

# TRANSPARENCY AS KEY INDICATOR FOR IMPROVING SALES PERFORMANCE IN THE TELECOMMUNICATION SECTOR (A STUDY OF MTN NIGERIA)

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## Abstract

*The study investigated the impact of transparency on sales performance of MTN Nigeria, Rivers State. It sought to establish the extent of perceived trust, perceived honesty and improve communication on sales performance of MTN Nigeria PLC. Descriptive research design was adopted and the population of the study comprised of senior managers of MTN Nigeria. A judgmental sampling technique was adopted to select 121 senior managers of MTN Nigeria who are directly in charge of sales in their respective branches. Questionnaire were used in data collection. Three research questions and three hypotheses were formed. Data were analyzed using mean and standard deviation and Pearson product moment correlation coefficient was used to test the stated hypothesis at 0.05 level of significant. Findings revealed that customers perceived trust in MTN Nigeria PLC has impact on their sales performance to a high extent. Findings also reveal that perceived honesty has impact on the sales performance of MTN Nigeria to a high extent. Improved communication system has impact on the sales performance of MTN Nigeria PLC in to a very high extent. The study concluded that there is significant*

*strong positive relationship between organizational transparency and sales performance of MTN Nigeria. The study therefore recommends that managers in the telecommunication sector in Nigeria should leverage on building trust, honesty, and improved communication to ensure that customers and stakeholder interests are sustained while improving sales performance.*

**Keywords:** Transparency; trust; honesty; improve communication, sales performance.

## 1.1 Background to the Study

Prior to the advent of GSM in 2001, phone penetration was low to the point of being negligible. Nitel had the monopoly. But all that changed with the GSM revolution brought by the licensing of Econet, Mtel, MTN and the later entry of Glo and Etisalat into the industry. At first, all that was needed for marketing success was availability. Because the demand for a phone was far more than the supply, these companies were on a roll, snapping subscribers after subscribers from phone starved Nigerians. That has since changed. The landscape is becoming more

competitive and the growth rates of yesteryears are becoming hard to replicate. In a nutshell, continued success in the contemporary Nigerian GSM market calls for marketing wizardry (Woweffec, 2018). The level of competition between private telephone operators (PTOS) is increasing as in the level of customer's needs and wants. Meeting the challenge of increased competition will entail new and more efficient and effective marketing strategies. Although, MTN Nigeria PLC is undisputed market leader in network coverage, revenue and subscriber base and this fit is easily attributable to MTN's marketing savvy. MTN was building capacity and having wider coverage of the nation. And having achieved wider coverage than its competitors, MTN quickly reflected this in its positioning statement — changing its tagline from the best connection (a generic and daft tagline) to everywhere you go. It then followed logically that if you want to be able to use your phone wherever you may be in the country, you have only one choice: get connected to MTN. For MTN to continue to enjoy its position, it must become even better in promoting marketing performance through transparency. Companies attract more patronage if they disclose authentic information, good or bad, as fully as possible (Burnett, 2007). Jermyn (2018) however, argued that mobile phones, the internet and widespread access to cellular networks have proven vital to economic growth, the spread of democracy. Telecommunications companies have to ensure transparency in their business. Every day, more than 10 billion mobile phone and internet users worldwide entrust a huge amount of sensitive and personal information to their service providers. Telecommunications companies — an industry with a total market value of approximately US\$2 trillion — know a lot about their customers. But what can citizens and other stakeholders find out about these

companies and why should they care about how transparent the companies are and what measures they undertake to prevent corruption? While most of the assessed companies have anti-corruption program in place, report shows that only 15 out of the 35 companies have mechanisms for regular monitoring. An anti-corruption program that is not adequately and regularly monitored cannot be effective in practice (<https://www.transparency.org/news>). To ensure compliance with laws and to manage the broader risks of corruption and poor performance against ethical standards, telecommunications companies must adopt strong and clear policies and management systems to curb bribery and corruption. In the same vein, organizations whether profit or nonprofit oriented, the main purpose of any organization is to achieve its objective. The objectives cannot be achieved in a vacuum there must be a clearly set strategy that management should use in order to meet these objectives.

In meeting this objective an organization must increase its sale revenue as well as their market share. Jonathan (2017) however, opined that sales performance indicates the rate of customer loyalty to the business or a specific employee. Customer loyalty refers to customers who regularly purchase products from the business and refer other customers to the store. Enhancing sales performance can automatically enhance the number of loyal customers. Meeting monthly sales quotas is another aspect of sales performance. Sales performance became an essential motivating factor in the area of marketing in any organization whether in the Telecommunication firms or any other company. Sales performance is an initiative undertaken by organizations to promote and increase sales, usage or trial of a product or services (Aderemi, 2003). Many businesses fail to realize that they cannot stay in business without any marketing strategies.

This is because they were operating in a market that was monopolistic in nature. This means that there was no intense competition from other organization. But these days due to dynamic nature of the market, and consumer taste changes every day it has become imperative on the part of the business to look into their strategies and review them if at all they want to remain in business. At the moment, there are several studies in marketing that focus on the use of various promotional strategies in improving performance, nevertheless, gap still exist in the area of impact of organizational transparency in promoting sales performance of MTN Nigeria PLC and hence, created a need for this research.

## **1.2 Statement of the Problem**

There has never been a time when there is less trust towards government and business than in recent times (Edelman Trust Barometer, 2014; Rawlins 2008, Charles-Davies 2014). The Nigerian Communications Commission (NCC) stated that in despite attraction of over \$70 billion investments in the last 17 years, the nation's telecommunications sector was still bugged down by poor corporate governance structures (Danbatta, 2014). The telecommunications sector is particularly vulnerable to corruption because of its complex nature. According to Transparency International (2011) key areas where the threat of corruption is significant include:

the licensing process; market regulation and price-setting; the supply chain; and third-party management and customer services. The costs of this corruption can be high, raising prices for services for consumers and businesses and obstructing fair access by users to competitive services. Corrupt practices in the sector are in the area bribery; misuse of gifts and entertainment; political corruption, cronyism, nepotism and conflict of interest; money laundering; corporate misconduct; and lack of integrity.

Companies in the telecommunications sector also face particularly high corruption risks as a result of their market expansion into challenging environments in under-served parts of the world however, they need to adhere to best practices by ensuring that transparency and accountability remain their watch-word while promoting sales performance. Indeed, various marketing performance measures have been extensively studied in the past, many such studies focused on promotional tools in enhancing organizational performance (e.g. Shi, Cheung, & Prendergast, 2005; Mcneill, 2013). However, a lot of studies have been done in other countries on transparency but little or no literature I know of exist to check the impact of transparency on sales performance in the telecommunications sector. This is the gap the study set to cover and it forms the point of departure.

### 1.3 Conceptual framework

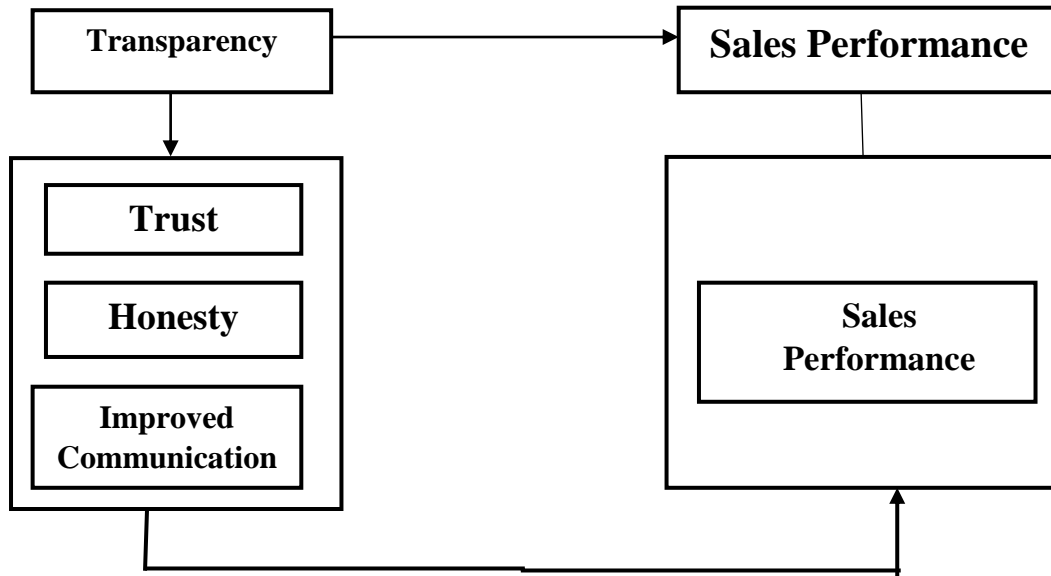


Fig. 1.1

Source: Researchers' concept (2019)

### 1.4 Purpose of the Study

This is to examine the impact of transparency on sales performance of MTN Nigeria, Rivers State Specifically, and the study seeks to:

1. Examine the impact of perceived trust on sales performance of MTN Nigeria.
2. Ascertain the impact of perceived honesty on sales performance of MTN Nigeria.
3. Investigate the impact of improved communication on sales performance of MTN Nigeria.

### 1.5 Research Questions

The following research questions guided the study

1. To what extent does perceive trust improved sales performance of MTN Nigeria.

2. To what extent does perceive honesty improved sales performance of MTN Nigeria.
3. To what extent does improve communication enhanced sales performance of MTN Nigeria.

### 1.6 Hypotheses

- Ho1. There is no significant relationship between perceive trust and Sales performance of MTN Nigeria.
- Ho2: There is no significant relationship between perceive honesty and Sales performance of MTN Nigeria.
- Ho3: There is no significant relationship between improved communication and Sales performance of MTN Nigeria.

## **Review of Related Literature**

### **2.1 Conceptual Framework**

#### **2.1.1 The concept of Transparency**

Transparency, in a business or governance context, is honesty and openness. Transparency and accountability are generally considered the two main pillars of good corporate governance. It is the lack of hidden agendas or conditions, accompanied by the availability of full information required for collaboration, cooperation, and collective decision making. It is an essential condition for a free and open exchange whereby the rules and reasons behind regulatory measures are fair and clear to all participants (Shaw, 2017). It is defined as the full, accurate, and timely disclosure of information. The implication of transparency is that all of an organization's actions should be scrupulous enough to bear public scrutiny. Increasingly, the nature of social media and other communications means that actions intended to be secret may be brought into the public awareness, despite an organization's best efforts to keep them hidden. In general, transparency is the quality of being easily seen through. According to Kotler (2010) the purpose of transparency is to demonstrate that a company is truly the kind of business it wants people to think it is. "Transparency is assurance" and "less information means less certainty for investors". People and communities deserve to know the ins and outs of a company's operation before they begin to patronize it.

#### **2.1.2 Dimensions of Transparency in Business organization**

##### **Trust**

Horsager (2018) asserts that it's hard to quantify exactly how important trust is for a business. For business owners, a lack of trust is their biggest expense. It may take years for a manager or an executive to develop the trust of his or her employees, but only moments to lose. Without trust,

transactions cannot occur, influence is destroyed, leaders can lose teams and salespeople can lose sales. The list goes on. Joe (2015) opined that trust and relationships, much more than money, are the currency of business. Trust is the natural result of thousands of tiny actions, words, thoughts, and intentions. Trust does not happen all at once; gaining trust takes work. It might take years of calling on a certain client to break through and fully gain their comfort and trust. Yet in spite of the importance of trust in the business world today, few leaders have given it the focus and nurturing it deserves (<https://www.behler-young.com/tech-tips>). Just as successful individuals conduct themselves with exemplary character, a business should also follow a code of conduct when interacting both within the company and with customers and the community.

##### **Honesty**

Honesty is a key characteristic of a business because it sets the tone for the kind of work culture that a business wants to create, provides consistency in workplace behavior, and builds loyalty and trust in customers and prospects. Whether you run a top-down or a bottom-up organization, honesty is one of the most effective ways to establish the work culture that will propel your company to long-term success (Shaw, 2017). Work culture is all about the values and beliefs that drive everything a business does, from how it makes its products to the way it markets those products and treats customers. As a leader, the importance you place on honesty can create the kind of work culture in which your employees feel empowered and validated. Running a business that takes pride in being ethical and socially responsible is a challenge, and many companies end up cutting more than a few corners in the name of profit. However, it's nearly impossible for a business to build trust if honesty isn't a guiding principle in

how that company handles every aspect of its work process. In business, honesty isn't only about doing things the right way, it's also about expressing the values in which a company is founded (Sampson, 2019)

### Improved Communication

According to EduKart (2013) [communication](#) serves as the foundation of every facet of a business. Thus, it can be said that [effective communication](#) is the building block of an organization. [Effective communication](#) is important for the development of an organization. It is something which helps the managers to perform the basic functions of management- Planning, Organizing, Motivating and Controlling. Communication skills whether written or oral form the basis of any business activity. Some of the benefits of effective communication skills are:

Communication keeps the foundation of motivation. It helps the employer to know how a job is being performed and to improve performance if it is not up to the mark.

Communication acts as a source of information and helps in the decision-making process and helps in identifying the alternative course of action.

Communication also helps in building people's attitude. A well-informed person will always have better attitude than a less informed person. Different forms of communication like magazines, journals and meetings will help the employees to form different attitudes.

In the current business scenario, no business can survive in isolation. Socializing is very important and communication is the tool that helps in socializing.

Apart from the other functions of management, it also helps in the controlling process of management. It allows the managers to know about the grievances of the subordinates and helps

the subordinates to know about the policies of the organization.

Communication is one of the basic features of management. It is instrumental in raising the morale of the employees. It is through communication, verbal or [non-verbal](#), that people submit different feedback and requirements to the management (<http://www.edukart.com>).

### 2.1.3 Sales Performance

Throughout the world, success of any corporate includes sales in their performance parameters. This simply shows that sales are very important to the financial growth of any company. Research has also shown that majority of the entry level positions in the telecom sector are in sales. To ensure success with the customers, several sales models have been developed to sell different products to the customers and ensure an increase of sales within a period of time (BCG, 2010). While it often thought of as a part of marketing, sales are distinguished from marketing in the sense that it refers to the presentation of goods or services to the potential customer and convincing them to purchase them. It is considered as an art of persuasion but also in a general sense, it is a discipline on its own, usually represented in several stages (Kotler, 2010). It therefore requires an effective strategy, often referred to as a sales model, which is based on the goals of the organization and the prevailing market conditions. The sales function or department of an organization is therefore chiefly responsible for its gross revenues outcomes. It is the engine of growth and sustainability for all commercial organizations and is normally expressed as a set of objectives in the strategic plan (Donaldson, 2007).

### 2.2 Theoretical Framework Strategic Sales theory (1974)

The theory in which this study is underpinned is the strategic sales theory by

Johnson(1974).The theory states that to maximize sales, a company must position its products or services in the marketplace in such a way that consumers believe the particular product or service they need has a particular benefit. This is also known as creating an image or brand which is based on transparency.Throughout the world, success of any corporate organization includes sales in their performance index. The sales function of an organization is therefore mainly responsible for its gross revenues' outcomes. It is the engine of growth and sustainability for all commercial organizations and is normally expressed as a set of objectives in the strategic plan (Donaldson, 2007). This simply shows that sales are very important to the financial growth of any company. There is a lot of pressure on the telecommunication industry not only to improve on the demands of the customers, but also build or adopt sales strategies that positively affect sales force effectiveness and branch productivity (Teresiah, 2015). Therefore, the connection between sales theory and practice is about building a real community that exists for mutual gain and utility.

### **2.3 Empirical Framework**

#### **Christian Davies**

Davies (2011) conducted a study and investigated the effect of marketing communications on the sales performance of Ghana Telecom (Vodafone, Ghana). The study sought to examine the relationships existing between marketing communications activities and the sales performance of Vodafone. It made use of simple statistical tools such as tables, graphs, together with multiple regression analysis to determine the degree of variation between the dependent (sales volume) and independent variable (communication tools). The results indicated strong relationships between sales promotion, advertising budgets and total sales. There was however an inverse relationship

between TV advertisements and sales. In addition, a negative relationship was also found to exist between sponsorship budget and total sales. The outcome indicates that Vodafone was not paying much attention to its total communication costs and the return on investment (ROI) on such expenditures.

Mathenga, (2017)carried out a study on the effect of online marketing strategies on performance of telecommunication companies through a case study of Safaricom Limited, a leading mobile network operator in Kenya. His objective was to determine the effect of promotion and product development on performance of Safaricom Limited. The study reviewed relevant literature that focused on promotion and product development as regards to their effect on performance of telecommunication companies. It cross-examines the promotional mix theory and integrative model theory. The adopted research design was descriptive survey research design used on a sample size of 72 respondents. There was a response rate of 73.5% that was sufficient for the study. It was found that majority of the respondents were male (52%) compared to female (48%). The respondents were in the age bracket of 20-39 years. Based on the study, there is a clear indication that there exists a positive relationship between online marketing strategies; promotion and product development with performance.

### **2.4 Summary of Literature Review**

The review focused on organizational transparency and sales performance. The review highlighted the dimensions of transparency to include: trust, honesty and improved communication. The Strategic Sales theory was the theory that supported this study. It advocates that to maximize sales, a company must position its products or services in the marketplace in such a way that consumers believe the particular product or service they need has a particular

benefit. This is also known as creating an image or brand which is based on transparency. The study also reviewed two empirical works which are related to this current research study. Although quite a number of studies have been carried out in this area but gap still exist in terms of geographical scope covered and the variables involved in the study. This study is conducted in telecom sector within Rivers State with a bit to expand the frontier of knowledge and equally contribute to existing body of knowledge in this area.

### Methodology

The study adopted the descriptive survey design as it involves the collection of data to accurately and objectively describe existing phenomena. Both primary and secondary data was used. The researcher judgmentally selected 121 senior managers of MTN

Nigeria who are directly in charge of sales in their respective branches. The instrument for data collection were a 20-item two section questionnaire titled the role of transparency in promoting sales performance (TRTPSP) with a four-point scale ranging from Very High Extent (VHE) = 4, High Extent (HE) = 3, Low Extent (LE) = 2 and Very Low Extent (VLE) = 1. The instrument was validated by two lecturers in the department of Marketing IAUE. A reliability coefficient of .75 was established using PPMC technique. Data were analysed through the use of mean score and hypotheses were tested using PPMC at 0.05 level of significance.

### Findings and Result

#### 4.1 Research Question 1

*To what extent does perceive trust improved sales performance of MTN Nigeria?*

**Table 4.1: Computation of respondent’s responses on the impact of trust on sales performance of MTN Nigeria. (N= 121)**

S/N	Item(s)	VHE	HE	LE	VLE	Total Resp	Mean	C.M	Remarks
1	We ensure that we offer our services in the best transparent manner	26	31	51	13	104	2.58		High Extent
2	Our feedback report reveal that our customers have unwavering confidence on our service	41	30	39	11	164	2.84		High Extent
3	We have recorded steady growth in sales as a result of our customer seeming confidence on our services	37	47	22	15	148	2.88		High Extent
4	Our loyal customer base is attributed to perceive customer trust on our product and services	39	53	19	10	156	3.00		High Extent
<b>Grand Mean</b>							<b>2.83</b>	<b>2.5</b>	<b>High Extent</b>

Source: Field survey, 2019

Table 1, show responses on the impact of perceived trust on sales performance of MTN Nigeria., items on the scale indicate mean ranging from 2.58, 2.84, 2.88 and 3.00 respectively which are higher than the criterion mean of 2.5. The grand mean of 2.83 indicate high extent. It was therefore concluded that, customers perceived trust in

MTN Nigeria PLC has impacted on their sales performance to a high extent.

**4.2 Research Question 2**

*To what extent does perceive honesty improved sales performance of MTN Nigeria?*

**Table 4.2: Computation of respondent’s responses on the impact of honesty on sales performance of MTN Nigeria. (N= 121)**

S/N	Item(s)	VHE	HE	LE	VLE	Total Resp	Mean	SD	Remarks
1	We have eliminated all forms of hidden charges so that customer can get real value for their services	43 172	58 174	16 32	04 04	382	3.16	0.79	High Extent
2	We provide the best network services that customer can rely on	72 288	31 93	18 36	- -	417	3.45	0.71	High Extent
3	We provide the best services delivery and support services to our teeming customers	84 336	22 66	11 21	04 04	427	3.53	0.78	High Extent
4	We build our business reputation on the bases of utmost sincerity and honesty	79 316	36 108	06 12	- -	436	3.60	0.76	High Extent
<b>Grand Mean</b>							<b>3.44</b>	<b>0.75</b>	<b>High Extent</b>

**Source:** Field survey, 2019

Tables 2, shows managers’ responses on the impact of perceive honesty on the sales performance of MTN Nigeria.All items in the scale has mean higher than the criterion mean of 2.5. The grand mean of 3.44 is an indication that perceiveshonesty has

impacted on the sales performance of MTN Nigeria PLC in to a high extent.

**4.3 Research Question 3**

*To what extent does improve communication enhanced sales performance of MTN Nigeria?*

**Table 4.3: Computation of respondent’s responses on the impact of improve communication on sales performance of MTN Nigeria. (N= 121)**

S/N	Item(s)	VH E	HE	LE	VL E	Total Resp	Mean	SD	Remarks
1	We encourage constructive criticism from our clients in order to improve on our services	51 204	54 162	09 18	07 07	391	3.23	0.79	High Extent
2	As much as possible we publicize our reports for our customers to evaluate our performances	66 264	46 138	09 18	- -	420	3.47	0.71	High Extent
3	Our customer service unit are well equipped to speedily attend to customers in best possible manner	91 364	21 63	09 18	- -	445	3.68	0.78	Very High Extent
4	We are constantly reviewing our operations and systems to provide the best services to our customers	109 436	12 36	- -	- -	472	3.90	0.76	Very High Extent
<b>Grand Mean</b>							<b>3.57</b>	<b>0.75</b>	<b>Very High Extent</b>

**Source:** Field survey, 2019

Table 3, shows computation of managers’ responses on the impact of improved communication on sales performance of MTN Nigeria. The four (4) questionnaire items have the following mean 3.23, 3.47, 3.68 and 3.90 respectively. However, the grand mean of 3.57 was higher than the criterion means of 2.50 the respondents agreed that improved communication

system has impacted on the sales performance of MTN Nigeria PLC in to a very high extent.

**Hypothesis 1**

*There is no significant relationship between perceive trust and Sales performance of MTN Nigeria.*

**Table 4.4: Computation of relationship between perceive trust and sales performance**

Variables	$\sum X$	$\sum X^2$	DF	r-cal	r-crit	Dec	$\sum Y$	$\sum Y^2$	$\sum XY$
Perceive Trust	3204	1129	119						
	4182	0.97	0.1946	Reject					
Sales Performance	350	4479							
				p > 0.05	*significant		N = 121		



the critical value of  $r$ . to this end, the hypothesis ( $H_{03}$ ) is thus rejected (that is not accepted) and the conclusion is that there is a significant relationship between improved communication and Sales performance of MTN Nigeria

### Conclusion

Based on the analysis of data, the study concluded that, there is significant positive relationship between organizational transparency and sales performance of MTN Nigeria.

### Recommendations

The study offers the following recommendations in line with the objectives of this study to operators and stakeholders in the telecommunication sector in Nigeria.

1. Managers in the telecom sector are encouraged to build trust in their company through communication, commitment and competence.
2. Managers should also be reminded that they need to build their business reputation on the bases of utmost sincerity and honesty.
3. Managers should also maintain effective communication network such that all interested parties and stakeholders are well informed on the activities of the company.

Finally, managers in the telecom sector in Nigeria should leverage on building trust, honesty, and improved communication to ensure that customers and stakeholder interests are sustained whileimproving sales performance.

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