

Classifying the Generic Competitive Action Types within the Nigerian Mobile Telecommunications Network Operating Industry

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Abstract

A second phase of a series of studies aimed at mapping the overall competitive action types observable within the Nigerian mobile telecommunications industry, this study focused on transforming the 378 industry specific action types isolated from the first phase of the initial study, into generic action types for cross-industry quantification and sense-making purposes. Complying with the methodological traditions of the field of competitive dynamics, the study was conducted using a structured content analytic procedure to isolate the industry specific action types from publicly available news items and Nokelainen's generic typology code sheet to transform the isolated actions into generic actions. From an elementary perspective, a total of 7 out of Nokelainen's 8 elementary generic action types were isolated. They include: 'bring about', 'suppress', 'forbearing to suppress', 'preserve', 'forbearing to preserve', 'destroy', and 'forbearing to destroy'. These generic action types were found to be supported by all of Nokelainen's 8 organizational resources, with the relational resource supporting more than half of all generic action types identified.

Keywords: *competitive dynamics, strategy, competitive advantage, actions*

Introduction

The western perspective has often dominated the competitive dynamics literature. According to Chen & Miller (2012), a majority of the literature has observed competitive dynamic phenomena in the United States, especially within its commercial aviation and automobile industries. The competitive interaction sub stream in particular is in dire need of a diverse perspective. However, only recently has a handful of studies emerged providing a German perspective Albers & Heuermann (2013) and a Turkish perspective Emeagwali & Çalicioğlu (2014). This study is a continuation of an effort to contribute an African perspective to the discourse. It began with an attempt to map the industry specific action typology observable in the Nigerian mobile telecommunications industry (Ati & Emeagwali 2015) and in this investigation, aims to provide a more generic version of the isolated industry specific competitive actions using Nokelainen's (2010) generic action framework. Thus this study focused on answering the following main research question: *What is the typical nature of the most prominent competitive actions executed by the major companies in the Nigerian mobile telecommunications operating industry?*

Research Method

As is the tradition in the competitive dynamics literature, archival data subjected to a rigorous structured content analytic procedure has been the method of choice when isolating and examining competitive actions and interactions in highly unstable markets (Ferrier, 2001; Lamberg et al. 2008; Nokelainen, 2008; Emeagwali & Çalicioğlu, 2014). Ati & Emeagwali (2015) used a structured content analytic procedure in their work- the initial phase of this series of studies and isolated industry specific competitive actions from news sources which include 'Thisday', 'Business Day' and 'Vanguard' covering a period of 5 years. Their study isolated a total of 378 industry specific actions after examining the four largest mobile telecommunications operators in Nigeria currently Airtel (formerly Zain), Etisalat, Globacom and MTN.

In this study, the isolated industry specific actions will be treated to Nokelainen's (2008) generic action typology which has eight categories for elementary actions which are, 'Bring about', 'Forbear to bring about', 'Suppress', 'Forbear to Suppress', 'Preserve', 'Forbear to preserve', 'Destroy', and 'Forbear to destroy'. Also in continuance of the series of investigations, the study will focus on the four largest mobile telecommunications operators in Nigeria currently Airtel (formerly Zain), Etisalat, Globacom and MTN.

Transforming the Industry Specific Actions into Generic Action Types

The industry specific action domains and subdomains are limited since they only show the functional and physical description, They do not reveal the intention of this actions or the resources used in the process of carrying out these actions.

Elementary Actions \ Resources	1. Bring About	2. Forbearing to Bring about	3. Suppress	4. Forbearing to Suppress	5. Preserve	6. Forbearing to Preserve	7. Destroy	8. Forbearing to Destroy
A. Financial Resources	A: 4 E: 4 G: 5 M: 8							
B. Physical Resources	A: 2 E: 7 G: 4 M: 5					A: 1	A: 2 M: 1	
C. Legal Resources	E: 4				A: 3 E: 1			
D. Human Resources	A: 7 E: 2 M: 1							

E. Organisational Resources	A: 14 E: 12 G: 8 M: 8		G: 1					
F. Informational Resources	A: 1 E: 2 M: 4							
G. Relational Resources	A: 55 E: 54 G: 31 M: 52		G: 1	A: 1 G: 1	A: 1 E: 1 G: 1 M: 3			
H. Product attributes	A: 24 E: 19 G: 21 M: 23		M: 1					G: 1 M: 1

Notes: A = Airtel, E = Etisalat, G = Globacom, M = MTN.

Source: Code sheet. Adopted from Nokelainen (2008); Contents: Author generated.

Table 1: Industry specific actions mapped into Nokelainen’s generic typology code sheet

Table 1 uses Nokelainen’s generic typology code sheet to show the transformation and interpretation the industry specific actions into more generic ones. To further understand it the distribution of each generic action type and the resources used in carrying them out will be looked at from the industry and firm perspective.

INDUSTRY-WIDE DISTRIBUTION OF ELEMENTARY ACTIONS

The elementary actions identified in this study are ‘bring about’, ‘suppress’, ‘forbearing to suppress’, ‘preserve’, ‘forbearing to preserve’, ‘destroy’, and ‘forbearing to destroy’. The ‘forbearing to bring about’ elementary type was not identified. Table 5 show a distribution of the elementary actions identified.

Industry Elementary Actions	Frequency	Percent	Valid Percent	Cumulative Percent
Bring about	381	94.8	94.8	94.8
Destroy	3	.7	.7	95.5
Forbearing to destroy	2	.5	.5	96.0
Forbearing to preserve	1	.2	.2	96.3
Forbearing to suppress	2	.5	.5	96.8
Preserve	10	2.5	2.5	99.3
Suppress	3	.7	.7	100.0
Total	402	100.0	100.0	

Table 2: Industry-wide distribution of elementary actions

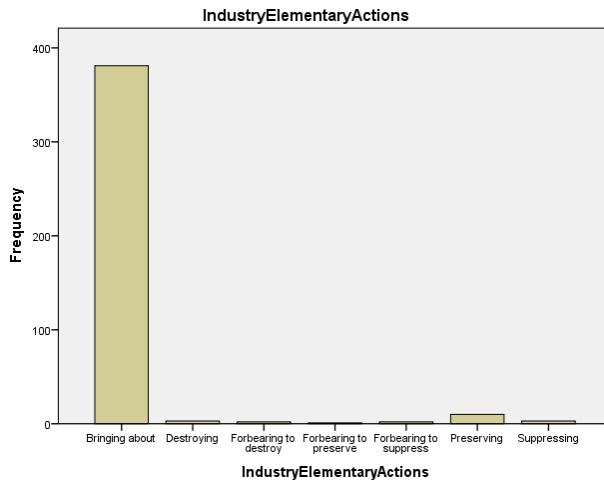


Fig 1: Industry-wide distribution of elementary actions

In table 2, 94.8% of the elementary actions were of the ‘bring about’ nature, which means the companies in the Nigerian mobile telecommunication industry on most occasion develop products that are currently unavailable would remain unavailable without their action. The ‘forbearing to preserve’ type was the least used as one instance was identified.

4.4.3 INDUSTRY-WIDE DISTRIBUTION OF RESOURCE DOMAIN

The most prominent resource used in the Nigerian mobile telecommunication industry is the relational resource, which shows enhance relationship in this industry among firms and their competitors, distributors and customers. Table 3 shows the industry-wide distribution of resource domain.

Resource	Frequency	Percent	Valid Percent	Cumulative Percent
Financial	21	5.2	5.2	5.2
Human	10	2.5	2.5	7.7
Informational	7	1.7	1.7	9.5
Legal	8	2.0	2.0	11.4
Organizational	43	10.7	10.7	22.1
Physical	22	5.5	5.5	27.6
Product attributes	90	22.4	22.4	50.0
Relational	201	50.0	50.0	100.0
Total	402	100.0	100.0	

Table 3: Industry-wide distribution of resource domain

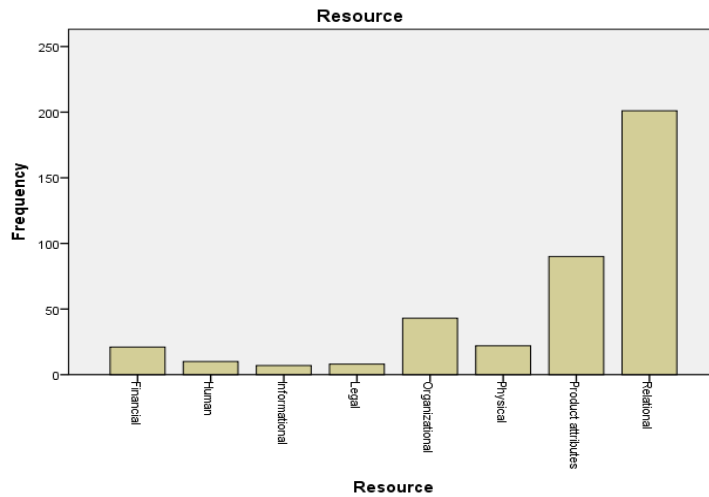


Fig 2: Industry-wide distribution of resource domain.

The informational resource is the least used in this industry at 7%, just below legal resources which comprises of 8%.

COMPANY DISTRIBUTION OF ELEMENTARY ACTIONS

The following table will depict in this industry company-specific distributions across different elementary actions.

Industry Elementary Actions	Company				Total
	Airtel	Etisalat	Globacom	MTN	
Bringing about	107	104	69	101	381
Destroying	2	0	0	1	3
Forbearing to destroy	0	0	1	1	2
Forbearing to preserve	1	0	0	0	1
Forbearing to suppress	1	0	1	0	2
Preserving	4	2	1	3	10
Suppressing	0	0	2	1	3
Total	115	106	74	107	402

Table 4: Company-specific distributions across elementary actions

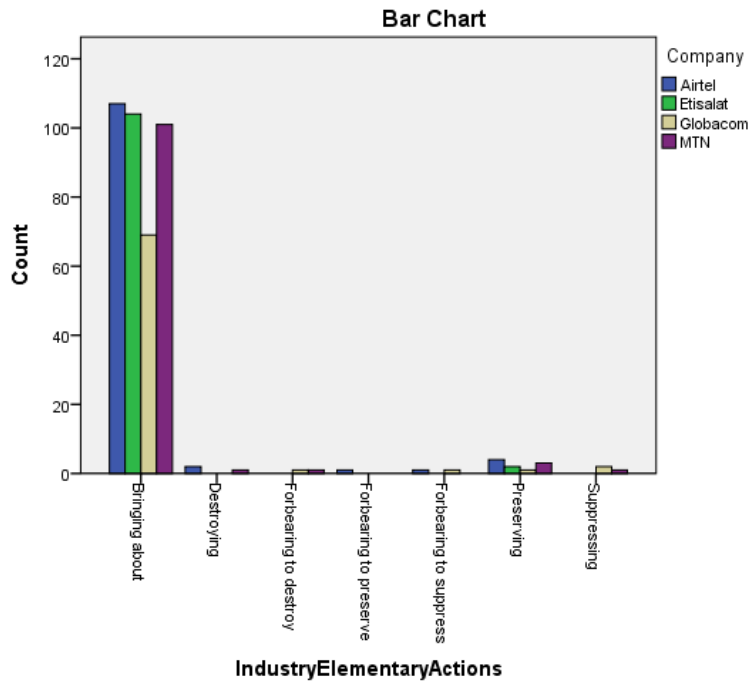


Fig 3: Company-specific distributions across elementary actions

In table 17, the four companies act alike as they all dominantly have used ‘bring about’ as their primary elementary action. Despite the fact that Airtel carried out the most actions, most of their actions are of the ‘bring about’ type and do not indulge in the ‘forbearing to destroy’ and ‘supress’ type. Etisalat also do not indulge in those elementary types. On the other hand Globacom and MTN, each carry out actions that are of the ‘forbearing to destroy’ and ‘suppress’ type.

COMPANY-SPECIFIC DISTRIBUTIONS ACROSS RESOURCES

The following table will depict in this industry company-specific distributions across different resources which are necessary to carry out the elementary actions.

Resources	Company				Total
	Airtel	Etisalat	Globacom	MTN	
Financial	4	4	5	8	21
Human	7	2	0	1	10
Informational	1	2	0	4	7
Legal	3	5	0	0	8
Organizational	14	12	9	8	43
Physical	5	7	4	6	22
Product attributes	24	19	22	25	90
Relational	57	55	34	55	201
Total	115	106	74	107	402

Table 5: Company-specific distributions across resources

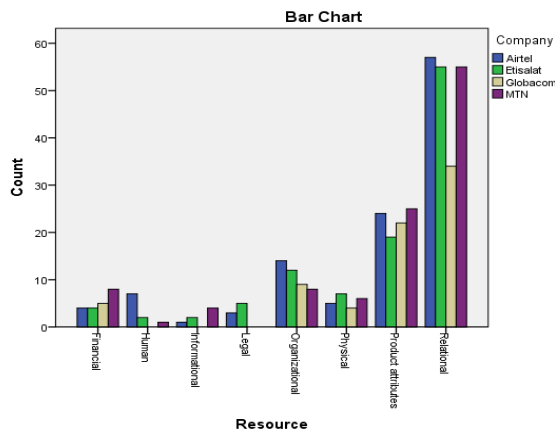


Fig 4: Company-specific distributions across resources

In table 5 it is noticed that relational resources is the most dominant, though Globacom used considerable lower relational resources, in relation to the other companies. Product attributes follows closely and Etisalat have the least. The least resource used is informational resource which was not used by Globacom, but by the other companies.

Summary

Recalling that in the second installation of the series of studies aimed at mapping the total competitive action typology of the Nigerian Mobile Telecommunications Industry the main research question this study concerned itself with is: *What is the typical nature of the most prominent competitive actions executed by the major companies in the Nigerian mobile telecommunications operating industry?* Upon extracting and categorizing the industry specific competitive actions observed during the first phase of this research series (Ati & Emeagwali 2015), it became necessary to identify the nature of these actions. It is important to know the intention behind these actions and the resources used to implement them.

Nokelainen’s generic typology of action coding scheme was used to transform these industry specific competitive action into generic types in order to reveal the nature of these competitive actions and shows their value beyond one particular industry.

Nokelainen’s generic typology includes the various elementary types; ‘bring about’, ‘forbearing to bring about’, ‘suppress’, ‘forbearing to suppress’, ‘preserve’, ‘forbearing to preserve’, ‘destroy’, and ‘forbearing to destroy’. The ‘forbearing to bring about’ elementary type was not identified in this study. Table 5 shows a distribution of the elementary actions identified. The resources which were used to carry out these actions include, Financial, Physical, Legal, Human, Organizational, Informational, Product attributes and Relational resources. The typical nature of the most prominent competitive actions executed in this industry, were of the ‘bring about’ type and the most common resource used to carry out this type was the relational resource.

Conclusion

This research does not only aid researchers and the general premise of competitive dynamics, it can be used by business managers to study their position and their rivals position and pattern to develop new and efficient ways to compete effectively in an industry. Even outside the Nigerian mobile telecommunications operating industry, the research can still be used to identify pattern of competitive actions taken and the resources used in a general context and with this knowledge gained, the business manager can take steps to either preserve the competitive advantage or in some cases gain competitive advantage.

This study also aids investors looking to invest in various industries, this research aids in providing depth in this industries and will guide their decision making while investing in this industry.

In addition, this study is centred on the Nigerian mobile telecommunications operating industry, which shows it focuses on one geographical location and one industry. The geographical location, Nigeria has been largely unexplored in terms of competitive dynamics research and also in the Nigerian mobile telecommunications operating industry. This study takes the entire research stream a step closer towards expansion by studying a relatively unexplored area. It adds to general knowledge and understanding of what competitive actions entail, their functions, physical descriptions, their intentions and the resources used to carry out these actions. As competitive actions are seen as actions that firms perform, to achieve or preserve competitive advantage believing that the action will aid in fulfilling the desires of the firm, given their available resources, this study shows in detail the intention and the nature of these actions and also shows the resources used to carry out these actions.

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