence."

The modern concept of marketing recognizes its role as a direct contributor to profits as well as sales volume. No longer can a comapny just figure out many units it can produce and then go ahead to turn them out. To endure in this highly competitive change-infested market, a company must first determine what it can sell, how much it can sell, and what approaches must be used to entice the wary customer. And this

is the central principles of the marketing concept. In essence, the marketing concept calls for all business enterprises to be market forcused, customer oriented and have a co-ordinated marketing effort aimed at generating customer satisfaction as the key to satisfying organisational goals.

NITEL therefore as a commercialised business enterprise need the effective application of this principles for its sucess as a business enterpirse. And this calls for the establishment of an organized marketing department that is highly intergrated with other units of the organization "Marketing is too important to be left to the marketing department", Statts David Packard of Hewlett-Packard. And Professor Stephen Burnett of Northwestern adds: "IN a trully great marketing organization, you can't tell who's in the marketing department. Everyone in the organization has to make decision based on the impact on the customer".

The establishment of a marketing department in NITEL with well entrenched marketing activities, will go a long way to solve most of the problems currently faced by the organization i.e inefficiencies, ineffectiveness and unprofitability.

4.5 TREND AND FUTURE PROSPECTS IN NITEL

Telecommunication is striking fast with high technological know-how, and NITEL is looking to optimum service provision. Recent trends with respect to the development of new services and customer orientation in NITEL indicate that the future holds a lot of good prospect for the industry. Below are new services that are being developed.

- Press reception and broadcast
- Word processing
- Tele-elctronic messages
- Tele-conferencing
- Air traffic sub-system
- Collect calls
- Cellular Radio telephone service
- International and local card pay phone.
- Digital PABX.

With respect to customer orientation, something dynamic is also happening. For example - a satisfy subscriber recenly, this year, commended the the management and staff of NITEL Kaduna for re-affirming his faith in the hope for a new Nigeria.

Writing in the letters column of the New Nigeria news paper of Wednesday 5th April, 1992, the subscriber Mr Umeh of Marcom Ltd Kaduna, said that he applied for a telephone line toNITEL in December 1991 but due to exigencies of duty was unable to follow up the application. However he was pleasantly surprised when NITEL field staff arrived his house and went ahead to installed a DEL (Direct Exchange line) after the payment of a "fair Bill". Mr Umeh concluded by saying "somthing new must be happening in NITEL, A new wind must be blowing a cross Nigeria". This is an indication that a dynamic and highly efficient NITEL is emerging and is totally committed to serve customers better, as such what is needed now is a good marketing programme to complement this efforts to enable the organisation achieve greater heights in the near future.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS:

5.1 S U M M A R Y:-

This research concentrated on the determination of the essentials of marketing to NITEL at this crucial period of Commercialisation for improve service efficiency and profitability. To carry out this task successfully a brief history of the structure and operations of NITEL was look into, where it was discovered that the enterprise was formerly a Federal Government Parastatal stiffled with the Civil Service bureaucracy which eventually made the enterprise like any other public enterprises to become fat cows whose survival depended mostly on government subsidies.

As a result of this development the Federal Government decided to Commercialise NITEL with an aim of removing the bureaucratic bottlenecks and political interference through restructuring the enterprise and defining clear roles between the Supervising Ministry, the Board of Directors and the Management of the enterprise with the ultimate goal

of making it self-financing.

The study also attempted to investigate and assess the performance of NITEL profit wise, the extent of the use of Marketing Principles, their problems and how the establishment of a Marketing Department will improve its profitability and solved most of its problems. As it is indicated in the data analysis, the commercialisation has enable the enterprise to make substantial profit over the few years but the absence of proper Marketing has inhibit the full realisation of the profits and consequently the objectives of Commercialisation.

Finally, recommendations concerning the study was made base on these facts.

5.2 C O N C L U S I O N.

It has been identified that NITEL obvious problem is the absence of Marketing activities in the organization, and unless it is incorporated, the aims of commercialising the enterprise may not be fully achieved. It has also been realised that customer satisfaction brings about loyalty and repeat purchase to any business. And such a satisfaction is a function of Marketing Variables.

For NITEL to meet its customers needs effectively, such an entity has to evolve an integrated marketing system whereby the entire company is customer concious. That means every section of NITEL must contribute to satisfy the customer needs at a profit.

The greatest challenge to each and every member (staff) of NITEL no matter his/her specialist function, is to relate his work to the needs of the market and balance it against the company profit needs. The top Executives most be market concious in their policy formulation.

5.3 RECOMMENDATIONS:

The recommendations presented below are the outcome of the findings, interpretations and judgement of the researcher. Though not Exhaustive, it is the hope of the researcher that when implemented will no doubt enable the enterprise attain its set objectives.

(1) Creation of a Marketing Department.

An organised and integrated marketing department should be created with marketing intelligence units at the zonal level and be

vested with the following responsibilities for the necessary guidance of other territories towards a successful commercial operation:

- Serve as a 'Think-tank' for the Zonal Administration, with special reference to commercial operations.

- Formulate and enhance marketing strategies to improve service market situations.

- should undertake all research works throughout the Zone on any service line.

- Develop all necessary strategies and techniques to monitor all territories' performance toward successful commercial operation.

- should monitor market situation in each exchange area, study development per serviceline, and take action for necessary improvement on performance and customer handling.

- should initiate all promotional activities that will assist and enhance performance, and create company good-will in the market.

(2) Strengthened the Marketing Research.

Unit and transfer it from the corporate affairs department to the marketing department. The marketing research is necessary not only to determine market standing of a product/service, but also to assess effectiveness and customer satisfaction in all areas of operation. It will equally serve as a measure of appraising the overall organisational performance. The research should be carried out at least once in a year.

(3) Build a Strong Customer Relations:

The most important element in the business enviroment of any organization is the Customer. This element is particularly important in the NITEL case for the following reasons:

- NITEL services are not absolute necessities. They are important but they do not rank in the same category as food, air and water. The implication is that NITEL Services can be dispense with without threat to life.

- NITEL Services have substitutes because it is not only means of communication. Other communication and contact fostering services

may not be perfect substitutes to NITEL's. But they are not unreasonable substitutes. Good customer relations should be of paramount interest in NITEL because that is the only key of attracting and maintaining customer loyalty.

5.4 REFERENCES.

CHAPTER ONE:

1. NITEL, Service Brochure; North West Zone Kaduna, 1989 Pg. 1 - 2.

2. Magazine, Communication International April, 1992 Pg.5.

3. Business Times, An Economic Business Review Weekly Paper, Front Page: Comment, August 1st, 1988.

4. Kotler P, Marketing Management: Analysis, Planning and Control, (N.J. Prentice Hall Inc... 1988.

5. The World Book Encyclopedia T. Vol. 19 Pg.73.

CHAPTER TWO:

1. Communication Engineering International, Journal of Oct. 1st, 1988 Pg.36.

2. Robert. J. Sauders et al, Telecommunications and Economic Development, (A World Bank Publication, July 1983) Pgs. 7 and 16.

3. DR. A Sesan Ayodele of NISER Ibadan, Socio-Economic Implications of Commercialised Enterprises in Nigeria: An Unpublished Paper delivered at NITEL Training School, Oshodi Lagos.

4. As quoted by Professor Olatunde Oloko of Lagos University, Akoka, in his Paper on "Management of a Commercialised Government Enterprise." delibered at NITEL Training School Oshodi Lagos.

5. NITEL, Monthly Journal, June 1990 Vol.2 Pgs 5, 8, 25 - 32.

6. NITEL, Service Information Booklet Pgs 1 - 9

7. First Bank, Monthly Business and Economic Report, "The Challenges of Privatisation and Commercialisation to the Private Sector" Oct. 1988 Pg 1-6, & May, 1988, Pgs 5-25.

8. Kotler P, Marketing Management: Analysis, Planning and Control, (N.J. Prentice Hall Inc....1988).

CHAPTER THREE

1. NITEL, Service Brochure Pg 8 - 13

2. NITEL, Annual Performance Report, 1988 - 1991.

3. Central Bank of Nigeria, Monthly Review, A Framework for Commercialisation, (Aug 1989 Pg 3 - 4).

4. NITEL, Monthly Newsletter, Vol.5 No.38 March 1992 & Vol.5 No.40 May 1992.

CHAPTER FOUR.

1. W. J. Stanton, Fundamentals of Marketing, 6th Edition, 1981 Pg 6 - 8.

2. NITEL, Monthly Journal Vol.6 June, 1992.

3. New Nigerian News Paper, 5th April, 1992.

CHAPTER FIVE

1. An Unpublished work titled "Effective Customer Service for Improved Efficiency" Presented by Ajhaji Baffa, M.D. (UBA) PLC at NITEL Training School Oshodi Lagos.

2. DR. OLU FALUA, New Nitel and Good Customer Relations:-

APPENDIX I



A. U. Otiji, NITEL Managing Director/Chief Executive

Nigerian Telecommunications Limited
New Organisational Chart

App 2

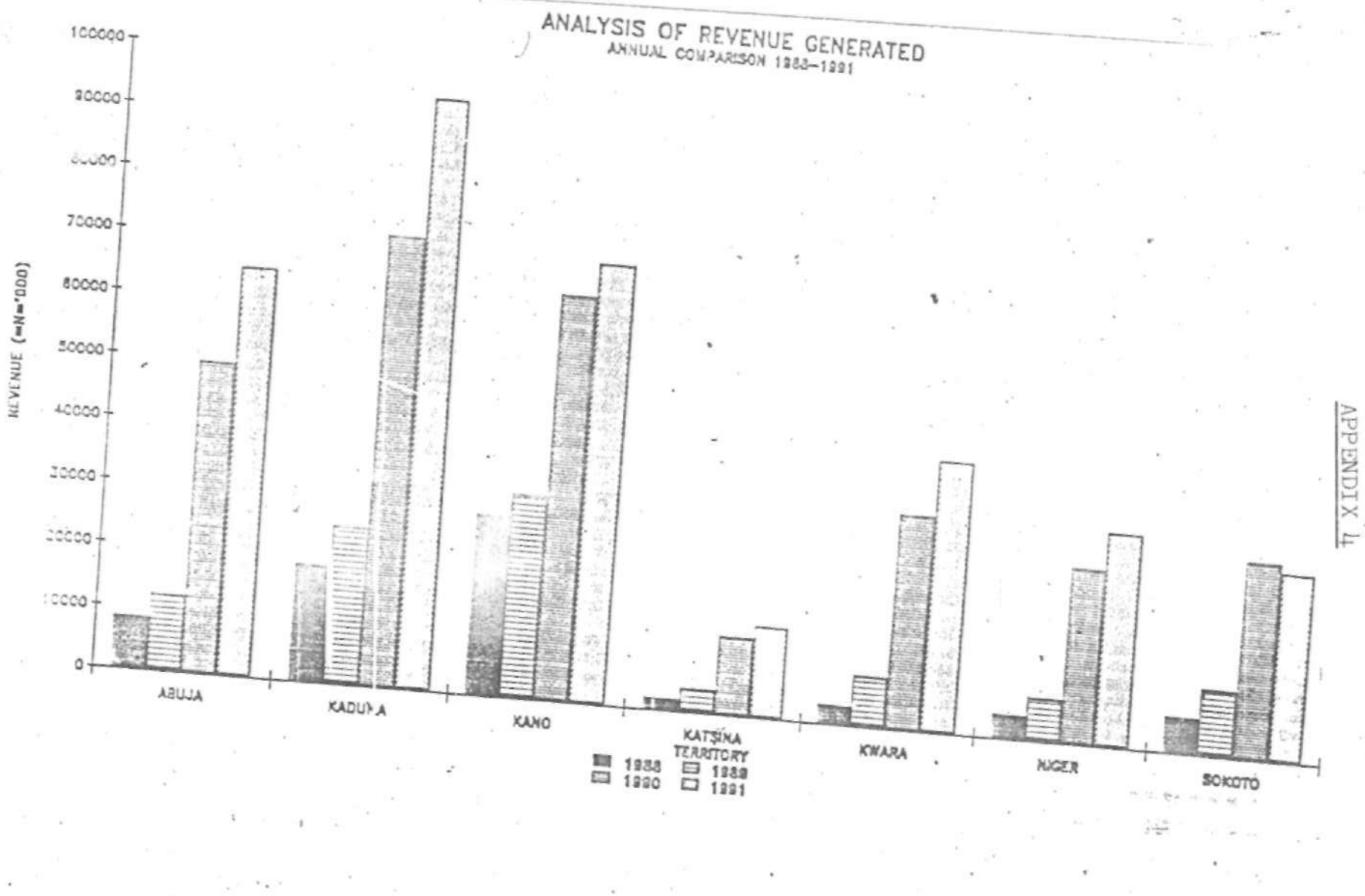
APPENDIX 2

NIGERIAN TELECOMMUNICATIONS LIMITED
NORTH WEST ZONE
ANALYSIS OF REVENUE GENERATED
1988 – 1991 ANNUAL COMPARISON

TERRITORY	1988	1989	1990	1991
ABUJA	8408532	12080452	19482569	64893305
KADUNA	18511346	21988659	71510181	93856271
KANO	28652976	32308005	64320365	69783730
KATSINA	1855364	3811483	12535218	14518714
KWARA	3128958	8169184	34140433	43083199
NIGER	3859575	6917414	27994865	34009539
SOKOTO	5798927	10571566	31362956	29865202
NWZ TOTAL	70,215,678	96,116,763	291,346,587	350009960

NIGERIAN TELECOMMUNICATIONS LIMITED
NORTH WEST ZONE
ANALYSIS OF REVENUE COLLECTED
1988 – 1991 ANNUAL COMPARISON

TERRITORY	1988	1989	1990	1991
ABUJA	4443669	8899945	20340489	49960785
KADUNA	13803434	17982202	46297407	72107611
KANO	17954304	24163983	49904073	58215044
KATSINA	1415936	3517587	6738989	8976099
KWARA	2704270	6752607	20928207	29713701
NIGER	2989235	5613252	12540597	22602877
SOKOTO	3734023	7989616	14165621	20685166
NWZ TOTAL	47074871	74919192	170915383	262261283
	61 %	78·8	58·7	74·9


ANALYSIS OF REVENUE GENERATED
ANNUAL COMPARISON 1988–1991
REVENUE (=N='000)
100000
90000
80000
70000
60000
50000
40000
30000
20000
10000
0
ABUJA
KADUNA
KANO
KATSINA TERRITORY
KWARA
NIGER
SOKOTO
1988
1989
1990
1991

APPENDIX 14

APPENDIX 3

ANALYSIS OF REVINUE COLLECTED
ANNUAL COMPARISON 1988 - 1991

