An Appraisal of the Swot Analysis and Its Effect on the Marketing of Services (A Case Study of Globacom and Etisalat Telecommunication Company)

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ABSTRACT

In Nigeria many telecommunication companies have been experiencing decrease in their sales volume. This has been attributed mostly to present state of Nigeria economic and even world economic meltdown. This study appraises the company SWOT analysis and its effect on marketing of services. (A case study of Globacom and Etisalat Telecommunication. In carrying out the investigation, the researcher adopted both primary and secondary data sources. Survey method of research was adopted, in which questionnaires and interviews were used as the major instrument for data collection. Various authors' written works, relating to this research work was consulted. The sample size of the entire population of Global communication is twenty-seven (27) while, the sample size of the entire population of Etisalat communication is twenty (20) The data collected from the field survey were presented in tabular form. Hypothesis was formulated and tested using correlation analysis. The study revealed that companies' activities are affected by uncontrollable external factors. Also revealed that in both Globacom and Etisalat, the workers are not well prepared for the anticipated challenges and environmental changes despite the knowledge that such challenges can mar the company's operation. This could be as a result of planning or management drawbacks or less involvement of lower level managers in decision making. The researcher recommends that companies should put in place a framework that enable them monitor the environment more efficiently and they should be flexible enough to adapt and be receptive to change.

Keywords: SWOT Analysis, Marketing of Service, Telecommunication Company.

INTRODUCTION

Marketing activities do not take place in a vacuum. The marketing environment which include competitive, economic legal and regulatory, technology and social forces surrounding the customer and affect the marketing mix (product price promotion and place) of companies the effect of these force on buyers and seller can be dramatic and difficult to product. According to Ali (2007) Strategy formulation should begin with a clear understanding of the organization's strength and weakness, understanding of its strategic capabilities. This is because one task of strategy is to fit the organization to its environment. It is by understanding the organization's capabilities that management begins to formulate how best to develop and deploy them in pursuit of the organization's interests and objectives.

Successfully business builds their strength correct their weaknesses and protect against internal vulnerability and external threat. They also keep an eye on their overall business environment and spot and exploit new opportunity faster than competitors' strength weaknesses opportunity and threats (SWOT) analysis is a tool that helps and affect positively marketing operation of service. Marketing has been define by various scholar Suleiman (1997) defined marketing as managerial process which determine the customer need and want and satisfying them at profit. Kotter (2005) define marketing as the process by which individual and groups obtain what they need and want through creating offering and free exchange of goods and services of value with other in.

According to Frank (1994) defined marketing as the process of matching the resources of the business with identified customer needs. Environmental factors affecting an organization marketing operating of services differ from companies to companies that produce the services and these factors could either be external factors (opportunities and threats) and internal factors (strength and weakness) analysis of these factors (external factors such as demographic, economic, technology, polities and social cultural) which serve as threat to the organization and it also classified as micro environment factors (internal factors such as product price promotion place) which services as controllable factors to management. Historical background of global Etisalat communication and communication are Nigeria multinational telecommunication companies with headquarter in Lagos Nigeria global communication is privately owned by mike Adenuga group which consist of equation trust bank (ETB) now starling bank conoil plc a petroleum marketing company Glo started operation on 29thaugust Nigeria with lower tariff pay per second billing and alongside other value added services Glo mobile was the fourth GSM operation to be lunched in Nigeria within seven years of the company operation it subscribe base has grown to over 25million. In 2005 Glo mobile introduced the Glo fleet manager which the most comprehensive vehicle tracking solution offered as well as the introduction of blackberry in 2006 and sponsored the Lagos international half marathon in 2009 global com lunched blackberry prepaid service which gives it's subscribe option to pay daily, weekly or monthly for the services.

The company has lunched 3g high speed internet services through the sale of its 3g modern with the available network in Lagos, Abuja, Benin and Port Harcourt. In the first year of Glo mobile operation in Nigeria it had one million subscribers in over 87 towns in Nigeria and 120 billion naira revenue. Global communication has now spread its reach all over the country. Etisalat Nigeria limited signed an agreement to aquiver 40% of and manage emerging market (telecommunication services (EMTS) it began commercial operation trading as Etisalat in Nigeria in October 2008 Etisalat is operating today with over 14 million subscribers and has lunched one of the first major broadband services such as the eco-sim as the first network to offer special number to Nigeria as their mobile number via the 08094 chose campaign. In April 2013 Etisalat Nigeria limited announced that it would invest \$500 million to expand its network enabling further potential market growth of 17%. In June 2013, it lunched the Etisalat prize for literature the first pan African prize for debut published writer.

STATEMENT OF THE RESEARCH PROBLEM

In Nigeria many companies or organization have been experiencing decrease in their sales volume. This has been attributed mostly to present state of Nigeria economic and even world economic meltdown. Unfortunately Global com and Etisalat services companies falls directly into the categories of such service companies the problem of competition revenue losses and failure to maximum opportunity to build on success had seriously affected the companies the macro environment factors which can also be termed as uncontrollable element of the company's management has posed a lot of threats to the growth of the companies technological advancement has made it possible for competitors to copy the companies strategies which has posed threats to the companies.

RESEARCH QUESTIONS

Does uncontrollable environmental forces poses serious threats to the marketing of services?

Does scanning of the environment help the company in using its opportunities and strength to overcome threats and weaknesses?

Can competition affect the marketing of the company's services?

Does the strike action affect marketing of company services?

OBJECTIVES OF THE STUDY

Objective of this study is to appraise the effect of SWOT analysis on the marketing of services, the purpose of this study the summed up as:

- 1. To study the effect of various environment factors on marketing of services.
- 2. To determine to what extend the SWOT Analysis impact on the telecommunication companies.

RESEARCH HYPOTHESIS

According to Evborokhai (2003) hypotheses are declarative statements of assumptions or calculated guesses held by the researcher which serves as a tentative answer to the problem under investigation.

H_o, the scanning of the environment will not help the company in using their opportunities and strength to overcome their threats and weaknesses in the marketing of services.

H₁, the scanning of the environment will help companies in using their opportunities and strength to overcome their threats and weaknesses in marketing of services.

LITERATURE REVIEW

Business Mission

According to Kotter and Keller (2004) business mission is an important official job that a person or plan to do in order to achieve a define objective particularly work that they fell it's their duty to carry out. Every organization needs to define its specific mission within the border companies' mission. Thus global communication and Etisalat companies might define their mission as the companies aim to target every nook and cranny of the country and become the major suppliers of choice for service producers for global communication and Etisalat companies to achieve this aims it must carry out proper analysis of SWOT for marketing of service.

SWOT ANALYSIS AND IT EFFECT ON THE COMPANIES

According to Kotter (2004), every successful business builds on its strength correct their weakness, protect against internal vulnerability and external threat. They also keep an eye on their overall business environment and spot exploit new opportunities and threats are call SWOT analysis, it involves monitoring the external and internal marketing environment. Strength this refers to the quality or an ability that a group of people or an organization has that gives them an advantage over others global communication and Etisalat companies' strength includes

- i. Global communication and Etisalat companies are the market leaders in the market and any service they produce can sell in the market.
- ii. A Global communication and Etisalat company has plants some state and branch offices in Nigeria which makes their distribution to be faster.
- iii. The companies have the highest market share among other services companies in the country
- iv. The company produces the high quality services to the market.
- v. There is effectiveness in distribution of their service to the target market
- vi. They cover highest geographical area in Nigeria.
- vii. Global communication and Etisalat companies are financially stable.

Weakness: this refers to lack of strength power or determination of an organization against other global communication and Etisalat companies as a case study has the following weakness.

- i. The charges of global communication and Etisalat companies e.g. MTN and Airtel companies are always higher than other service companies e.g. MTN and Airtel companies and this made some customers to go for law charge service that gives the same satisfaction
- ii. A Global communication and Etisalat company's service has limited satisfaction since the customer can buy other service of the same satisfaction at lower cost.

Opportunity: this is the time an organization wants to achieve something when a particular situation makes it possible to achieve it. Global communication and Etisalat companies has the following opportunities they must grab as fast as possible

- i. The company has the legal backing of producing their service and advertises their service in every part of the country.
- ii. The company has some technical skills and they can render as many as possible service at any point in time.
- iii. Global communication and Etisalat companies has goal, image in our society and this help the companies to have strong capacity over other.

Threat: this is the largest aspect of SOWT analysis it is the possibility of trouble danger, disaster, that organization face and might hinder the possibility of achieving a predetermine set of goal of organization.

Global communication and Etisalat faces the following threats.

- i. Competitor develops a superior service of the same purpose with global communication and Etisalat companies to the market which lead to failure of their customer.
- ii. Taste and preference of the customer.

- iii. The regulation develops by some regulatory agencies on the quality and standard of services in Nigeria such as standard organization of ingrain (son).
- iv. Instability of Nigeria economy. Nigeria economy is unstable due to present economic meltdown of the world and this has affect customer demand for the companies' service and failure of some of their service line the market.

EFFECT OF SWOT ANALYSIS ON SERVICE MARKETING

Proper analysis of strength and weakness that fall within the control an organization management producing service will have a great positive effect on marketing of service such internal controllable factors are product, price promotion and place(4p's) should be properly analyzed and plan. In addition a successful business achieve greater success in the marketing of their services as a result proper analysis and management of internal factors that shape opportunities and pose threat to the companies such as technology demographic political legal (law economic and natural factors e.g. explosive population growth (demographic factors) resources depletion and pollution (natural factors) laws to save our society (political and legal) technology solution to create new service and improve the existing one(technological factors).

MICRO ENVIRONMENT ANALYSES

Marketing success will require working closely with other companies department such as supplier, marketing intermediaries and various public. Kotler (2004) in designing marketing management take other companies group into account such as top management, finance, accounting department all the department have an impact on the marketing department plan and action, they should work in harmony and satisfaction. Suppliers: supplier from an important link in the company's overall customer value delivery system. They provide the resources needed by the companies to produce their services. Suppliers' problem can seriously affect marketing. Marketing manager must watch supply availability supply shortage or delays labour strike and other even that cause high cost sale in the short run and damage customer satisfaction in long run.

Marketing manager also monitor the price trend of the key input rising supply cost may force price increase that can harm the companies' sales volume. Most marketing today treat their supplier as partners in creating and delivering customer value marketing intermediaries: refers to the final consumer merchant middlemen are business unit such as whole seller and retailer that buy take title to product or service store and risk bearing. Gent middle men are business unit such as broker, selling agent commission merchant and producer agent or representative.

There are two categories of customer that need to be studied by a marketer such as

- (a) Customer market buys goods and services for the purpose of processing or for use in their production process.
- (b) Retailer market by goods and service for resell at profit
- (c) Government market is made up of government agencies that buy goods and services to provide public service.

Each type of market has special characteristic that call for careful study by the marketer/seller.

Competitor: this are market place opponent or form that serves the same market segment and offer the same product or services that are similar or in the same category as a particular companies product or services. Marketers have to watch closely their competitors in order to counter attack wherever they try to counter attack. They should understand its cost structure, pricing policies general promotion practice and other competitive aspect which might influence their own planning and operation

MARKETING DECISION VERSUS ENVIRONMENTAL FORCE

Kotler (1991) defines decision as the process of making a judgment regarding what ought to be done at a certain time or in particular situation in order to achieve the desire object or set of objective after deliberating on some alternative courses of action he identify three categories of decision in marketing today.

- A. The strategic decision which top management oriented
- B. The administrative decision which deals with structuring forms of create maximum performance
- c. The operation decision which is mainly concern with the maximization of the current operation profitability. In marketing, goal decision by executives is assumed that the executive has thorough understanding of the organization serves, environmental force which influence the decision.

There are five steps involve in decision making process

- *careful definition of problem
- *determination of reasonable causes of action
- *analysis of each issue and come to decision of the alternative causes of action
- *make the decision that is select the best alternative.

MACRO ENVIRONMENT ANALYSIS

According to Armstrong (2004), macro environment consist of the largest social force that affect the marketing of service the macro environment (demographic economic, technology, political and cultural) force shape opportunities and as well pose threat to the companies. With the rapid changing macro environment the firm must monitor all environmental force that pose threat and also shape opportunities for an organization these force are classified and explain as. Demographic environment this is the study of human population in terms of size density location age gender race occupation and their statistic demography is of major interest to marketers because it involve people make up market. Explosive population growth has major influence and implication for business companies must study their demographic environment and companies that carefully analysis their market can find major opportunity.

Economic environment: market requires purchasing power in an economy depend on current income, price saving, debt and credit availability marketer must pay close attention to major trends in income and consumer spending pattern because they can have a strong impact business. Natural environment marketer need to be aware of the threats and opportunities associated with the four trends in the natural environment.

- Shortage of raw material
- The increasing cost of energy
- Increase in population levels
- Charge role of government

Great opportunities await companies and marketers who can create new solution that promise to reconcile properly with environmental protection and preservation. Technology environment: Technology is most dramatic force shaping our destiny force that create new technologies creating new service and market opportunities more so every new service and market opportunities. More so, every new technology is a force creative destruction companies should watch the technological Environment closely because a company that does not keep up with technological change will soon find their services outdated. Companies or marketers must as well be aware of government policies that regulate technological innovations when launching new service.

According to Stanton (1914) to an extent companies existence and conduct are being influenced by the political legal process in our society this environment is composed of laws government agencies and pressure group that influenced and limit various organization and individual activities sometime, these laws also marketers must have a good working knowledge of the major laws protecting competitors consumer and society at large. Social cultural environment cultural environment is made up of constitution and other force that affect society basic value perceptions, preference and behavior member of sub cultures share common belief, preference and behavior example include educationalist, banker, Christian, Muslim and sub culture groups exhibit difference wants, consumption and behavior management must pay attention to its social responsibility to improve its image and decision making, these must be done within the frame work of acceptable society if the companies are to benefit at long run.

MARKETING OF SERVICES

In marketing of Global communication and Etisalat service several promotional mix or promotional strategies can be adopted or use by companies such promotional strategies are advertising personal selling sale promotion and publicity. Advertising according to Advertising Practitioner Council of Nigeria (APCON) is a form of communication through media about products, service or ideas, paid for by an identify sponsor advertising can be done on radio, television display, mail, magazine etc.

Personal Selling: this is an oral presentation in conversation with other or more prospective purchasers' foe the purpose of making sales.

Sale Promotion: sale promotion is a short term incentives to encourage purchase or sales of a product or services.

It is any method of encouraging personal selling publicity and sale promotion could be in from of consumer promotion trade promotion and sale force promotion.

According to Berger (1972) publicity is the movement of information with the effect of increasing public awareness of a subject publicity is non personal stimulation of demand for a product, service or business unit but by planning commercially significant news about it in published medium or obtaining favorable presentation of upon radio, television or stage that is not paid for by the sponsor

NON MARKETING RECOURSES OF AN ORGANIZATION

According to Stanton (2004) a company marketing system is influenced by it services financial and personal capability other non-marketing resources are the companies

location there engineering research and development strength as evidence by their patent and overall image the firm project to their public.

Plant location often determines the geographical limit of the companies market particularly if high transportation cost or perishable goods are involved.

Research Development: research development factors may be determined whether companies will lead or fallow in the industry technology and market.

Personnel: According to Adam (1989) personnel is the entire body of person employed by an organization.

Image: image is the picture that comes to the mind of consumer or the public when it thinks of particular and his services.

METHODOLOGY OF THE STUDY

This research was carried out employing data collected from both primary and secondary sources. The primary data were collected through the administration of questionnaires to Twenty-seven (27) staff of Global Telecommunication Company and Twenty (20) staff of Etisalat Telecommunication Company. Correlation Analysis was used to test hypothesis.

RESULTS AND ANALYSIS

Forty-seven (47) questionnaires were distributed and all were completed and returned giving a 100% response rate.

TABLE 1: Competition Affects the Marketing of the Company's Services

Global				Etisalat			
Responses	Frequency	Percent	Cumulative	Responses	Frequency	Percent	Cumulative
			Percent				Percent
Disagree	1	3.7	3.7	Disagree	-	-	-
Agree	5	18.5	18.5	Agree	10	50	50
strongly	21	77.8	100	Strongly	10	50	100
Agree				Agree			
Total	27	100		Total	20	100	

Source: Field Survey, (2015)

Table 1 classifies the opinion of respondents on effect of competition on marketing activities of companies. In Globacom, 3.7% disagrees, 18.5% agrees while the largest number of workers (77.8%) strongly agrees. In Etisalat, 0% disagrees, 50% agrees and 50% strongly agrees. This means that completion has linear relationship with marketing activities.

TABLE 2: Environmental Force can best be Controlled through Environmental Scanning

Global				Etisalat			
Responses	Frequency	Percent	Cumulative	Responses	Frequency	Percent	Cumulative
_			Percent				Percent
Disagree	3	11.1	11.1	Disagree	-	-	-
Agree	6	22.2	33.3	Agree	9	45	45
strongly	18	66.7	100	Strongly	11	55	100
Agree				Agree			
Total	27	100		Total	20	100	

Source: Field Survey, (2015)

Table 2 classifies respondents' opinion on controllability of environmental forces via environmental scanning. It shows that in Globacom, 11.1% disagrees, 22.2% agrees and 66.7% strongly agrees. In Etisalat, 0% disagrees, 45% agrees and 55 % strongly agrees. As a result, most of the respondents in both companies agree that environment force can be controlled by environmental scanning.

TABLE 3: Scanning of the Environment Helps the Company in using Its Opportunities and Strength to Overcome Threats and Weaknesses

Global				Etisalat			
Responses	Frequency	Percent	Cumulative	Responses	Frequency	Percent	Cumulative
			Percent				Percent
Disagree	1	3.7	3.7	Disagree	-	-	-
Agree	10	37	40.7	Agree	7	35	35
strongly	16	59.3	100	Strongly	13	65	100
Agree				Agree			
Total	27	100		Total	20	100	

Source: Field Survey (2015)

Table 3 classifies the opinion of respondents on if environmental scanning can help companies to harness opportunities and overcome threats and weaknesses. It shows that in Globacom, 3.7% disagrees, 37% agrees and 59.3% strongly agrees. In Etisalat, 0% disagrees, 35% agrees and 65% strongly agrees. This shows that with environmental scanning, company's can harness opportunities, overcome threats and weaknesses.

TABLE4: Uncontrollable Environmental Forces can Pose Serious Threats to the Marketing of the Company's Services

Global				Etisalat				
Responses	Frequency	Percent	Cumulative	Responses	Frequency	Percent	Cumulative	
_			Percent	_			Percent	
Disagree	-	-	-	Disagree	-	-	-	
Agree	11	40.7	40.7	Agree	10	50	50	
strongly	16	59.3	100	Strongly	10	50	100	
Agree				Agree				
Total	27	100		Total	20	100		

Source: Field Survey, (2015)

Table 4 classifies the opinion of respondents about how uncontrollable environmental force can pose serious threats to the marketing of company's services. It shows that in Globacom, 0% disagrees, 40.7% agrees and 59.3% strongly agrees. In Etisalat, 0% disagrees, 50% agrees and 50% strongly agrees. This means that external forces pose serious threats to company's marketing services.

TABLE 5: Opportunities come up if Internal Controllable Factors are Effectively Managed

Global				Etisalat			
Responses	Frequency	Percent	Cumulative	Responses	Frequency	Percent	Cumulative
_			Percent				Percent
Disagree	1	1	-	Disagree	1	ı	-
Agree	14	51.9	51.9	Agree	12	60	60
strongly	13	48.1	100	Strongly	8	40	100
Agree				Agree			
total	27	100		Total	20	100	

Source: Field Survey, (2015)

Table 5 classifies the opinion of respondents on the opportunities that can come up if internal factors are effectively managed. It shows that in Globacom, 0% disagrees, 51.0% agrees and 48.1 strongly agree. In Etisalat, 0% disagrees, 50% agrees and 50'% strongly agrees. This shows that most of the respondents agree that opportunity can come up if internal controllable factors are effectively managed.

TEST OF HYPOTHESIS

In this study, hypothesis was postulated and tested using Pearson correlation for analysis.

Hi: The scanning of the environment will help the companies in using their opportunities and strength to overcome their threats and weaknesses in the marketing of services.

Ho: The scanning of the environment will not help the companies in using their opportunities and strength to overcome their threats and weaknesses in the marketing of services.

Correlation

			Etisalat		Globacom	
			ES	OP&T	ES	OP&T
Pearson	ES	Correlation Coefficient	1	.524(**)	1	.421(**)
		Sig. (2-tailed)	-	.018	-	.002
		N	20	20	27	27
Pearson	OP&T	Correlation Coefficient	.524(**)	1	.421(**)	1
		Sig. (2-tailed)	.018	-	.029	-
		N	20	20	27	27

Correlation is significant at the 0.05 level (2-tailed)

INTERPRETATION OF RESULTS

The above correlation table shows that at a 0.05 level of significance, r=0.018(2-tailed test). This means that since r is less than 0.05, there is a positive relationship between

environmental scanning and harnessing opportunities and strengths to overcome weaknesses and threats. The result above indicates positive relationship in both Etisalat and Globacom. In Etisalat, r (0.18) < 0.05 and in Globacom r (0.02) < 0.05 implying a positive relationship between environmental scanning and the ability of company to leverage on their strengths and opportunities to battle their weaknesses and environmental threats.

DECISION

The significance level of 0.05 implies a statistical confidence of above 95%. By implication, environmental scanning and harnessing opportunities and strengths to overcome weaknesses and threats are significantly correlated. Thus, we reject the null hypothesis (H_0) and embrace the alternative hypothesis. (H_1).

SUMMARY OF FINDINGS

The study revealed that there is a positive relationship between environmental scanning and the ability of companies to exploit environmental opportunities. The study also revealed that companies' activities are affected by uncontrollable external factors. Also revealed that in both Globacom and Etisalat, the workers are not well prepared for the anticipated challenges and environmental changes despite the knowledge that such challenges can mar the company's operation. This could be as a result of planning or management drawbacks or less involvement of lower level managers in decision making.

The study found out that in both Globacom and Etisalat, training programs are not done frequently, only periodically. In Globacom about 59% while in Etisalat 65% share the same view. This seems to have a direct effect on the unpreparedness of the workers against the future challenges.

CONCLUSION

SWOT analysis is an important tool for many companies in evaluating themselves as against the environment. It takes into consideration what the company's capabilities and their limitations and well as the opportunities and threats present in the environment in which they operate. This is done by matching resources with opportunities, risks and expectations.

SWOT analysis has proved a veritable tool over the years as is widely used by companies across the globe. Business proliferation as a result of profit motive, opportunity and chance are the realities in today's burgeoning global business. Given the status quo, competition is intensifying and market getting saturated as a result many companies strive for sustainable competitive advantage through premium marketing services. In order to achieve this feat, many resort to SWOT analysis and other tools such as PESTEL.

RECOMMENDATIONS

Based on the findings of this study, the researchers recommended as follows:

 More frequent training programs should be conducted for staff of companies in order to motivate them to work, and to enhance their performances.

- Orientation about the goals, objectives and targets of the company should be frequently reinforced so that the workers can feel involved in the company operation. They should also be consulted while making critical managerial decision as and setting of goals so they feel carried along.
- Companies should put in place a framework that enable them monitor the
 environment more efficiently and they should be flexible enough to adapt and be
 receptive to change.

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