A PROJECT REPORT ON

AN ASSESSMENT OF TELECOMMUNICATION MARKETING IN ETHIOPIA:

WITH REFERENCE TO THE NEED FOR LIBERALIZATION

Submitted in partial fulfillment of the requirements for the Degree of Master of Business Administration

By:

MASRESHA WOBESHET

ID No: GSR /7575/97

Under the Supervision of:

Dr. Rakesh Belwal
Assistant Professor,
Department of Management
Addis Ababa University

FACULTY OF BUSINESS AND ECONOMICS

ADDIS ABABA UNIVERSITY

March, 2007

DECLARATION

I, **MASRESHA WOBESHET**, declare that the study entitled "**An Assessment of Telecommunication Marketing in Ethiopia: with reference to the need for liberalization**", undertaken by me in partial fulfillment of the requirements for the Degree of Master of Business Administration, is my original work. The study has not been submitted for gaining any Degree or Diploma in any college or university.

Masresha Wobeshet _____ **Date:** 22/03/07

Dr. Rakesh Belwal
Assistant Professor,
Department of Management
Faculty of Business & Economics
Addis Ababa University

CERTIFICATE

This is to certify that **Mr. MASRESHA WOBESHET** has worked on project entitled "**An Assessment of Telecommunication Marketing in Ethiopia: with reference to the need for liberalization**" under my supervision. To my belief, the work undertaken by **Mr. Masresha** is original in nature and is suitable for submission in partial fulfillment of the requirements for the Degree of **Master of Business Administration.**

Dr. Rakesh Belwal _____ **Date:** 22.03.2007

ACKNOWLEDGEMENT

I owe very special gratitude to my Advisor, **Dr. Rakesh Belwal**, for his prudent and unreserved guidance and constructive criticisms along all steps of the paper.

I would like to express my gratitude to my family and my relative whose sustained moral support enable me to pursue the postgraduate study.

My heartfelt and sincere thanks to Frehiwot Woubeshet, Lielina Getachew, Helen Hiluf, Deresse Alebachew, Abiy G/Christos, Alemayehu Yetsedaw, Ayalew Abebe, Abebaw Gebeyehu, Frehiowt Fetene (Bebi), Beti and other individuals for their kind help inspite of their tight work schedule and for their valuable assistance in the preparation of this study.

My sincere thanks to the staff members of Ethiopian Investment Agency, Ethiopian Telecommunication Agency and staffs of Ethiopian Telecommunications Corporation for their kind help in accessing relevant materials for this work.

I would like to forward special thanks to staffs of College of Telecommunications and Information Technology in general. In addition special thanks to the staffs of Business Studies Training for their valuable assistance in the preparation of this paper as well as successful achievement of my entire post graduate study.

Last but not least, my in-depth appreciation and deeply felt indebtedness goes to all individuals for their strong backing and overall assistance without which the successful achievement of my entire study of the Post Graduate program would have been doubtful.

EXECUTIVE SUMMERY

It is known that business organizations are operating in a dynamic environment where there are changes in technology, competitive situations, customers demand and expectations, social, political/legal and economic factors. Besides, the organization may change its strategy, policy objectives, procedures, market structure and work structure and design. To attain the intended result, the ICT sector plays the key role. From the ICT sector, the telecommunication service is the base for the expansion of all other industries. In short the economic and trade performance of a country is dependent on the efficiency of its service sector.

The ICT industry in general and the telecommunication in particular leads the world in to a single continent. In order to survive in the sector, countries need to establish a competitive telecommunication services that support the society and the country's economy as whole.

In this study assessment of the telecommunication marketing in Ethiopia with reference to the need for liberalization from the customer's perspective was undertaken. The study was conducted to determine the marketing of services, customer's satisfaction level, quality of services, and attitudes of customers towards liberalization of the sector. Based on the assessment, the there are unmet demands of the service, low customer satisfaction, low quality of services as well as high barriers to the entry of foreign firms.

In order to improve the performance of the sector, the government has to change the marketing structure and allow foreign firms to invest in the sector. These increase the availability, accessibility and affordability of the service with the income level of the society.

Table of contents

Table of contents

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

CHAPTER FIVE: CONCLUSION AND RECOMMENDATION

List of Tables

List of Figures

CHAPTER ONE

INTRODUCTION

In the world of globalization of trade and business, firms are expected to focus on the impact of changing marketing situation in their overall long term as well as short term strategies. Based on the changes government as well as other concerned entities should stand at the front in order to survive in the business as well as to retain their customer and satisfy their needs and wants. In other words, government and other concerned bodies should focus on the changing situation and act accordingly in order to keep the contribution of trade and business to the economy. This can be maintained through the application of modern marketing system, which is the result of the impact of globalization of business.

The economic and trade performance of a country is dependent on the efficiency of its service sector. Not only do economies derive the bulk of their employment and income from the service sector, but also many services - financial, telecommunications and transport - are vital intermediate inputs for other sectors (McGuire, 200, p.3). The sector's competitiveness in developing economies is heavily dependent on access to services at world price. One of the guarantees that service will be obtained at world price is to open an economy to the pressure and opportunities of international competition or trade and investment liberalization. Liberalization of the service industry is designed to improve the availability of products and services to the customer.

According to Evaristo (The Economist, 1995:*18*), the key reason to protect the monopoly market structure is exhibited by the following sentence:

> *"Government insists that they provide a universal service; serving remote areas is expensive; service provider therefore needs to be compensated by enjoying a monopoly in lucrative areas and using those profits to subsidize their loss making services."*

Some African countries have already liberalized their telecommunications service by deregulating the law and regulation that are related to the service. For example, the South African telecommunications sector began its liberalization path in the early 1990s with the opening of the VANS (Value Added Network Services), customer premises equipment and mobile telephony sectors (Hodge, 2001:1). The government of South Africa was not liberalizing all the services at the same time. As stated in the research conducted by Hodge, the decision by government was to retain the monopoly in fixed line telephony until May 2002 subject to universal service rollout targets (Hodge, 2001:2). But after 2002 the government has liberalized the service making the telecom market open for competition.

According to the Report of ECA the impact of liberalization and the effectiveness of regulatory policies constitute a key indicator for measuring the effects of the Information Society in African countries. In many African countries, it is clear that the regulatory environment remains a challenge and is key in consolidating the policy frameworks. The rationale for the introduction of deregulatory measures in African telecommunication sectors was based on, among other things, the economic principle of competition that could increase access and

lead to the expansion of the physical infrastructure (networks).(ECA,2005:1)

As stated by Amoako, ECA's Secretary General, in 1993, there was no country with a competitive market environment for telecommunication. However, by 2004, 41 countries had competitive markets, allowing mobile telephony to flourish (ECA, 2005:2)

The telecommunication market in Ethiopia in the recent years became one of the most prospective spheres of Ethiopian economy. The telecommunication services are rapidly growing in their quantity. Ethiopia is a country of over 74 million people, of whom 85% live in rural areas (Maddux, 2006; CIA World Factbook, 2006). It is the seventh largest country in Africa and one of the poorest countries in the world. Drought and famine still haunt some areas of the country almost every year. Child mortality is high with 200 out of every 1,000 children dying before the age of five. Schools, health clinics and the communication infrastructure are inadequate to meet even the basic needs of the rural population (www.uneca.org).

The lack of infrastructural development has been hampered by the topography of the country and a history of manmade and natural disasters. The diverse geographical features of the country pose enormous challenges to development. Ethiopia's topography ranges from hilly-highlands to low-lying valleys. The massive highland complex of mountains and plateaus has contributed to the low level of deployment of ICTs however, progress in wireless technologies promises substantial opportunities for rolling out scalable infrastructure in a very short period (Adam, 2004:5).

The Ethiopian telecommunication started with a humble beginning more than a hundred years ago by establishing a telephone link between the capital city and some major provincial cities (Bekele, 1996). Today, telecommunication has extended to the interior of the country and uses technologies such as micro-wave, satellite and even fibber optics. However the infrastructure is far beyond what is needed to satisfy the ever growing demand and to be in pace with the modern world. To overcome these problems, Ethiopia needs to re-examine its policies and organizations related to the telecommunication.

This research will be conducted to assess the telecommunication service marketing in Ethiopia with a specific focus on the need for liberalization from the perspective of customer satisfaction.

STATEMENT OF THE PROBLEM

The impact of liberalization and deregulation has offered a mixed bag of blessings in Africa. Even though there are established regulators in the continent, the visible benefits have been limited to a slight increase in fixed lines and the unprecedented growth in mobile telephony in one or two main cities in most countries. The roll out of rural telephony, the implementation of universal access goals, creation of a level playing field for the emerging private sector, access barriers such as high costs, affordability and geography/location still remain major challenges. (ECA, 2005:3)

Established in 1894, the Ethiopian Telecommunications Corporation (ETC), is the oldest public telecom operator in Africa. Since its establishment, ETC's fixed lines have increased from 137,000 in 1991 to 722,079 to date, with an

Internet capacity of 26,642, mobile coverage of 753,179, and digital data network and multimedia subscribers are 628. The telephone density including mobile phone is currently 1.39% as reported in the Company profile magazine of the corporation (2006). As we can see from the above information, Telecommunications penetration and usage is inadequate in Ethiopia due to limited availability and affordability. Communication as an important component of day-to-day life and users travel long distances or use different ingenious strategies to access it. However, ICT policies and rollout strategies do not appear to have taken the demands and usage patterns of people into consideration.

The Telecom sector continues to play a very important role in the economic and social development of Ethiopia and it is expected that this role will continue and expand in the future. Although the situation is improving -admittedly, from a very low base - the telecommunications sector in Ethiopia is still characterized by low penetration and a growing waiting list for fixed services, unsatisfied demand in the mobile sector, and a low-quality Internet services sector influenced by a strict public monopoly and ineffectual regulation (Adam,2005:66). According to the research by Adam(2005:66) it is found that despite the establishment of an ICT coordinating body ICT sector development in general, and telecommunications and internet service in particular continue to be treated in an ad hoc manner where various sectors and institutions address their needs and concerns independently and projects are implemented on a trail and error basis rather than within a coordinated national framework, resulting from an engagement with civil society and the private sector(Adam,2005:66). The incumbent, rather than the regulator, establishes communications targets, the policy-makers

decide rather than the public. Consequently, there has been a limited assessment of the performance of the sector against goals, demands of the user and overall needs of the nation both in accessing and providing ICT services.

The government, through the monopoly incumbent, the Ethiopian Telecommunications Corporation (ETC), continues to invest in fixed, mobile and broadband services following its commitment to improve access to rural areas along with the strategy for decentralization of public institutions and services to district (Woreda) levels.

Currently the following problems are prominent:

- Low quality in the service (ETC, 2004)
- Problem in new telephone installation (ETC, 2004)
- Low maintenance rate (ETC, 2004)
- Problem of affordability
- Problem of accessibility
- Limited services
- High waiting time
- Imbalance of service between the major cities and other areas (Nuru, 2004: 16)

With the current low penetration rate of the service as well as the quality of the service, it seems that it is difficult to satisfy the needs of the public at large in the near future. Therefore in the research the following questions will be assessed;

- What is the current status of customer satisfaction about telecommunications service in Ethiopia?

- What are the barriers towards liberalization of the service?
- What attitudes customers bear towards telecommunication services?
- What implication will liberalization bring towards marketing of such services?

OBJECTIVE OF THE STUDY

The major objective of this study is to analyze or assess the telecommunications marketing in Ethiopia in relation to the needs of the customer. In other words, to assess whether the current telecommunications users are satisfied with the service that is provided by the monopoly incumbent or not. The specific objectives are:

- To review the current status of customer satisfaction in the service provided by the sector.
- To pinpoint the need for changing marketing and ownership strategies.
- To investigate the benefit of liberalizing the sector
- To suggest possible recommendation in light of the service delivery improvement

LIMITATION AND SCOPE OF THE STUDY

Even if the research needs to incorporate different variables, the research scope is limited to the study of liberalization of the service sector from the perspective of customer satisfaction in terms of availability of the service and its affordability. In addition, the study is limited only to the telecommunications service and may not generalize to the service sector in general.

Geographically the study were mainly focuses on the assessment of telecommunications marketing in Ethiopia with a specific focus on Addis Ababa customers due to shortage of time and cost.

SIGNIFICANCE OF THE STUDY

The study will be significant to reveal the status of telecommunications marketing in Ethiopia from the perspective of customer satisfaction. In addition it would offer a spring board to other researchers to work more on the area by incorporating broader scope. And finally it would motivate the concerned bodies to think about some measures to be taken in the sector. In general the study will give some insight about marketing of the service in order to satisfy customers.

METHODOLOGY OF THE STUDY

Data Source

As a methodology, the study uses both primary and secondary data sources. Primary sources such as questionnaires and interview were used. Questionnaire were prepared and distributed to the samples which were selected from the public at large. In the questionnaire both open and closed ended questions were incorporated in order to get the desired information. In addition, interviews were held with the representatives of government offices like Ministry of trade and industry, Ethiopian investment agency and Ethiopian telecommunication agency as well as other institutions that have major connections with the sector.

As secondary data sources, relevant documents were reviewed. These include published and unpublished documents from public organization, journals, books, Internet, newspapers and magazines. These sources are expected to be significant sources of the relevant information for the successful result of the project.

Sampling

The first population of the study is all the customer of ETC in particular and the public at large. For that purpose of convenience sampling technique was used to select those who will fill the questionnaire. The sample size for the questionnaire was 50 individuals. The second populations comprise the government officials. Interviews were conducted with representatives from this population based on purposive sampling. The chances of biases associated with this sampling were taken care of. Therefore, the sampling techniques used to secure respondents for questionnaire and conducting interview was a non-probability sampling.

Data Analysis

The study took the analysis of data that was both qualitative and quantitative in nature. Tabulation methods, frequency distribution, description of facts based on some statistical analysis are the techniques that were used in the study to analyze and interpret the data. For the data to be collected through questionnaire: tabulation, frequency distribution and graphs will be used while descriptive qualitative analysis were performed on data collected through interview and document review.

ORGANIZATION OF THE PAPER

The paper is organized in five chapters. The first chapter is the introductory part of the paper which contains introduction about the study, statement of the problem, objectives of the study, limitation of the study, significance of the study and methodology of the study. The second chapter will be devoted to the presentation of literature reviews of related researches. The third chapter deals with the conceptual framework of the study. The fourth chapter deals with the analysis and interpretation of data and the final chapter concludes the results obtained from the finding and provide the necessary recommendation.

CHAPTER TWO

LITERATURE REVIEW

1. INTRODUCTION

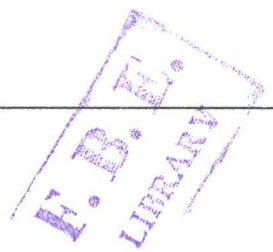
Trade liberalization is a process of systematically reducing all tariffs and non-tariffs barriers between countries and trading partners (http://tradeinfo.cec.eu.int). It is a global process affecting every country in the world and it affects both goods and services. According to Verikios and Zhang (2001:1), trade in service is a rapidly growing area of international trade. The service industries account for a growing share of many developed economies. In such case telecommunications forms one of the largest and fastest-growing service sectors (2001:1). Service liberalization could greatly facilitate the integration of global trade by improving competitiveness and relaxing the "beyond-the-border constraints to trade. However, the stakes of more ambitious liberalization in service are high for a number of reasons (Rossotto, Sekkat and Varoudakito, 2001:2);

- Market openness in telecommunication services would be a driver of broader ICT sector growth by stimulating demand for ICT services.
- ICT growth would have positive spillovers on other sectors of the economy as well, spurring supply-driven growth.
- ICT growth would also enable businesses take advantage of technological developments, thus helping exporters move further up in the scale of technological specialization.

The trend towards globalization has increased the role of information and communication sectors in general and the telecommunications service in particular in the market place. The dynamism of global telecommunications markets is widely

attributed to rapid technological development and an increasing liberal environment. As stated by the International chamber of commerce liberalization and competition in the telecommunication market have brought new and innovative technologies and services to the market (pp.1). According to Fink, Mattoo and Rathindran (2001:2), it has found that telecommunication liberalization is complex and relatively new process. Before a complete liberalization is undertaken, government need to make decision in relation to the privatization of state-owned telecommunications service providers, the introduction of competition, the opening of market to foreign investment and the establishment of pro-competitive regulation. In relation to the above element, there is growing consensus that each elements are desirable but it is rare that a country gone all at the same time (2001:2).

Telecommunications play a key role in the economy of a country's services sector because they affect efficiency and growth across a wide range of user industries (Rossotto, Sekkat and Varoudakito, 2001:1). The quality and price of telecommunication services not only directly affect business costs, but also affect the capacity of firms to network and compete in domestic and foreign markets. In other words, telecommunication service is the life blood of the business as a whole and the country's economy. Reflecting the rapid pace of innovation in ICT, competitive market forces are becoming increasingly important in the provision of telecommunication and networking services. This definitely moves the sector away of the "natural monopoly" market model. Here natural monopoly is to mean sectors that are owned by the government only and the government does not have the intention to change its ownership in whatever cases.



2. CONCEPTS OF LIBERALIZATION

The concept of market liberalization is defined in different way. Some of the definitions are as follows:

William B. Garrison (Global Internet Policy Initiative, 2002:4) defines liberalization as:

> *Liberalization is the opening of a monopolistic market to competitive provision of facilities and services. Whether the former monopoly operator is a state enterprise or a private enterprise is not the primary consideration."*

Hartley and Murphree defines liberalization as (2006:6)

> "*Liberalization is the process of establishing a competitive market out of circumstances in which service was provided by a monopoly.* "

According to Hartley and Murphree neither competition, and associated liberalization efforts, nor ownership transfers, and associated privatization endeavours truly exist as absolute ideals. Rather, they both exist along spectrums as elaborated by Figure below. However, a range of options exists in the space between no competition and full competition, and the discussion should not be limited between either extreme, but explore the possibilities for gains from the intermediate areas.

		Privatization / Ownership Spectrum	
		Public ⟷ Fully Private	
Liberalization / Competition Spectrum: Full ⟷ None		Incumbent operator exists, with competition from second or multiple network operators and service providers in all arenas within the sector.	Neo-classical market model, government does not own a player and does not interfere with actors entering or exiting the market
		Government monopoly operator exists unchallenged, dominates all sectors of industry	Monopolistic private actor - not government owned

According to global internet policy initiative, there is recognition of the benefits of "liberalizing" the telecommunications sector through the introduction of competition and the privatization of telecommunications carriers. The main objective for this reform is to increase accessibility, quality and affordability of services. (May, 2002:1)

First liberalization of telecom services and privatization of a state telecom operator took place in the United Kingdom approximately 20 years ago (Garrison,1).The concept of liberalizations started back in 1907 at the AT & T in US with a slogan of "one system, one policy, and universal service" (Bautista, 2001:3). The principle of universal service was part of the corporate strategy. Since the rate of investment in the sector was insufficient to meet the demand of telecommunication

new way of alleviating the problem came in to picture in the 1980s in order to achieve the industries efficiency (Bautista, 2001:3). This concept is operationalized as the year in which the supply of basic telephone service is liberalized through the introduction of competition in local or long distance services, or through the introduction of competition in products which substitute for the local service, such as mobile cellular services (Bautista, 2001:10). The basic conceptualization of universal service in the telecom business is commonly associated with the availability of telephone lines accessible to the public, in both economic and geographical terms.

According to Ghertescu (2003), the competitiveness in the telecommunication market is characterized by two basic features:

1. Continuous existence of monopolism in certain areas of market and
2. Coming of the new participants into the market.

While numerous countries since have undertaken this transformation, industry is still learning how to make these changes successfully (www.internetpolicy.net).Countries that liberalize their markets often follow a certain timeline (Verhulst, 2003:10)

- Liberalization of equipment;
- Liberalization of value-added services;
- Liberalization of mobile and satellite services;
- Liberalization of basic service (voice, data);
- Liberalization of infrastructure networks;

According to Verhulst there are different emerging models in liberalizing the telecommunication markets as can be seen from the following table

	Benefits	Challenges	Example
Model 1: privatization with full competition	initially increased efficiency	continued dominance	New Zealand, Chile, Malaysia
Model 2: privatization with phased-in competition and regulation	increased efficiency	effective regulation, limited impact of privatization	EU, Japan, Hong Kong, Australia, Korea, Argentina, Brazil
Model 3: liberalization without privatization	increased efficiency	limited access to capital markets	Colombia, India
Model 4: private sector participation without privatization or liberalization	access to capital & expertise	continued strong state control	China, Saudi Arabia

Source: - Stefaan G. Verhulst, Markle Foundation, 2003:17

3. IMPORTANCE OF REGULATION IN THE INTRODUCTION OF TELECOM MARKET LIBERALIZATION

Telecommunication is an essential infrastructure of the economy and therefore countries that lack sufficient access to modern telecommunication networks, will find it difficult to be effectively integrated into the global economy (Ndukwe, 2004:15). When the government is the majority or the whole owner of the monopolistic service provider, there is need for little regulation on the duties of the incumbent. But when true competitors are allowed into the market, even if only as niche players, there is clearly a need for regulation enactment to define the way in which competition will happen. International evidence suggests that market openness in telecommunications

services and the quality of the regulatory regime are drivers of ICT sector development (Rossotto, Sekkat and Varoudakito, 2001:1).

Priority actions to liberalize and deregulate business environment is designed:

- To eliminate excessive government intervention in businesses by abolishing the incentives of state agencies to intervene in business activities;
- To develop transparent procedures for the liquidation of companies, including disclosure of information

"Liberalization" does not mean de-regulation. The introduction of competition must be accompanied and should be preceded by the creation of National Regulatory Agencies. The agencies are mainly charged with the responsibility of facilitating market entry by new players, guarding against anticompetitive practices of incumbent operators and ensuring that the benefits of competition are passed on to consumers.(Global Internet Policy Initiative 2002:2)

Some critical issues for successful liberalization of the service sectors reveal that (www.canto.org):

- The single most important factor to successful liberalization is clear government goals for the telecom sector and the adoption of policies to achieve those goals.
- One critical issue for successful liberalization is an open and transparent regulation. WTO agreement requires that the regulator be independent of state operator, as this makes for accountability, transparency and equity.

- Interconnection between operators, primarily with incumbents, must be transparent and cost-oriented; any subsidies must be explicit. New entrants must be given access to public rights of way, utility poles and conduits, towers and necessary facilities.

- Where some services are not competitive, the regulator must be able to prevent cross-subsidization of competitive services from monopoly service revenues.

- In some markets, rapid technological innovation tends to create pressure for rapid sale and deployment of new ICT equipment. In these cases, the process for testing and certification of ICT equipment must be flexible and streamlined to meet the market demand. The regulatory agency must have the authority and capability to police the market behavior of the industry.

According to Bezzin (2004:79) the issues of the efficiency of African regulatory frameworks, although motivating, is extremely sensitive. A regulatory system is a complex structure that aims to constantly strike a balance between consumer (providing majority access to basic services, protecting users' fundamental rights etc) and producer rationality (development of communications industry. Given the complex relationships between regulations and various groups and sectors stakeholders, the threat posed by interest-groups politics to the efficiency of economics regulation, i.e., the threat of regulatory capture should not be underestimated. Therefore according to his conclusion, a large number of African countries have recognized that the establishment of an independent regulatory authority is a condition of the success of telecommunications reforms (Bezzin ,2004:79).

According to Adam(2005:74), a successful transition from monopolistic to competitive market often requires bold regulatory interventions that are currently absent in Ethiopia. Without good regulations, some argue that a policy process can hardly foster genuine completion and investment; in fact it may lead to economic opportunities for corruption or a private monopoly that may not have linkages to the broader national development goals. Others also argue that lack of independence by the regulator would make it difficult for it to develop the capacity to foster access by combining market efficiency and public interest objectives.

Garrison states that the single most important factor to successful privatization or liberalization is clear government goals for the telecom sector and adoption of policies to achieve those goals (www.internetpolicy.net). The key risk for the investor in the telecommunication sectors is the regulatory risks and its potential negative or positive effects on the future revenue streams. According to the above writer there are three key elements of regulatory reform of traditionally monopolized and/or nationalized telecommunications services, preferably taken in the following order:

- Establishment of an effective independent regulator
- Introduction of competition
- Privatization of state-owned monopolies

Global Internet Policy Initiative (2002:1) also laid down some general principles in relation to telecommunication regulatory reforms which include:

- Governments should not be providers of telecom services, which are run more efficiently by private companies.
- Government should be responsible for planning, structuring, and regulation.
- The private sector should be responsible for management, investment, construction, and financing.
- The transfer of responsibility to the private sector and the introduction of competition should be accomplished through transparent arrangements, (management contracts, capital leases, concessions, sale of assets and rights to operate).
- A transparent and predictable regulatory framework is a prerequisite to attracting investment.
- Government should create an independent, technically competent, and sufficiently funded regulatory entity to grant licenses, enforce competition, and protect the public interest. A main goal of regulation should be the enforcement of competition.
- The success of universal access efforts will depend in large measure on the success of privatization and competition.

4. BENEFITS OF TELECOMMUNICATIONS MARKET LIBERALIZATION

The service sector is the most important sector for most developing economies. It is the largest contributor to gross

domestic product, production and employment (McGuire, 2002:3). According to McGuire, developing economies have the potential to get greater benefits from liberalization than developed economies, primarily by liberalizing their own service sector. In general domestic liberalization permits resources to be allocated to their most efficient uses and these resource allocations improves the price, choice and quality of services, and overall economic capacity, which facilitates trade in other sectors like agriculture and manufacturing.

According to Maitra (2004:4), telecommunication is now universally acknowledged as one of the prime movers of the modern day economy. It is a vital infrastructure, affecting all national and public interests. For telecom policy makers, this means ensuring:

- Availability of telephone on demand;
- Universal service, which calls for the provision of access to all people for certain basic telecom services at affordable and reasonable prices;
- Availability of the widest permissible range of services to meet the customer's demand at reasonable prices;
- Protection of defense and security interests of the country

Telecommunications is generally recognized as one of the crucial infrastructural backbones of any modern-day economy. Because it is a vital intermediate input for most final goods, an improvement in telecom services can have a significant impact on efficiency and growth across a wide range of user industries (Konan and Assche, 2004:2). Worldwide the telecommunications sector is being opened to competition in response to both technological development and the failure of state-owned telecom

monopolies to satisfy the growing telecommunication needs of users and economies (Global Internet Policy Initiative, 2002:2). The liberalization of the telecommunications industry is intended to bring benefits to consumers (OUR, 2002:3). As stated by different writers, the benefits of telecommunications market liberalization include;

- The liberalizing of telecommunication services improves allocation of resources (Verikios and Zhang, 2001:12). The largest gains accrue to high barrio developing regions and while smaller gains accrue to low barrio developed regions. These shows that regions that have more barriers like Ethiopia can benefit more from liberalizing the telecommunications services.

- A more efficient use of global resources lowers the cost of producing telecommunications services which benefits consumers and producers who use them as intermediate inputs (Ibid). In addition a complete liberalization mainly remove non-discriminatory market access barriers.

- The introduction of competition in telecommunication provides consumers with greater choice of service operators, wider variety of services, significantly improved service quality, and lower tariffs (Global Internet Policy Initiative 2002:2). For developing countries, added benefits include the attraction of badly needed investment, faster network deployment and wider consumer access.

- Introducing competition in the telecommunication services leads to consumer welfare in accessing telecommunication services (Torero, Schroth and Font, 2004:4)

- According to Ndukwe (2004:13), the urban areas in the African continent have been experiencing significant improvements in telecommunications services as a result of privatization of state monopoly operators, market liberalization and competition as well as the establishment of independent regulatory.
- Removal of services barriers in sectors like telecommunications, transportation, and financial services improves competitiveness in the goods sector, increases efficiency and productivity by enabling firms to track consumer demand, facilitate product distribution, and expand global reach (www.ustr.gov, 2006).

- Telecommunication market liberalization also helps to increase investment in business. According to the World Bank, the private sector invested $230 billion in telecommunications infrastructure in the developing world between 1993 and 2003, with the greatest investment in those countries that were open to competition (www.ustr.gov).

- In the case of telecommunications, improved efficiency generates economy-wide benefits as telecommunications are a vital intermediate input and are also crucial to the dissemination and diffusion of knowledge—the spread of the internet and the dynamism that that has lent to economies around the world is telling testimony to the importance of telecommunications services (Mattoo, Rathindran and Subramanian, 2001:4).

- Full liberalization in service sector like telecommunication can lead to enhanced competition from both domestic and foreign suppliers.

- Competitive telecommunications markets will generate more rapid adoption of new technology, increased bandwidth and improved productivity and efficiency in the use of resources (McMaster, 4).

- The long term dynamic impacts of deregulation and the development of competitive telecommunication markets will be most beneficial for private sector development, trade and investment promotion and will support the generation of new jobs in information and communication technology (ICT) enabled businesses(McMaster,2005:5)

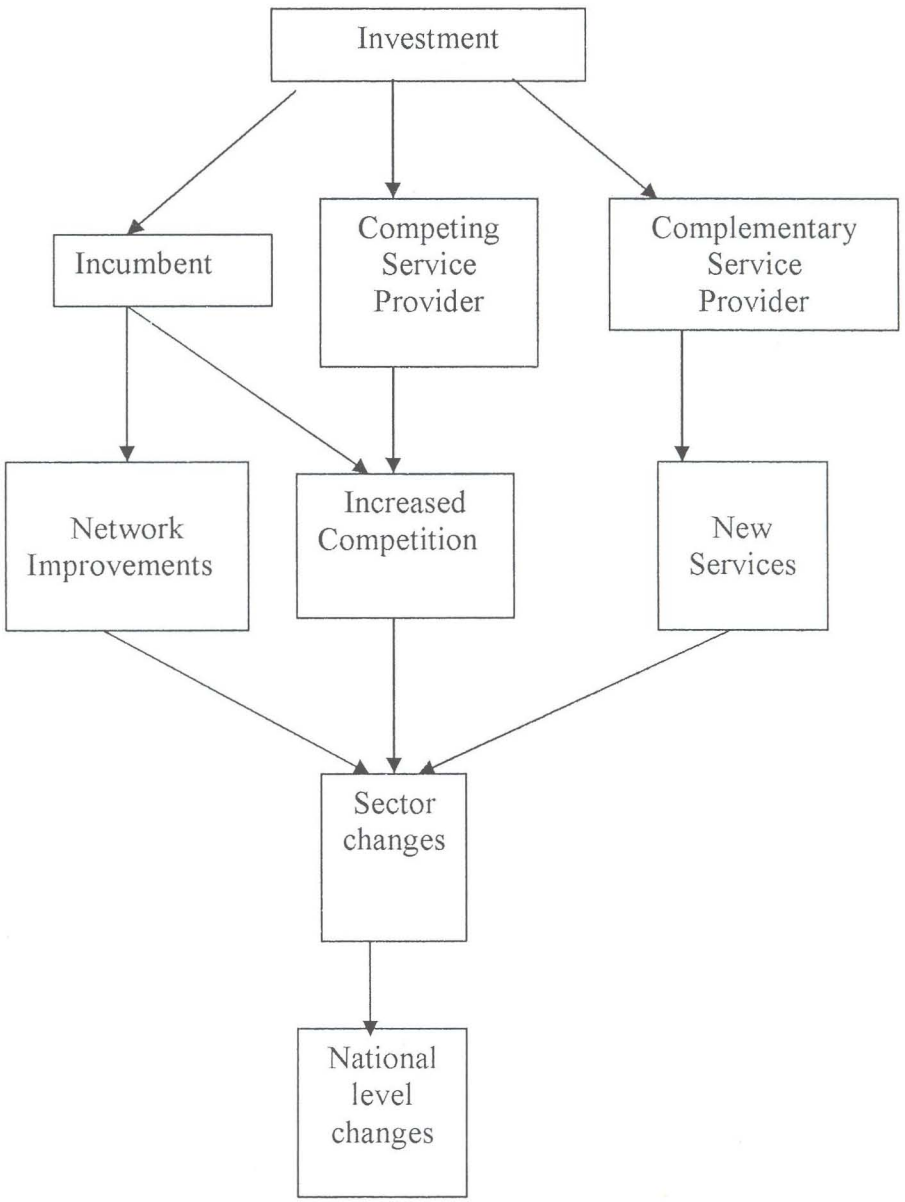
To summarize, the benefits and costs of liberalization are shown in the following table that is adopted from the deregulation of the Pacific Islands.

Group	Cost	Benefits
Urban Residential Consumers		• Reduced tariffs • Increased consumer surplus • Improvement in ICT service quality • Choice of providers
Rural Consumers	• Slower roll out of fixed-line network to isolated locations that are uneconomic	• Reduced cost of some ICT services • Improved quality of services • Introduction of new wireless services
Private Businesses		• Reduced business ICT costs • Businesses more competitive globally • Expanded use of Internet for business functions • Opportunities for new Business • Process Outsourcing

		contracts
Government and other public utilities		• Reduced cost of ICT services for government departments and public enterprises • Improved Internet services and more rapid introduction of e-government • Increased government revenue from a more rapid growth of ICT total revenue
Regulator for ICT	Need to strengthen regulation to ensure strong competition on a level playing field	
Monopoly ICT Provider	• Loss of monopoly market power • Loss of opportunity to make supernormal profits • Pressure to reduce costs and to excess staff • Lower incentive to invest in long term capital infrastructure • Reduced capacity to repay loans for previous capital investment • Reduced market share • Strong price competition from new competitors • Need to improve productivity	
New ICT providers		• Opportunity to enter new profitable market • Opportunities to test new technology in small markets
Educational Institutions		Reduced cost of Internet for e-learning

According to Bressie, Kende and Williams (2004:14) over time, these sector improvements can benefit the economy directly, through increased service revenues and employment, and also indirectly, through improvements in the performance of other sectors that rely heavily on telecommunications services. It is indicated in the following diagram:

Telecommunications Trade Liberalization and the WTO



DRIVERS OF LIBERALIZATION

Garrison (www.internetpolicy.net) considers the following as the driver of liberalization in the services sector in general and the telecommunication service in particular:

- **Generally Poor Performance of Incumbent Operators:** - State operators frequently under-perform private operators; as the economic importance of the ICT sector increases, demands for improved operator performance also increase.

- **Technological Innovation:** - It is the desire from the part of government, often led by business and industry, to capture economic benefits of ICT innovation through rapid deployment of new technologies.

- **Role of ICT Sector in Economic Competitiveness:** - Telecom liberalization is now seen as fundamental to successful development of the ICT sector and to broader stimulation of economic growth in other key sectors. A modern telecommunications infrastructure can be an important driver of economic growth. Open markets for telecoms services encourage investment in this sector, leading to economic development and stimulating innovation and the availability of innovative services at competitive rates (WTO, 2005:1).

- **Business Demand for Advanced Services at Lower Rates:** - Expansion of international business communications requirements, particularly Internet-based services, has dramatically increased the importance of this driver in favor of telecom competition.

- **Consumer Demand for Internet Services:** - Increasing Internet penetration/usage by consumers creates pressure for low-cost, high-speed Internet access over IP networks.)

- **WTO Pressures** - "Join in or be left behind": - The combined effects of WTO agreements on basic telecom services and information technologies have set a global benchmark favoring liberalization; nations now risk falling behind economically if this benchmark is not met. Since telecommunication is one of the main drivers of economic growth and globalization, WTO (World Trade Organization) negotiations and New Age FTAs (Free Trade Agreements) have focused on liberalizing trade in this sector (www.icrier.org).

CHAPTER THREE

CONCEPTUAL FRAMEWORK

1. INTRODUCTION

The 21 century is the most challenging era for most companies in delivering goods and services to customers directly through their network. The increasing competition in and from the global market will make the existence of companies difficult as customers will really enjoy being the kingpens. The increasing competition in the market for goods and services provide the best option for customers towards maximizing value, satisfaction and delight. Hence the total marketing strategy needs to be relocated towards the win-win approach analyzing customer values in the right perspective for achieving long term gains. Customers are the pillars in the contemporary business environment that help build and retain brands in the market.

Currently the concept of marketing defines from the perspective of the customers. Anderson and Dobson define marketing as follow (1998:5);

- *Marketing is a social process by which individuals and groups obtain what they need and want through creating and exchanging, products and values with others.*

- *It is the management process which identifies , anticipates and supplies, customer requirements efficiently and profitably*

We can see from the definition that scholars define marketing from the fulfillment of the requirements of the customer.

Fulfilling the requirements of customer in case of tangible products may not as challenging as that of the service. Rajagopal *(2003:159)* define a service business as:

- *It is one in which the perceived value of the offering to the buyer is determined largely by the service provided to him/her than the products offered.*

In other words, the satisfaction level of customer is determined by the perceived value of the individual and it is subjective to the individuals. This is because of the unique features of service which include:

- Intangibility of service
- Inseparability of buyer and service provider
- Lack of inventory
- Difficulty in measuring and controlling quality since it is determined by the customer
- Difficulty in experimentation from the point of view of the service provider.
- Personalized marketing of service.
- Customization of offering

2. SERVICES MARKETING MIX

Marketing environment for service is a combination of factors which the service providers use as tools for pursuing its marketing objectives, the identified markets for achieving targets. In order to offer quality services and optimizing customer values, the marketing environments have to be strategically mixed in service marketing planning. According Rajagopal(2003:161), the traditional components of marketing mix

include product, pricing, place and promotion are further supplemented by another set of 4Ps consisting of participants (people), paces, process and physical evidences in marketing of services. These marketing mixes determine the rightness of a service in the market in view to provide customer satisfaction to a larger extent. These imply that service mix lies in identifying a right service, with appropriate customization at the right price may help in establishing brand credentials and potential scope of business expansion, diversification and qualitative improvement in delivery through right promotion policies.

3. DETERMINANTS OF QUALITY SERVICE AND SATISFACTION

The major determinant factors of service quality mainly related to the provision of the service to the customer. These factors are derived from the customers themselves. The Transit Cooperative Research program on its TCRO report 47 indicates that service quality is a measure of how well the service level delivered matches customer expectations (National Academy Press, 1999:1).

As indicated in the above research work the major service quality determinants include (NAP, 1999:11);

1. Reliability involves consistency of performance and dependability.
2. Responsiveness concerns the willingness or readiness of employees to provide service. It also involves timeliness of service.
3. Competence means possession of the required skills and knowledge to perform the service.

4. Access involves approachability and ease of contact.
5. Courtesy involves politeness, respect, consideration, and friendliness of contact personnel.
6. Communication means keeping customers informed in language they can understand and listening to them. It may mean that the company has to adjust its language for different consumers – increasing the level of sophistication with a well educated customer and speaking simply and plainly with a novice.
7. Credibility involves trustworthiness, believability, and honesty. It involves having the customer's best interests at heart.
8. Security is the freedom from danger, risk, or doubt.
9. Understanding/Knowing the customer involves making the effort to understand the customer's needs.
10. Tangible includes the physical environment and representations of the service.

4. TELECOMMUNICATION MARKET IN ETHIOPIA

Countries that have the potential of information and communication technologies have attained significant social and economic development. In addition, they are rapidly transforming into information and knowledge based economies. The government, therefore, recognizes the role of ICTs in the social and economic development of the nation and has promulgated a national ICT policy. This policy seeks to facilitate sustained economic growth and poverty reduction, promote social justice and equity, mainstream gender in national development, empower the youth and disadvantaged group, stimulate investment and innovation in ICT, and achieve universal access. The concept of

universal access is mainly related to the service sector in general and the ICT sector in particular.

The ICT sector in general and the telecommunication service in particular help a country's development both in the short run as well as in the long run. In providing the service, because of the intangibility nature of the sector, it requires special attentions in order to attain the objective of universal access. Here the idea of universal access mainly focuses on the availability, affordability and accessibility of the service to all members of the society equitably. Universal access of the telecommunication services helps the socity to use the service easily and facilitates the development of the country.

Established in 1894, the Ethiopian Telecommunications Corporation (ETC) is the oldest public telecom operator in Africa. Since its establishment ETC provides fixed lines, mobile phone, Internet services and data services to the customer as well as the country as a whole. The telephone density including mobile phone is currently 1.39% as reported in the Company profile magazine of the corporation (2006). As we can see from the above information, Telecommunications penetration and usage is inadequate in Ethiopia due to limited availability, accessibility and affordability. Communication as an important component of day-to-day life and users travel long distances or use different ingenious strategies to access it. However, ICT policies and rollout strategies do not appear to have taken the demands and usage patterns of people into consideration.

The provision of modern telecommunications infrastructure and information networks is a key to rapid economic and social development of the country. Telecommunication is a critical component for the development of the ICT industry. The overall

government objectives for the sector is to optimize its contribution to the development of the country's economy as a whole by ensuring the availability of efficient, reliable and affordable telecommunications services throughout the country. In order to facilitate the provision of effective and efficient telecommunication services countries develop a policy of attracting and stimulating investment. In other words to attain the aim of universal access, countries open the market for competition. That means it is based on the assumption that competition increase universal access to telecommunication.

A study was conducted by Hartley and Murphee (2006:2) to assess the influence on the partial liberalization of Internet service provision in Ethiopia. As indicated in the study, the national government plans to use an ICT-led development strategy to fight poverty and modernize the economy. International Telecommunication Union also indicates that ICT have the potential to improve all aspects of social, economic and cultural life of a country.

Telecommunications reforms began with the 1996 establishment of the Ethiopian Telecommunications Corporation (ETC). Since then, the ETC has been a state-owned corporation operating for profit and without direct governmental budget assistance. It provides voice telephony and Internet connectivity to almost all Ethiopian businesses, government actors and citizens.

There is no tradition of private or competitive provision in the telecommunication sector in Ethiopia. Under the monarchy, socialist and post-socialist regimes, the government has pursued a state-led development strategy. In 2002-2003, the Ethiopian government attempted a partial privatization of the ETC through offering a sale of 30% of ETC equity. Despite hiring an

international consulting firm to assist in this privatization effort, the ETC received no suitable bids for partnership. Since this failed attempt at partial privatization, the national government's policy has been to make the ETC into an efficient and profitable state-owned corporation. They continue to proceed without introducing full-scale competition into the system. The ETC has begun a series of initiatives including forms of small-scale subcontracting and limited private resale of services in order to increase profitability and make greater use of its network infrastructure.

After the attempt for partial privatization of the sector, the ETC receives a monopoly license from the Ethiopian Telecommunications Agency (ETA). In exchange for allowing the ETC to remain a monopoly, it must meet government requirements for efficiency, quality and infrastructure expansion targets.

The government has intended to use the regulator, Ethiopian Telecommunication Agency, in lieu of competition as a means of enforcing efficiency and quality of service targets. However, such an attempt cannot realize the same benefits as genuine competition. According to Levi-Faur (2003), the creation of independent regulatory authorities actually reinforces state control over the economy.

The affordability, accessibility and availability of the telecommunication services have huge contribution to the economy as a whole. The Ethiopian Telecommunication Corporation (ETC) provides the service with different charges. In general Ethiopia's telephone connection charge, fixed and Mobile phone charges are relatively low compared to many other African countries (Adam, 2005:71). Cost of three minutes local call for mobile is indicated below

Mobile cost in some selected African countries for 3 minutes

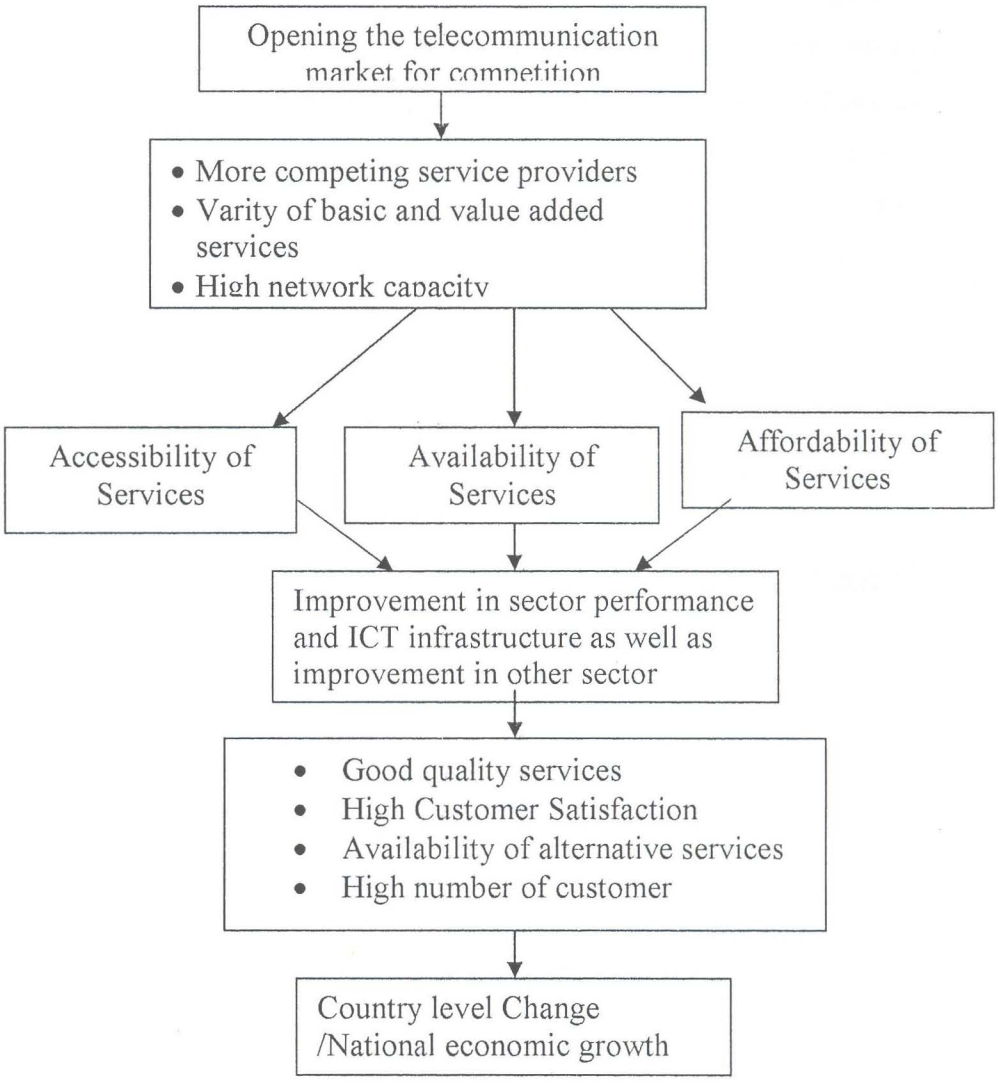
	Country	Cost of three minutes mobile local call (USD)
1	**Ethiopia**	**0.26**
2	Uganda	0.36
3	Mozambique	0.46
4	Zimbabwe	0.50
5	Kenya	0.59
6	Zambia	0.68
7	South Africa	0.69
8	Ghana	0.90

From the above countries like Kenya and South Africa have liberalized their telecommunication market or have more than one service providers. These help them to increase the accessibility and availability of the service. When we see the Ethiopian case, even if the price of the service is lower, the per capita income of the country is below the above centuries. As cited by Adam (2005:71) income has not changed in real terms over the last 10 years, and even with the lower charges, the cost of communication services remain high for the majority of Ethiopians.

In general the current service provider has its own tariff zone based on the distance from one place to the other. But in such context, the international long distance tariffs was revised downward in 2003 in response to increased usage of callback operators and competition in the long-distance market. Currently

all long distance calls now cost the equivalent of USD 1.15. This is in contrast to the previous pricing regime that charged international tariffs based on geographic regions such as Africa, Asia, America and Europe.

Therefore, in order to increase the affordability, accessibility and availability of telecommunication services, opening the market for competition is vital. In general it can be summarized in the following diagram.



In the next chapter the data analysis and its finding will be discussed.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

In the previous chapters the theoretical aspects of telecommunications market liberalizations and its benefit as well as overview of the situation in Ethiopia have been presented. In this context, the present chapter deals with analysis of the data with the help of some statistical techniques. Some of the techniques include mean, graphs, tables and other statistical tools based on the need for analysis. In the first part of the chapter, the information collected through questionnaire from the respondents is described and summarized in appropriate formats. The interpretation of the data is presented next to each summarized data including the information obtained through interview from different offices.

In this study a total of 65 questionnaires were distributed and out of which 55 were returned back and Five of those were rejected because of their incompleteness.

1. GENERAL CHARACTERISITICS OF THE RESPONDANTS

The following pie chart shows the summary of the respondent's gender composition.

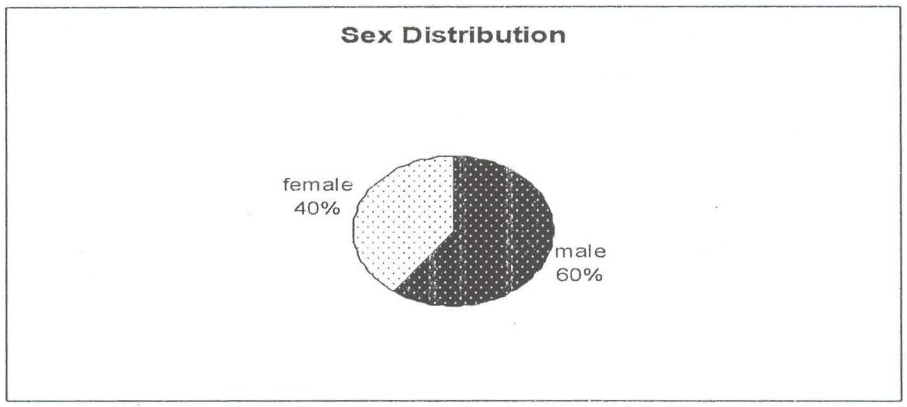


Figure 1: Sex Distribution

As can be seen from Figure 1, the majority of the respondents (60%) were males and the remaining 40 % were females.

The survey also revealed the age structure of respondents. It has sample of 50 respondents who filled the questionnaire

			Respondents	
No	Item		Freq.	Percent
	Age	Below 20	3	6
		21-30	27	54
		31-40	12	24
		41-50	5	10
		51 and above	3	6
		Total	**50**	**100**

Table 1 Age Distribution

Concerning about age distribution of respondents, 54 percent of them were between the age of 21-30 and 24 percent were between the ages of 31-40. In addition the remaining 6, 10 and 6 percent of the respondents were between the age of below 20, 41-50, and 51 and above respectively.

As far as educational background of the respondents is concerned, 44 percent and 36 percent of the respondents were diploma and degree holders respectively. The remaining 4, 6, 4, and 6 percent of the respondents were below Grade 12, 12 Grade complete, Certificate, and Masters and above holders respectively. The distribution of the respondents in relation to their educational qualification reveals that majority of the respondents are diploma and degree holders.

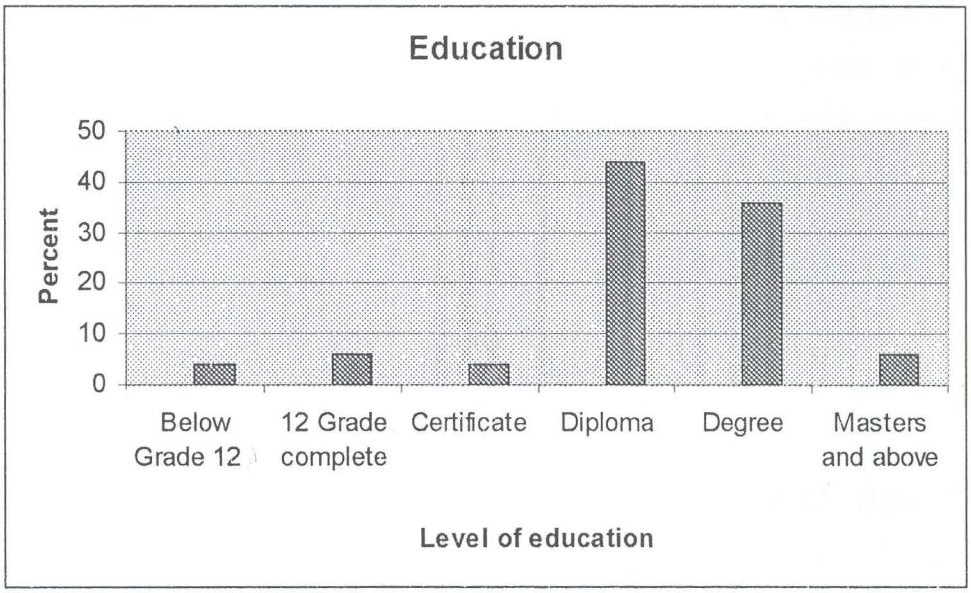


Figure 2 Educational Backgrounds of the respondents

Differentiation of the respondents in monthly income affects the service usage rate; the next chart shows the result of the survey on monthly income of the respondents.

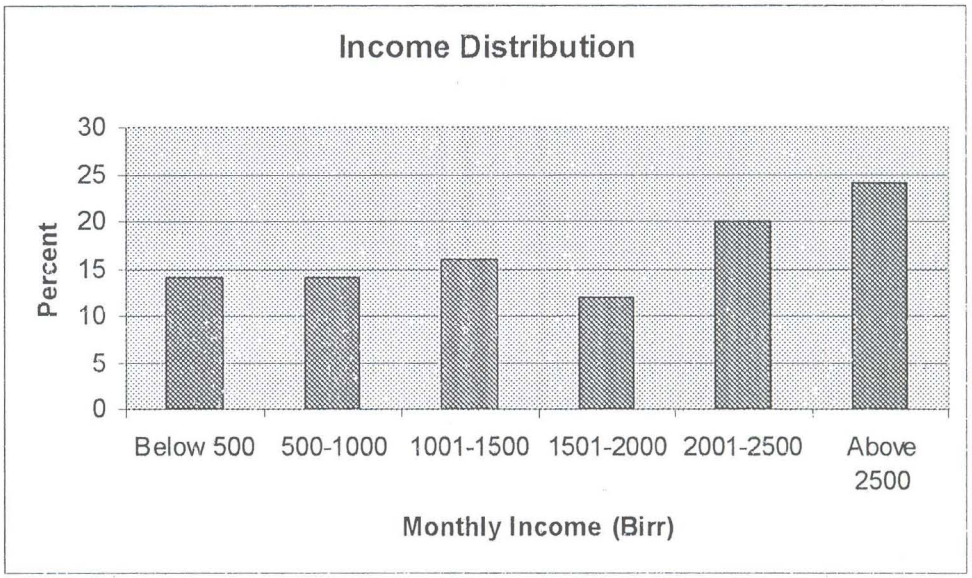


Figure 3 Income distribution

The above graph shows the monthly income of the respondents. As can be inferred from the graph 24 percent of the respondents earned 2500 and above per month. 20 percent of the respondent's monthly income was found between the range of 2001 to 2500. The remaining 56 percent of the respondents' monthly income was below 2000. Of which 14 percent earned below 500, 14, 16 and 12 percent of the respondents' income range between 500-1000, 1001-1500 and 1501-2000 respectively.

2. CUSTOMERS SATISFACTION WITH THE CURRENT SERVICE PROVIDER

In this part, satisfaction of the respondents with the current services is described in brief. Some of the points that have been discussed include telecommunications service currently consumed by the customers, the degree of importance of the service to the respondents, satisfaction of the customer with the service and the quality of the services to the respondents.

2.1 TELECOMMUNICATIONS SERVICE USAGE BY THE RESPONDENTS

The telecommunication sector provides different types of services to its customer. Some of these service include fixed telephone services, mobile, Internet and data service as well as value added services like SMS, MMS, call barring, call forwarding and call divert.

The above respondents were also asked to reply about the current telecommunication services that are currently in hand. As obtained through the distributed questionnaire, the responses are summarized below. (Note: Numbers are not mutually exclusive)

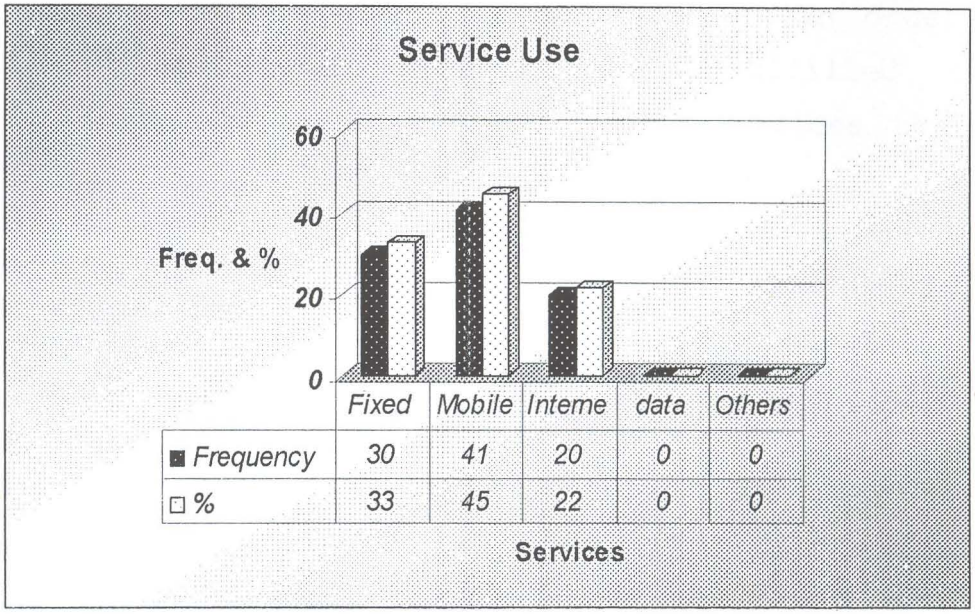


Figure 4 Service uses of the respondents

(Note: Numbers are not mutually exclusive)

As we can see from Figure 4, large numbers (45%) of the respondents use the mobile service, 33% percent use fixed telephone and the remaining 22% uses the Internet services. This indicates the importance and acceptance of the existing technologies by the respondents in particular and the public at large. The other service, that is the data service as well as the value added services like SMS (Short Message Service) call divert and call waiting are not used by the sample group. In addition, the table also indicates the level of order of usage of the service as mobile, fixed and Internet.

Regarding the demands of the service, the respondents were required to give their unmet demands for the services of the sector. Table 2 summarizes the unmet demands of the respondents and their respective numbers.

The interaction of supply and demand determines whether the market fulfills the requirements of the customer in particular

as well as the country's economy as a whole. In order to see whether the demands of the customer fulfilled or not, respondents were required to indicate the services they wanted to have but currently did not use it.

No	Services	Number of Respondents	
		Freq	%
1	Fixed telephone services	16	19
2	Mobile Telephone Services	8	9
3	Internet Services	28	32
4	Data Services	16	19
5	Other	18	21
	Total	**86**	**100**

Table 2 Unmet demands of telecommunication service and number of respondents

The responses shown in Table 2 indicated that the demand for Internet services is the highest of all services followed by the data services. In addition, the demand for basic telecommunications service like fixed telephone and mobile is not currently fully met. These show that there are ample potential customers waiting for the services. In addition to the basic services, the respondents also indicated that there should be value added services like short message service (SMS) and other call features. From Table 2 we can conclude that the demand for the service is not fulfilled by the current service provider.

Currently the government does not permit investor to invest in the area of the telecommunication sectors. The data obtained

from Ethiopian Investment Agency indicated that from the period 1992 to January 30, 2007, only four consulting and equipment manufacturing firms obtained license in order to open consultancy offices and telecommunication accessory equipments. (See annex)

In relation to the services provided by the existing service provider, respondents also select major reasons not having the unmet demand. The table below summarizes the respondents' responses citing such reasons:

	Item	Respondents	
		No	%
1	Cost is high	34	46
2	Service not available	22	30
3	Quality of service is poor	13	17
4	Other	5	7
	Total	**74**	**100**

Table 3 Major Reasons for not getting connected

As indicated in Table 3, the majority of the respondents were sensitive about the cost/price of the service (46%) and then availability of the services (30%). The quality of service was not considered as major reason by most of the respondents since without getting the service at affordable price and its availability; it is meaningless to consider the quality of the services. In addition, other factors like personal interest, social, economic and cultural factors also hinder connection preferences.

2.2 IMPORTANCE OF TELECOMMUNICATION SERVICE

In order to measure the important of the service, respondents were given some of the services of the telecommunication sector. The responses to the services could range from 1, very critical, to 5, less important. To find the overall importance of the services, responses were multiplied by respective weights and summed and averaged. The results are presented in the following tables.

Weight 1 = Very critical (VC) 2 = Critical (C)
3 = Important (I) 4 = Somewhat Important (SI)
5 = Less Important (LI)

The following table presents the summary of the respondents' response.

	VC(1)		C (2)		I(3)		SI(4)		LI(5)		Mean	SD
	No	%	No	%	No	%	No	%	No	%		
Fixed telephone	14	28	8	16	20	40	6	12	2	4	2.48	1.15
Fax	6	12	5	10	19	38	10	20	10	20	3.30	1.26
Internet	22	44	8	16	18	36	2	4	0	0	2.00	.99
Mobile	28	56	12	24	8	16	2	4	0	0	1.68	.89
Enhanced call feature	8	16	12	24	18	36	13	26	2	4	2.96	1.12

Table 4 Importance of Telecommunication Service

As indicated in the table the mobile service is more critical with a mean of 1.68 and standard deviation of 0.89. The Internet service is also critical to the sample respondents with mean 2.00 and standard deviation of 0.99. in addition fixed telephone is also important followed by enhanced call feature. From the

above listed services, fax less important than other with mean 3.30 and standard deviation of 1.26

2.3 COST OF TELECOMMUNICATION SERVICES

Affordability of the telecommunication is determined by the cost of telephone call and other services as well the subscriptions fee and monthly rental charges. In order to assess the attitudes of the respondents in relation to the cost of the services, the following findings were revealed.

	Very Expensive		Expensive		Fair		Cheap		Very Cheap		Mean	SD
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
Fixed telephone	6	12	17	34	24	48	1	2	2	4	2.52	0.886
Mobile Telephone	21	42	18	36	11	22	0	0	0	0	1.8	0.782
Internet Service	8	16	17	34	21	42	3	6	1	2	2.44	0.907
Data services	7	14	14	28	21	42	4	8	3	6	2.6	1.05

Table 5 Cost of telephone call and other services

As shown in the above table, the cost of telephone call for mobile service is expensive with mean of 1.8 and standard deviation 0.782. The Internet service is also expensive with mean 2.44 and standard deviation of 0.907. We can conclude from the above, the cost of telephone call is not affordable for the sample group.

In addition to the cost of telephone call per period or minutes, the affordability of the service is determined by the initial subscription fee and monthly rent of the service. The following table shows the summary of the findings.

	Very Expensive		Expensive		Fair		Cheap		Very Cheap		Mean	SD
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
Fixed telephone	7	14	15	30	22	44	5	10	1	2	2.48	0.886
Mobile Telephone	16	32	21	42	12	24	1	2	0	0	1.96	0.807
Internet Service	8	16	17	34	23	46	2	4	0	0	2.38	0.805
Data services	11	22	16	32	23	46	0	0	0	0	2.24	0.797

Table 6 subscription fee and rental charges.

As indicated in the table above, the subscription fee of the mobile service is expensive with mean of 1.96 and standard deviation of 0.807. From this we can conclude that the initial subscription fee of the service is not affordable to the sample group as well as the society at large. This is because the per capita income of the society is the lowest on the world.

2.4 CUSTOMER SATISFACTION

According to different researchers and modern marketing concept, customer satisfaction is the most important elements of marketing and it is the measure of organization's performance. In order to stay in the market and maintain its profitability, satisfying the needs of customer is at the front line. Especially in the service sector, satisfying customer is the challenging and vital elements of trading service.

In this study, the satisfaction of respondents towards the service was also examined. Nine statements were given to respondents to measure the level of satisfaction towards the service. Here in order to evaluate the satisfaction level of

respondents, factors like the general provision of the telecom services, fulfillment of their requirements, responsiveness of the service provider in case of difficulty, stability of services, the affordability, accessibility, quality and variety of telecommunication services were considered.

As indicated in Table 7, almost 90% of the respondents rate their satisfaction level as average, below average and unsatisfactory. These indicate that the overall service provision needs to be improved in order to increase the satisfaction level of the customer.

The last cell of the table shows that the current service variety of the service provider is the most unsatisfactory followed by the general provision of the service and the responsiveness of the company in case of difficulty.

The overall mean of the customer satisfaction table is 3.69 with a standard deviation of 0.922 which indicates that the overall satisfaction of the customer is closer to below average.

Table 7 Customer Satisfaction Analysis

No		Unsatisfactory (5)		Below average (4)		Average (3)		Above average (2)		Outstanding (1)		Mean	SD
		No	%	No	%	No	%	No	%	No	%		
1	The general provision of Telecom service in Ethiopia	14	28	16	32	16	32	3	6	1	2	3.78	.996
2	The extent of service fulfill your requirement	5	10	17	34	20	40	7	14	1	2	3.36	.921
3	Contributions of the current Telecom service towards satisfaction of your need	6	12	17	34	23	46	3	6	1	2	3.48	.863
4	Satisfaction with the company's response to your problems or questions related to the service	14	28	17	34	14	28	5	10	0	0	3.8	.967
5	The stability of the service	10	20	18	36	17	34	5	10	0	0	3.66	.917
6	The affordability of Telecom service in Ethiopia	10	20	16	32	21	42	3	6	0	0	3.66	.871
7	The accessibility of Telecom service in Ethiopia	8	16	20	40	20	40	2	4	0	0	3.68	.794
8	The quality of Telecom service in Ethiopia	9	18	18	38	20	40	1	2	2	4	3.62	.945
9	The level of variety of telecommunication services in Ethiopia with the rest of the world	22	44	16	32	11	22	1	2	0	0	4.18	.849

2.5 QUALITY OF SERVICES

Various business organizations are making investment in the service sector in order to provide services to the customer and earn profits as well as to build up their capabilities that contributes to the enhancement of their competitive advantages. In order to attain these objectives organization should provide quality services and satisfy the needs of customer. Some of the basic factors that should be considered in assessing the quality of service include reliability of the services, responsiveness of the service provider, competence, access, courtesy, effective communication skills, credibility, security; service provider's customer orientation, completeness of the services, the service effectiveness and the customers' satisfaction.

Twelve statements were presented to respondents to assess the quality of services towards the current telecommunication services. The results of the response are summarized Table 8.

As can be seen from the table the respondents rated the service quality as average, below average as well as unsatisfactory. The average services of the quality for all statements are above three which indicate that the service quality is even below the average level. In modern marketing provision of service as per the specification and requirement of the customer are the determinant factors for the survival of the firm. In general from Table 8 below one can conclude that there is low quality of services according to the respondents.

The overall mean of the service quality table is 3.488 with a standard deviation of 0.919 which indicates that the quality of service is below customer expectation.

Table 8 Summery of the respondent's response on the quality of Services

No	Factors	Unsatis factory (5)		Below average (4)		Average (3)		Above average (2)		Outstan ding (1)		Mean	SD
		No	%	No	%	No	%	No	%	No	%		
1	Possession of the required skills and knowledge to perform the service. (Competence)	9	18	16	32	20	40	4	8	1	2	3.56	.951
2	Willingness or readiness of employees to provide service. (Responsiveness)	8	16	13	26	25	50	4	8	0	0	3.5	.863
3	Consistency of performance and dependability. (Reliability)	4	8	9	18	32	64	3	6	2	4	3.2	.833
4	Approachability and ease of contact. (Access)	6	12	18	36	20	40	5	10	1	2	3.46	.908
5	Politeness, respect, consideration, and friendliness of contact personnel. (Courtesy)	7	14	12	24	27	54	3	6	1	2	3.42	.882
6	Keeping customers informed in language they can understand and listening to them. (Communication)	8	16	9	18	22	44	10	20	1	2	3.26	1.026
7	Trustworthiness, believability, and honesty. (Credibility)	9	18	8	16	28	56	3	6	2	4	3.38	.987
8	Freedom from danger, risk, or doubt. (Security)	4	8	16	32	22	44	8	16	0	0	3.32	.913
9	Making the effort to understand the customer's needs. (Customer orientation)	8	16	19	38	16	32	6	12	1	2	3.54	.973
10	Completeness of the service	14	28	17	34	16	32	3	6	0	0	3.84	.912
11	Service effectiveness.	12	24	18	36	17	34	3	6	0	0	3.78	.887
12	Overall Satisfaction with the service	8	16	16	32	24	48	2	4	0	0	3.6	.808

3. ATTITUDES OF THE CUSTOMER TOWARDS THE TELECOMMUNICATION SERVICE MARKETING IN ETHIOPIA

As indicated in the above part, the sample respondents responded that the current service provided to the customers is not as per the requirement. In order to assess the opinion of the respondents; different questions were given to the customer. One of the questions mainly focuses on the mechanism of improving the current telecommunication services. As indicated by the regulator of the service provision, Ethiopian Telecommunications Agency, the government is undertaking different reforms to improve the service provision. Some of the reforms include changing the number plan in order to increase the capacity of customer number, preparing directives to give license to those who want to engage in the resale services in order to incrase the accessibility of the services, allowing importers to import telecommunications equipment under its approval and strengthen its internal capabilities for advancement. In addition, the agency controls the activities of the only incumbent operator (Ethiopian Telecommunication Corporation) in the provision of the service to the public. Still the needs and wants of the customer as well as the country demand for the service are unmet.

In relation to this point, the sample respondents' opinion in order to improve the current telecommunications service are summarized and presented in Figure 5 below.

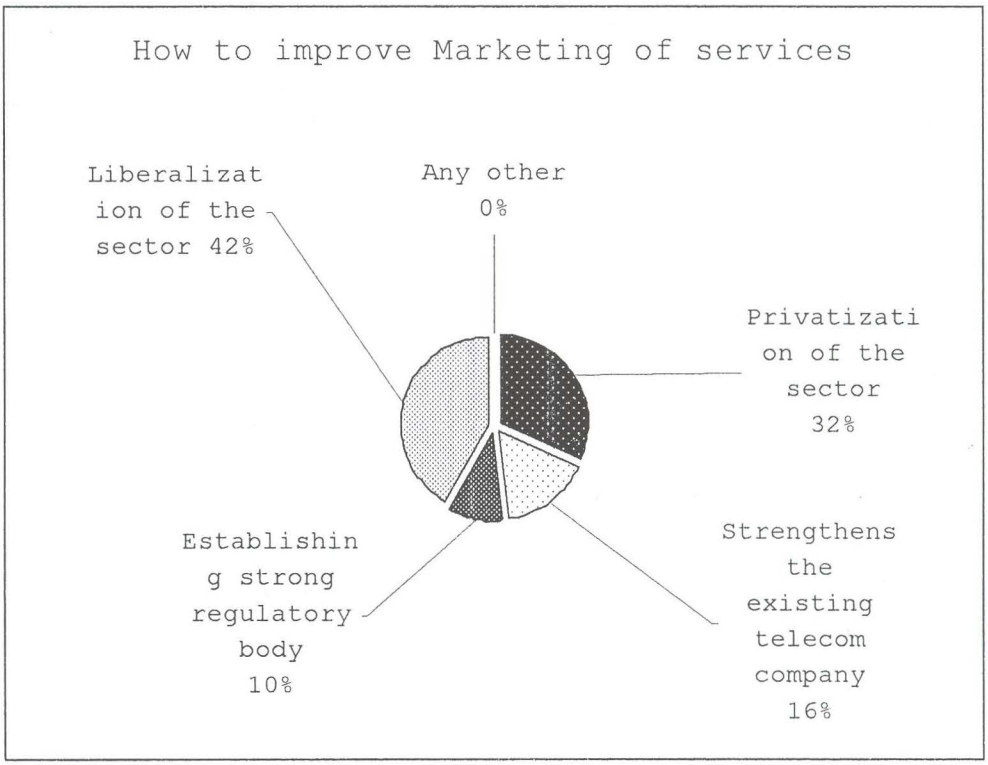


Figure 5 How to improve marketing of telecommunication services

As indicated in the above pie chart, 42% of the respondents were favoring the alternative of opening the market for competition in order to improve the current telecommunications services provision. In addition 32% percent indicates that transferring the ownership of the existing service provider (privatization) can improve the situation. The remaining 16 and 10 percents of the respondents inclined to strengthen the existing telecom service provider and establishing strong regulator respectively, can improve the performance of the sector. From these we can conclude that according to the sample group, in order to improve the situation, changing the marketing of the services can bring improvement in the provision of the services and can satisfy the needs of the customer.

According to researches competition can improve the quality of good and services. As the choice of goods and service increase, the quality of goods and services increase, since the competition among the firms focuses on providing quality products and services in order to satisfy the needs of customer.

In order to assess the attitudes of the customer towards opening the market for competition, three question were presented to the sample groups in relation to the impact of foreign firms entry on the performance of the local firms, level of attraction of the local market after its liberalization, and the impact of foreign firms on the current tariffs of the services. Summery of the sample group's response summarized below.

Response	Yes	No	Do not know	Total
Number	39	4	7	50
Percent	78	8	14	100

Table 9 Opinion of respondents towards marketing of telecommunication service

The responses indicate that the entry of foreign firms improve the quality of the domestic telecommunication service operation in the country (78%).

A country's policy, rules and regulation may attract or prohibit the entry of foreign firms. Sometimes even opening the market for competition may not attract foreign firms to invest in the area because of the business environment. The liberalization of the telecommunication market sector in Ethiopia can have its own implication. Currently the Ministry of trade and industry has

signed an agreement with the American and Chinese consulting firms to study the sector's performance. Based on the result of the study, the government may take some action in the sectors.

In addition to the attraction of foreign firms in the local market, the impact of the opening the market for competition has also an impact on the tariff structure of the service. To assess the opinion of the sample group on the increase or decrease of the price of the service, respondents were asked questions. In this context, the respondents' opinion is presented below.

Responses	Very Strongly(1)	Strongly (2)	Moderately (3)	Little (4)	Not at all (5)	Total (l)	Mean	SD
No	22	10	12	4	2	50	2.08	1.175
%	44	20	24	8	4	100		

Table 10:- Attraction of the telecommunication market for liberalization.

As indicated above changing the current monopolistic telecommunication market structure can attract foreign firms to invest in the sector. Out of the total respondents, 44% selects the option of very strongly. In general, 64% of the respondents indicated that allowing foreign firm entry can be attractive very strongly and strongly. From this we can conclude that the business environment of the country in the general and the telecommunication market in particular attracts foreign investors in the sector.

Regarding the impact of foreign firms on the tariff on the telecommunication services, the responses of the sample group are summarized in Table 11.

Response	High Increase(5)	Increase (4)	No effect(3)	Decrease (2)	High Decrease(1)	total	Mean	SD
Frequency	6	10	7	10	17	50	2.56	1.445
Percent	12	20	14	20	34	100		

Table 11 Opinion of Respondents on Tariffs after Liberalization

As can be seen from Table 11, 34% of the respondents indicate that the cost of telecom service is highly reduced after the liberalization. The table shows that the mean is 2.56 with standard deviation of 1.445 in which the mean is less than three. We can conclude from these that the competition in telecommunication in the sector leads to a reduction in cost/price.

4. BENEFITS OF LIBERALIZATION

As indicated in the literature review part of this study, liberalization of the service sector in general and the telecommunication sector in particular do have its own benefits to the host country. In order to see the impact, respondents were asked to indicate benefits of the same. Some of the factors considered here include technology gain, new value added services, faster technological developments and skill transfer. The results are as follow:

Benefits	Respondents	
	Frequency	Percent
Technology gain	11	14
New value added services	9	12
Faster technological development	16	21
Skill transfer	8	10
All	27	34
No effect	7	9
Total	78	100

Table 12 Benefits Liberalization

As can be seen from Table 11, opening the telecommunication markets for competition helps the country to acquire new technology, value added services, faster technological development as well as skill transfer for the new foreign firms. Form the respondents, 34% indicate that opening the market for competition helps to get all the above listed benefits.

Regarding the universal access of service after the entry of new firms in the business, the respondents indicated that all the quality, price, availability of service as well as the ICT infrastructure in general will have improvement as per the needs and wants of the customer.

Benefits	Improve (1)		No effect(2)		Decrease (3)		Total		Mean	SD
	Freq	%	Freq	%	Freq	%	Freq	%		
Quality of service	**46**	92	**4**	8	**0**	0	**50**	100	1.08	.274
Price of service	**15**	30	**9**	18	**26**	52	**50**	100	2.22	.887
Availability of service	**46**	92	**4**	8	**0**	0	**50**	100	1.08	.274
ICT infrastructure	**44**	88	**4**	8	**2**	4	**50**	100	1.16	.467

Table 13 Service improvement after liberalization

As indicated above the quality of service, availability of services and ICT infrastructure show mean of 1.08, 1.08 and 1.16 with standard deviation of 0.274, 0.274 and 0.467 respectively. From the information above we can conclude that the service provision of the sector will improve after the entrance of new firms.

Regarding the distribution of the service sector, most countries close their market from foreign firm entry by the sole reason of evenly distribution of the service throughout the country. The opinion of the respondents also assessed in these aspects of the distribution of the service in the country. The results are summarized and presented below.

Item	Respondents	
	Frequency	Percent
Concentrated only in Addis Ababa	1	2
Concentrated in major cities	19	38
Will also cover remote areas where the current state-owned telecom could not be able to cover	25	50
The coverage may not have pattern	5	10
Total	50	100

Table 14 Distribution of service after liberalization

As shown from the above table half of the respondents (50%) indicated that entry of new firms cover remote areas where even the current state-owned telecom provider could not be able to cover. 38 percent of the respondents indicated that the distribution could be concentrated in major cities. The remaining 10% and 2% of the respondents indicated that the distribution or coverage may not have pattern and concentrated only on Addis respectively. The above table indicates that entry of new firms in the telecommunication service sector may not have problem of distribution.

5. BARRIERS TO ENTRY

The barrier to entry of the new firm can be prohibited because of different reasons. Some of the reasons include the competition capacity of the local firms, regulations, fear of security, political reason as well as social, economical and cultural factors. The following table shows the responses from

the sample group whether the existing telecommunication service provider has the capacity to compete with new entrants.

Response	Yes	No	Do not know	Total
Number	18	22	10	50
Percent	36	44	20	100

Table 15 Competition capacity of the current company

This finding shows that 44% of the respondents indicated that the local service providers could not have the ability to compete with foreign firms. 36 % positively replied that the local company has the capacity to compete with foreign firms. The remaining 10 percent of the respondents were unable to decide to the issue. We can conclude that the capacity of the local firm is not competent with other firms as indicated by most of the respondents.

Reasons	Respondents	
	Freq	%
Fear of security	16	20
Fear of local capacity to compete	24	31
Political reason	28	36
Other (Specify)	10	13
Total	78	100

Table 16 Reasons not allowing foreign firms

Governments have its own different reasons in prohibiting the entrance of foreign firms in the local market. The above table indicates the respondents' opinion in relation to the reason not

opening the telecommunication market for competition. As we can see from Table 16, 36 percent of the respondents indicated that it is political reason followed by fear of local capacity to compete (31%). 20 percent replied that fear security for the country. The remaining 13 percent replied that since the telecommunication sector is one and the major sources of government budget, it is the economic and financial factors.

6. REGULATION

As the historical development process of telecommunication industry, the sector demanded the importance of the separation of the telecom regulation and the operation. In response to this urgent demand, Ethiopia has established the Ethiopian Telecommunication Agency (ETA) under the proclamation number 49/1996(as amended) to regulate the sector. It is the controlling part of the service trade towards the customer. It is the way of the government interference in the market through rules and regulation in order to control the evenly distribution of the service in the country.

According to the investment proclamation of Ethiopia, Investors shall be allowed to invest in the Telecommunication services only in joint venture with the government (Art 5). The sample respondents were also asked to rate their agreement or disagreement towards the existing telecom related regulation. Based on the following regulation related variables, the respondents' response is summarized below.

The responses to the regulation could range from 1, strongly agree, to 5, strongly disagree.

Weight 1 = strongly agree (SA) 2 = somewhat agree (A)
3 = Neutral (N) 4 = Somewhat Disagree (SD)

5 = Strongly Disagree (SDI)

	SA (1)		A(2)		N(3)		SD (4)		SDI(5)		mean	SD
Statements	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
The existing telecommunications regulations in Ethiopia are relevant.	8	14	15	28	6	12	15	28	6	12	2.92	1.32
The existing telecommunication regulations should be modified in Ethiopia	28	56	12	24	6	12	0	0	4	8	1.8	1.18
Telecomm sector **should not be** deregulated and opened for private and foreign companies	12	24	4	8	5	10	7	14	22	44	3.46	1.67

Table 17 Agreement/disagreement on Telecom Regulation

As can be seen from the above table the existing telecommunications regulations in Ethiopia are relevant with mean of 2.92 and standard deviation of 1.32. In relation to the modification of the existing regulation, the respondents were indicated that it should be modified with mean of 1.8 and standard deviation of 1.18. The mean is less than two which indicates that respondents highly agree on the modification of the regulation.

The third statement in the table mainly requires the opinion of the respondents about the deregulation of the existing regulation. The finding shows the Telecomm sector should be

deregulated and opened for private and foreign companies with mean of 3.46 and standard deviation of 1.67. In general the finding shows the need for revision of the existing regulation in the sector.

Finally the respondents were asked to given their opinion on the opening of the telecommunications market for competition. The opinion is categorized into positive and negative consequences of liberalization of the telecommunication market.

The positive consequences include:

- Improved service quality and Technological development as well as delivery of services.
- There will be More value added services
- Price rate will decrease as result of competition
- It increases the local firm's competition power.
- New technology, competent skills, fair price and cost will decrease
- It motivates the state owned telecom companies (ETC) to render a better and broader service to its customer.
- The customer may have alternatives in terms of service and service Providing Companies.

In general the positive consequences may be summarized as it increases the affordability, accessibility and availability of telecommunication services with advanced call feature and quality.

As indicated by the respondents, some of the negative consequences of foreign firm entry in the telecommunication service provision include;

- The government's budget support from the sector may be minimized which leads to budget deficit.
- The existing firm may be unable to compete with the new entrants because of technological gap. The new firm may come up with very latest technology.
- Capital outflow to foreign firm's host country.

Opening the sector may reduce the source of finance for the government and this leads to dependency on other sectors as well as outside sources.

Finally, according to the respondents improving the performance of the telecommunication sector helps to improve the performance of other sector like the manufacturing and agricultural sector. Therefore in order to attain the poverty reduction objective of the country, the ICT infrastructure needs to be developed.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

The main objective of this study is to assess telecommunication marketing in Ethiopia from the perspective of the customers and to cite some recommendation for the same. The research was conducted using questionnaires to sample customers and interview was made to officials of government offices and the findings were presented and analyzed.

The major questions of this study intended to answer include:

- What is the current status of customer satisfaction about telecommunications service in Ethiopia?
- What are the barriers towards liberalization of the service?
- What attitudes customers bear towards telecommunication services?
- What implication will labialization bring towards marketing of such services?

1. CONCLUSION

The conclusions are presented below. On the basis of the basic question raised in chapter one and the analysis give in the previous chapter, the following conclusions are drawn.

- The total sample size for the study was fifty customers of both male and female with different educational level, age group, income level. The differences in these aspects increase the representativeness of the sample.

- The demand for the telecommunication services in the country is still unmet by the current service provider. There is high demand for Internet services followed by other value added services and call features. These show that the demand for the service is still unsatisfied.

- Telecommunication services are critical for the development of a country. As indicated in table 4, mobile is critical with mean of 1.68 and standard deviation of .89 followed by Internet with mean 2.00 and standard deviation 0.99. These shows that the customer's awareness to the new technology increase from time to time which leads to increase in demand.

- The cost of telecommunication is high and per capita income of the country is low. This creates affordability problem of the service.

- Despite increase in the telecommunication investment and recent rollout of communication services, there is still a gap between supply of communication service and demands in the country.

- As indicated in the analysis, the customer satisfaction towards the service provision is below the requirements of the customer.

- In addition the quality of service is not as it is required by the sector.

- In general the overall service provision as well as the quality of services are not as per the requirement of the service.

2. RECOMMENDATION

From the above analysis and conclusion, the following recommendation can be forwarded to resolve the problems. As indicated in the analysis, in order to solve the various problems in the sector the following alternative can be taken:

- Strengthening the existing service provider as well as the regulator in order to improve the existing service provision.
- Changing the ownership of the state owned telecommunication for the participation of private business in order to improve the availability and accessibility of the service.
- Opening the market for competition from other countries as well as local companies to invest in the sector.

From the above alterative the last alternative is better for the improvement of the service provision in the country. This is because of the impact globalization on the monopoly market structure to be end.

In general to open the telecommunication market for competition requires the participation of the regulator, the government as well as other stakeholders. Without strong regulators and the participation of all stakeholders, opening the market for competition may leads to losing the local companies.

REFERENCES

Adam, Lishan, (2005) **Ethiopian ICT Sector Performance**, Addis Ababa University and Stellen bosch University

Anderson, Alan H. and Dobson, Thelma, (1998). **Result Oriented Marketing**, Result Oriented Series

Barnard, David and Vonk, Tjalling (2003). **Information and Communication Technologies in African Local Governments** With specific reference to Mozambique, Namibia, South Africa, Uganda, and Zambia

Bekele, Dawit, (1996). **The Ethiopian Telecommunications: Past, Present and Future**, 1st ESS Conference on Ethiopian Telecommunications in the Information Age, Washington, DC, July 2nd

Berkowitz, Eric N., Kerin, Boger A. and Rudelius, W. (1989). **Marketing**, 2nd ed IRWIN

Bezzina, Jérôme (2004). **Does Dominant Regulatory Telecom. Model Fit With African Specificities?** Discretion in Forward-Looking Cost-Based Pricing of Interconnection. Communications & Strategies, no. 55, 3rd quarter 2004, p. 77.

Bressie, Kent, Kende, Michael and Williams, Howard (2004).**Telecommunications trade liberalization and the WTO.** Paper Presented to the 15th ITS Biennial Conference Berlin "Changing peoples, societies and companies: Telecoms in the 21st Century" September, 5-7, 2004

Davar, Rustom S. (1986). **Modern Marketing Management**, 6th ed, Universal Book Stall New Delhi

Ethiopian Journal of Business and Development (April 2006). Vol.1 No.1 Unity University College,pp53-59

Evenett, Simon J. (2005). **"Competitive Liberalization": A Tournament Theory-Based Interpretation.** University of St. Gallen and CEPR

Fink, Carsten, Mattoo, Aaditya and Rathindran, Randeep (2002).**An Assessment of Telecommunications Reform in Developing Countries.** World Bank Policy Research Working Paper 2909, October

Francois, Joseph and Wooton, Ian (2000). **Market Structure, Trade Liberalization and the Gats,** Tinbergen Institute Discussion Paper, TI 2000-059/2

Global Internet Policy Initiative (2002). **Best Practices for Telecommunications Reform**

Ghertescu, Alexei(2003). **Telecommunication Market in Moldova: Steps towards Liberalization and Competition,** Chisinau, Republic of Moldova

Gutierrez, Luis H. and Berg Sanford, (1998). **Telecommunications Liberalization and Regulatory Governance: Lessons from Latin America,** Public Utility Research Center, University of Florida

Hilger, Nathaniel Green (2003). **Market Liberalization, Labor Unions and Real Wages in Mexico,** 1984-1998, Honors Thesis in Economics, Stanford University

Hodge, James , (2001) **Promoting Competitive Outcomes in the Fixed Line Telecommunications Sector in South Africa,** Annual Forum, University of Cape Town

Intven, Hank, Oliver, Jeremy and Supleveda, Engardo (2000).**Telecommunication Regulations Handbook** Module 6 Universal Service

International Telecommunication Union (2002). Internet from the Horn of Africa: Ethiopia Case Study, Geneva, Switzerland

Jamali, Dima (2003).**Post-War telecommunication Reform in Lebanon:** Trends and Challenges.Info.5.2 pp. 34-44

Jensen, Jesper, Rutherford, Thomas and Tarr, David (2005) **Telecommunications Reform within Russia's Accession to the World Trade Organization,** World Bank Policy Research Working Paper 3501,

Jordana, Jacint and Sancho, David (2005). **Policy networks and market opening: Telecommunications liberalization in Spain.** European Journal of Political Research 44: 519-546

Kotler, Philip (1988). **Marketing Management: Analysis, Planning, Implementation and Control,** 6th ed Prentice Hall of India Plc New Delhi

Konan, Denise Eby and Assche, Ari Van, (2004). **Assessing the Benefits of Telecommunications Liberalization to Tunisia,** University of Hawaii at Manoa

MacLean, Donald J. (1997). **Ethical Dilemmas in the Global Telecommunication Revolution.** A European Review Volume 6 Number 3 July 1997, 175-183

Maitra, Amit K.(2004).**Privatization, Liberalization, And Regulatory Reform:** The Case of Telecommunications. Submitted in partial fulfillment of the first year requirements for the degree of Executive Doctor of Management,Case Western Reserve University

Marathi, Muriuki (1997). **African Telecommunication Infrastructures For Information Access.** International Federation Of Library Associations And Institutions Universal Dataflow And Telecommunications Core Programme, Occasional Paper 7

McGuire, Greg (2002). **Trade in Services - Market Access Opportunities And The Benefits of Liberalization for Developing**

Economies. Policy Issues in International Trade and Commodities Study Series No. 19. United Nations, New York And Geneva,

Meng, Leong Siew (2000).**Business-To-Business Marketing in the Asia Pacific: The Telecommunications Competitiveness of Regional Economies.** Members of the Center for Telemedia Strategy National University of Singapore.

Murphree, Michael and Hartley, Lynn (2006).**Influences on the Partial Liberalization of Internet Service Provision in Ethiopia**

Nuru, Aminu, (2004) **Importance Of Information Communication Technology For Economic Development Of Ethiopia,** Second International Conference on the Ethiopian Economy 3 to 5 June

Nhleko. Zophania (2004). **The Privatization of the Telecommunications Industry in South Africa,** Master Thesis.

Pride, William M. and Ferrell, O.C. (2000). **Marketing: Concepts and Strategies,** 10th ed, All India Publishers and Distributor Regd

Rajagopal, (2003). **Marketing Management Text and Cases,** Vikas Publishing House PVT LTD

Roseman, Daniel (2005). **The WTO and telecommunications services in China: three years on.** VOL. 7 NO. 2 2005, pp. 25-48, Emerald Group Publishing Limited, ISSN 1463-6697

Rossotto, Carlo Maria, Sekkat, Khalid and Varoudakis, Aristomene (2003) **Opening up Telecommunications to Competition and MENA Integration in the World Economy**

Sato, Carlos Eduardo Yamasaki and Dergint, Dario Eduardo Amaral (2005). **The Effects of Privatization and Market Liberalization on the National Learning Systems of Late Industrializing Economies:** Evidence from Brazil. Paper to be presented at the DRUID Academy Winter 2005 PhD Conference on Industrial Evolution and Dynamics Skørping, Denmark January 27-29,

Schjolden, Ane (1999).**Globalization, Liberalization, and Restructuring of the Brazilian Telecommunications Industry: The End of Technological Capability?** A Thesis Submitted to the Faculty of the Department Of Geography And Regional Development In Partial Fulfillment of the Requirements for the degree of Master Of Arts With A Major In Geography In the Graduate College The University of Arizona

Tate, Marsha A. (2004), **An East-West Dialogue: Regulation and Telecommunications Market Development in China**, September

Torero, Máximo, Schroth, Enrique, Font ,Alberto Pasco (2001). **Are Telephone Consumers better after the Privatization of Telecommunications in Peru**? Lima

Turrini, Alessandro (2002). **International Trade and Labor Market Performance:** Major Findings and Open Question. Policy Issues in International Trade And Commodities Study Series No. 20

Ward, Bill (2003). **Market Liberalization and the Environment**

Weissl, Martin B.H.,Hwang, Junseok and Khalil, Anis G. (1996). **A Tool for Restructuring the Economy:** To Develop the Strategic Telecommunications Policy Model for Sustainable Egyptian Economic Growth

Welfens, Paul J.J. (2005). **ICT Market Liberalization Reports for CEE Countries and Baltic States.** Lithuania Seminar, ITU

Werner, David P. (1999). **Coping with Asian telecommunication Liberalization in commercial buildings.** Volume 17 · Number 3/4 March/April 1999 · pp. 91-96

Wallsten, Scott (2002). **Does Sequencing Matters: Regulation and Privatization in Telecommunication Reforms.**

Verikios, George and Zhang, Xiao-guang (2001). Global Gains from Liberalizing Trade in Telecommunication and Finance Services, Commonwealth of Australia

http://tradeinfo.cec.eu.int (Date Feb. 20, 2007)

www.canto.org (ate Feb. 20, 2007)

www.icrier.org (ate Feb. 20, 2007)

List of Investment Project on Telecommunication Sector
Since 1992 - January 30,2007
Capital Birr In Thousand

No	Year	Name of Investor	Type of Investor	Investment Type	Investment Activity	Region of Investment	Capital	Investment Status	Perm Emp	Temp Emp
1	1987	Mekbib Asefa	Domestic	Domestic	Radio, Television & Tape Recorder Assembly	Addis Ababa	6433.4	Pre-implementation	96	0
2	1991	United Tebarek and family Plc	Domestic	Domestic	Colour Television assembly	Addis Ababa	6685.3	Pre-implementation	47	0
3	1991	Ethiopian Telecommuncations Corporation	Public	Public	Telecommuncation Service expansion & distribution	Multiregional	2205000	Operation	2225	0
4	1996	WABOT PLC	Wholly Foreign	Foreign	Television Assemsling	Oromia	4880	Pre-implementation	32	10
5	1997	Lead com EMEA BV(Ethiopian branch)	Wholly Foreign	Foreign	Information & Telecommunication Consultancy Service	Addis Ababa	900	Operation	10	20
6	1997	Butta Assemeriue	Ethiopian by Birth	Domestic	Telephone accesseries manufacturing	Addis Ababa	950	Pre-implementation	20	30
7	1997	United Teberek	Domestic	Domestic	Television Assembly	Oromia	42000	Pre-Implementation	150	50
8	1998	Cisco Systems Ethiopia PL	Wholly Foreign	Foreign	Consultancy Services in telecommuniication Products	Addis Ababa	450	Pre-Implementation	0	10
9	1999	INFRA NET TECHNOLOGY PLC	Domestic	Domestic	Telecomunication Accessories Manufacturing	Addis Ababa	14257	Pre-Implementation	20	25
10	1999	Garad PLC	Domestic	Domestic	Television Mfg.	Addis Ababa	25548	Implementation	75	0