Effect of Blue Ocean Strategy on the Performance of Telecommunication Firms in South East Nigeria

OKECHUKWU, Elizabeth Uzoamaka PhD
Department of Business Administration, Enugu State University of Science and Technology

EKWOCHI, Eucharia Adaeze (Ph.D.)
Department of business administration, Faculty of management sciences
Enugu state university of science and technology, Enugu

EZE, Jude Obinna
Department of Marketing, Faculty of Management Sciences
Enugu State University of Science and Technology, Enugu, Nigeria

Abstract
The objectives of the study were to; examine the effect of blue ocean strategy application on the market share in the Nigerian telecommunication firms and identify the impact of blue ocean strategy on customer satisfaction in the Nigerian telecommunication industry. The study adopted cross-sectional descriptive research design. Data was obtained from 225 respondents working in telecommunication firms in South East Region of Nigeria through the use of a questionnaire. The data collected for the study were presented in tables comprising of frequency, percentage, mean and standard deviation, while the hypotheses were tested using simple linear regression with the aid of statistical package for social sciences (IBM, SPSS version 23). The findings revealed that blue ocean strategy has a positive significant effect on market share in the Nigerian telecommunication industry ($r = .680; F = 223.971; T = 14.966; p - .000$) and that blue ocean strategy has a positive significant effect on customer satisfaction in Nigerian telecommunication organizations ($r = 727; F = 292.079; T = 17.090; p - .000$). It was concluded that the formulation of blue ocean strategy is quite an accomplishment and dynamic process as it affects, market shares and customer satisfaction. It was recommended that management of various telecommunication firms should strive to develop innovative products and services that are beyond the traditionally known services in order to improve their profitability and as a matter of urgency, innovatively deliver cutting edge services that can beat their competitors so as to attract more customers.

Keywords: Blue Ocean, Strategy, Performance, Telecommunication firms, South East Nigeria

Introduction
The rapid pace of innovation and change in recent years has led scholars and executives to search for a strategy that is more dynamic to achieve organizational performance. Blue ocean strategy as opined by Chan-Kim and Mauborgn (2004) denotes all the industries that are not in existence today—the unknown market spaces, untainted by competition. In blue oceans, demand is created rather than fought over. There is an ample opportunity for growth that is both profitable and rapid. Brady (2005) notes that blue ocean strategy is presumably based on the use of value innovations. These are actions which drive costs down while simultaneously driving value up for buyers. It is how a leap in value for both the company and its buyers is achieved. As the scale of business increases, the company can reduce costs. Other features of the blue ocean strategy are: creating uncontested market space, making the competition irrelevant, creating and capturing new demand, and breaking the value-cost tradeoff.

Globally, the use of blue ocean strategy by organization in enforcing success has experienced a surge in the recent years due in part to disruptive technologies been deployed daily. Information Communication Technology (ICT) has proved to be a catalyst to fundamental changes in the world’s economies and societies. It creates more avenues to earn income, allows access to useful information, enhances the world of work and makes the world a global village (Aderemi, 2008). These developments show that in order to gain competitive advantage and growth, organizations have to create new products/services, which means they have to be innovative to survive (Ogbo, Okechukwu & Ukpere, 2012).

Previously, organization utilizes red ocean strategy. In red ocean strategy, industry boundaries are defined and accepted, and the competitive rules of the game are well known; companies try to outperform their rivals in order to grab a greater share of existing demand. As space gets more and more crowded, prospects for profits and growth are reduced. Products turn into commodities, and increasing competition turns the water bloody (Chan-Kim & Mauborgn, 2004). Historically, the birth of blue ocean dates back to landmark achievement made by Cirque du Soleil, a Canadian firm of the circus industry. Cirque du Soleil development of blue ocean strategy followed demands for alternative forms of entertainment-ranging from various kinds of urban live entertainment to sporting events to home entertainment-cast an increasingly long shadow. Chan-Kim and Mauborgne, (2005)
reveal that children demand for play stations rather than a visit to the traveling circus resulted in Cirque du Soleil steady decline in audiences and, in turn, declining revenue and profits brought about Cirque du Soleil remarkable achievement.

What makes the growth remarkable is that it was achieved in a declining industry in which traditional strategic analysis pointed to limited potential for growth. Another compelling aspect of Cirque du Soleil’s success is that it did not win by taking customers from the already shrinking circus industry, which historically catered to children. It did not compete with Ringling Bros. and Barnum & Bailey. Instead, it created uncontested new market space that made the competition irrelevant.

It appealed to a whole new group of customers—adults, and corporate clients prepared to pay a price several times as great as traditional circuses for an unprecedented entertainment experience. The implication of these is that using the Blue Ocean Strategy, each company is able to find unique ways to discover new market space. It is also important to note that what all companies have in common is that they need to focus on non-customers, and also need to be aware that most blue markets are often created within the existing red oceans (Kabukin, 2014).

The development of information technology (IT) has facilitated improvements in the complexity, precision, and quality of services offered by these providers. However, there have been rapid economic and structural changes happening all over the world in the past decade. This has led to an agreement especially in the developing economies, in support of a market oriented (private sector-led) approach to growth and recognition that competitive markets and entrepreneurial activities facilitate a more well-organized resource allocation. These developments show that in order to gain competitive advantage and growth, organizations have to create new products/services, which means they have to be innovative to survive. No doubt, the country is thriving in participation of private players. The telecommunications belong to a group of network services, which are the production of functional telecommunication services especially with the deregulation in the industry and the participation of private players. The telecommunications belong to a group of network services, which are dependent on information technology networks. In the light that telecommunication activities continue to play a leading role as a central component of the information and communication technology (ICT) sector in Nigeria, one can say that the industry is competitive with a mix of service providers from both private and public sectors in their respective domains (Ademari, 2008). With intense competition emanating within the telecommunication industry and increasingly demand for better and innovative services, a question on the viability of the blue ocean strategy as an imperative for growth for firms in the telecommunication sector becomes a subject to be investigated. It is in light of these that this work examined the role of blue ocean strategy as an imperative for the growth of telecommunication firms in Nigeria.

Statement of the Problem
Organizations today are confronted with varying challenges ranging from the need to increase profitability, improve customer satisfaction attracting more customers, to increase their market share. The state of innovative competitiveness in the business world in recent time has experienced unprecedented increment, which seemingly alters the desire of the customers, hence creating a new set of customers with a unique need. This need when adequately met by innovative product and services has the tendency to increase customer satisfaction. However, in telecommunication industries, global competition tends to increase customers desire and want, which the current facilities might be inadequate to satisfy. The organisations resolutely strive to maintain desired profit level. However, available evidence indicates a consistent decline in organizational profitability despite varying strategies been deployed by the organizations which might be due to lack of innovativeness. Customers are often seen lamenting of poor network, high data cost, and unsolicited small message services.

Considering the vitality of this sector, any lag in the development of effective strategy might create an organization with disgruntled customers who seek alternative service hence influencing the market share of the organization and leading to poor performance and low profitability. It therefore of paramount importance to examine the strategy being adopted by the organizations that make up telecommunication industry in Nigeria. Hence this paper assesses the role of blue ocean strategy as an imperative for growth of the telecommunication industry in Nigeria.

REVIEW OF RELATED LITERATURE
The Concept of Blue Ocean Strategy
Blue ocean strategy generally refers to the creation by a company of a new, uncontested market space that makes competitors irrelevant and that creates new consumer value often while decreasing costs (Chan-Kim & Mauborgne, 1997). Blue ocean in the words of Chan-Kim and Renée-Mauborgne (1997) is about creating new farm land and not dividing the existing ones. It utilizes disruptive innovation in creating a new market. A disruptive innovation is an innovation that creates a new market and value network and eventually disrupts an existing market and value network, displacing established market leaders and alliances (Bower & Christensen, 1995)

Chan-Kim and Mauborgne (1997) created a comprehensive set of analytic tools and frameworks any
organization can apply to create new market spaces and make the competition irrelevant. This tools are regarded as blue ocean tools, methodology and framework bring structure to what has historically been unstructured problem in strategy – informing organizations’ ability to create new market spaces systematically. With blue ocean strategy tools and analytics, companies can now pursue and create blue oceans of uncontested market space in an opportunity-maximizing, risk-minimizing way. Blue ocean strategy tools according to Chan Kim & Mauborgnes (2005) Includes; value innovation, visualizing strategy and strategy canvas.

Customer Satisfaction and Blue Ocean
Customer satisfaction is a concept that relates to how products or services supplied by a company meet or surpass a customer's expectation. Customer satisfaction is important because it provides marketers and business owners with a metric that they can use to manage and improve their businesses. In creating customer satisfaction, the place of new product remains (Value innovation) remains paramount. Colman and Buckley (2005) suggest that value innovation is the base on which blue ocean are built which brings about customers satisfaction is built. Sheehan and Vaidyanathan (2009) demonstrate that “blue ocean strategy enables managers to capture unique value for consumers”. Baik (2008) prove that blue ocean strategy helps to satisfy existing customers but also reach previous non-customers.

Market Share and Blue Ocean
In effort to acquire greater market share, blue have been identified to be the best way to make competition irrelevant. Abraham (2006) opined that correctly defining the market space of companies help companies find an industry they monopolized. Madden (2009) mentioned that blue ocean strategy has an advantage in identifying more clearly market since simply better approach is lack of thinking of impacts from consumers’ demands”. Kim and Mauborgne (2005) demonstrate that blue ocean strategy help organizations to innovate and bring new products to market thereby acquiring more market share.

Theoretical Framework
The study shall adopt the Theory of Disruptive Innovation and the Beach Theory to explain the concept of blue ocean strategy.

The Beach Theory
Beach theory is a common theoretical framework that can be used to explain or compare competitive strategy and blue ocean strategy. The core features of beach theory can easily accommodate the central assumptions of both strategic schools of thought (Burke, Stel & Thurik, 2009). In explaining the blue ocean strategy using the beach theory, it would be necessary to first explain competitive strategy using the beach theory for easy clarifications.

Burke, Stel and Thurik (2009) note that the essence of beach theory is depicted by ice cream vendors (firms) which are identical in products and services as well as have their locations along a beach. Therefore, the only feature which differentiates one firm from another from a beach goer’s perspective is the convenience of the firm’s location: consumers buy ice cream from the stand which is the shortest distance away. The location of these firms along the beach represent the optimal differentiation strategies of three firms selling ice cream on a beach where consumer density is distributed equally along the beach. Porter’s competitive strategy will apply for their competitive process. Firstly, all firms maximize their profits by trying to differentiate themselves from one another while still competing for customers. Furthermore, if a fourth firm enters the market it will cause existing firms to differentiate themselves by relocating along the beach. With one extra firm competing for customers on the same beach, each firm faces tougher competition and ultimately lower profits. Therefore, in line with Porter (1980, 1985) more firms mean more competition and lower profits.

In blue ocean strategy, the situation is different. From the analysis above, if two new beaches are created away from the first beach, the new beaches may not be apparent to others until a new firm starts selling ice cream on them (Audretsch & Feldman, 1996). The strip of sand may not even be considered a beach without the ice cream stand. If one firm relocates from the first beach to one of the new beaches and simultaneously a new firm enters the other new beach. The number of firms in the beach ice cream industry has increased and the average profit has increased. This is because, the firms have found an untapped markets. They achieve these by entering a new market place (innovating) in order to align their offerings with the needs of these untapped markets. Considering the distance of their locations, they now have a larger consumer bases and profits than before.

Different telecommunication firms in Nigeria have been competing for new market outlets by investing and deploying their technologies in remote areas of the country where there is absence of competitor. The customer base acquired in these areas contribute to increased profits for the firms.
Empirical Review

In a study conducted by Burke, Stel and Thurik (2009) on blue ocean strategy versus competitive strategy using data compiled from 655 retail shops across 41 shop types within the Dutch retailing industry between the period 1982-2000. A methodological synthesis of the theories was used by the authors to bring statistical evidence to the debate. The authors found that average firm profits were positively related to the number of firms in more than half the shop types, whereas profitability and the number of vendors rose and fell together across all shop types over the period spanning indicating that blue ocean strategy was at play over the long term.

Similar study was carried out by Ngaruuya (2013) on application of value innovation as the basis for blue ocean strategy at Safaricom Limited. The study was conducted among 24 senior managers in Safaricom Limited, Kenya. Content analysis technique was used to analyze the data. The study shows that the company applied new solutions in its’ operations to meet the customer’s needs, the unparalleled quality service they provided increased their coverage in their niche which was their main focus. It further revealed that Safaricom Limited management has clearly defined its product concept as an objective in customer’s terms in order to deliver the expected value by strive to ensure product range extension, product replacement, product repositioning and new product introduction to enable the company be more productive, grow faster, invest more and also perform better

In a series of studies conducted by Kim and Mauborgnes (2015) on business launches in 108 companies. The researchers found that 86% of the launches were line extensions, i.e., incremental improvements to existing industry offerings within red oceans, while a mere 14% were aimed at creating new markets or blue oceans. While line extensions in red oceans did account for 62% of the total revenues, they only delivered 39% of the total profits. By contrast, the 14% invested in creating blue oceans delivered 38% of total revenues and a startling 61% of total profits. Given that business launches included the total investments made for creating red and blue oceans (regardless of their subsequent revenue and profit consequences, including failures), the performance benefits of creating blue oceans are evident.

Samsul and Mohammad (2017) in a related study examined the impact of blue ocean strategy on organizational performance: a literature review toward implementation logic. The main objective of the study is to show the overall scenario of BOS and its impact on organizational performance. The study includes the history of BOS, comparison with Red Ocean Strategy (ROS), relevance of applying BOS, Applications, Critics. The study adopted the concept of review. BOS positively affects the organization performance if applied in organizations hence the need to effectively decide the adoption of BOS within the organization. The recommendation for the organization is to do an in-depth analysis on BOS before implementation to see the suitability considering the company size, industry condition, and adaptability.

Ndung (2014) conducted a study on the effects of blue ocean strategy on organization performance: a case of liaison group insurance brokers. The study population comprised of a total of 180 employees working at Liaison Group Insurance Brokers offices situated in Nairobi. Questionnaires were used as the major data collection instruments and they were self-administered to the respondents in the sample size. The result of the study shows that absence of strategic leadership amongst the top management staff hampered implementation of blue ocean strategy in the organization and this negatively affected realization of increased organization performance.

Similarly, Abdullah and Khali (2016) conducted a study on Blue Ocean Strategy in Saudi Arabia Telecommunication Companies and Its Impact on the Competitive Advantage. The result of the study shows that the main important results are: The application of the principles of blue ocean strategy will contribute significantly to achieve a competitive advantage to the company over its competitors in the market. It was also found that there is a strong positive relationship between the competitive advantage variable and every principle of blue ocean strategy principles, and the most powerful relationship came to (Reconstruct market boundaries, Reach beyond existing demand) principles, and the least came to the principle of (Build execution into strategy)

Methodology

Cross sectional descriptive research design was adopted in carrying out this study. This is due to the nature of the study and the relatively large population of the study from which the information was collected. The population of the study comprised all the staff of telecommunication companies in South East Nigeria. The companies include MTN, Etisalate, Globalcom and Airtel. This gives a total population of 245. The choice of the selected telecommunication firms was due to their physical office presence in five states of the South-East Nigeria.

Due to the nature of this study and the population of the organization under study, the researcher adopted the entire population of the study, therefore the sample size of the study is 241 staff of the selected telecommunication firms. Structured questionnaire was used as the primary instrument for obtaining data used for the study. The researcher adopted face and content validity for the instrument. The content of the questionnaire was first sent to management experts to validate and determine the appropriateness of the instrument and see if the instrument covers all the aspect of the subject matter.
The reliability of the instrument was determined by engaging in a test—retest administration. This involves the administration of the 53 questionnaire to a pilot group from the population at different periods. The reliability coefficient of .783 was obtained using Cronbach’s alpha coefficient. The data collected for the study were presented in tables, while the hypotheses were tested using simple linear regression and Pearson correlation at 5% level of significance. All analysis was done using statistical package for social sciences (IBM, SPSS version 23) software.

**Data Analysis**

**Analysis of the responses rate of the questionnaire administered and returned in table 1 below**

<table>
<thead>
<tr>
<th>Companies</th>
<th>Number Administered</th>
<th>Number Returned</th>
<th>Number not return</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTN</td>
<td>76</td>
<td>73</td>
<td>4</td>
</tr>
<tr>
<td>Globalcom</td>
<td>61</td>
<td>58</td>
<td>2</td>
</tr>
<tr>
<td>Etisalat</td>
<td>56</td>
<td>51</td>
<td>7</td>
</tr>
<tr>
<td>Airtel</td>
<td>48</td>
<td>43</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>241</td>
<td>225</td>
<td>16</td>
</tr>
</tbody>
</table>

Table 1 shows the summary of administered. Out of 76 questionnaires administered to MTN staff, only 73 were returned. Meanwhile, 61 questionnaire was administered to Globalcom while only 58 were returned and 56 was administered to Etisalat staff and only 51 were returned. Airtel staff were administered 48 questionnaires, only 43 were returned.

**Descriptive Analysis**

This section deals with the presentation of results obtained from the field study. The results were presented based on the following table:

<table>
<thead>
<tr>
<th>Items</th>
<th>SA Freq(%)</th>
<th>A Freq(%)</th>
<th>U Freq(%)</th>
<th>D Freq(%)</th>
<th>Mean</th>
<th>StDv</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality improvement leads to greater market share</td>
<td>184(81.8)</td>
<td>28(12.4)</td>
<td>13(5.8)</td>
<td>-</td>
<td>1.2400</td>
<td>.54707</td>
</tr>
<tr>
<td>Product discovery leads to more sales</td>
<td>176(78.2)</td>
<td>38(16.9)</td>
<td>5(2.2)</td>
<td>4(1.8)</td>
<td>2(0.9)</td>
<td>1.3022</td>
</tr>
<tr>
<td>Rebranding of product leads to increased market share</td>
<td>188(83.6)</td>
<td>26(11.6)</td>
<td>8(3.6)</td>
<td>2(0.9)</td>
<td>1(0.4)</td>
<td>1.2311</td>
</tr>
<tr>
<td>Price innovation leads to increase in sales</td>
<td>136(60.4)</td>
<td>78(34.7)</td>
<td>6(2.7)</td>
<td>3(1.3)</td>
<td>2(0.9)</td>
<td>1.4756</td>
</tr>
</tbody>
</table>

Table 2 shows the participants responses on pricing to attract compel more people to buy. The result revealed that 184(81.8%) of the participants strongly agreed that quality improvement leads to greater market share, 28(12.4%) agreed while 13(5.8%) were undecided. Quality improvement leads to greater market share is therefore accepted with a mean and std score of 1.24 and .547. Also 176(78.2%) strongly agreed that product discovery leads to more sales and 38(16.9%) agreed, while 5(2.2%) of the participants were undecided, meanwhile 4(1.8%) and 2(0.9%) of the respondents disagreed and strongly disagreed respectively that product discovery leads to more sales. Product discovery leads to more sales is accepted with a mean and Std score of 1.3022 and .68612. Similarly, 188(83.6%) of the participants and 26(11.6%) strongly agreed and agreed respectively that Rebranding of product leads to increased market share, 8(3.6%) were undecided while 2(0.9%) and 1(0.4%) of the respondents disagreed and strongly disagreed respectively. Thus, the assertion that rebranding of product leads to increased market share is accepted with a mean and Std score of 1.2311 and .59755. Then, 136(60.4%) of the respondents strongly agreed that price innovation leads to increase in sales, 78(34.7%) agreed, and 6(2.7%) were undecided while an insignificant number 3(1.3%) and 2(0.9%) of the respondents disagreed and strongly disagreed that price innovation leads to increase in sales. Therefore, with a mean and Std score of 1.4756 and .70113, price innovation leads to increase in sales is accepted. That is to say, price innovation leads to increase in sales.
Table 3: Effect of Blue Ocean Strategy on customer satisfaction in the Nigerian telecommunication industry

<table>
<thead>
<tr>
<th>Items</th>
<th>SA Freq(%)</th>
<th>A Freq(%)</th>
<th>U Freq(%)</th>
<th>D Freq(%)</th>
<th>SD Freq(%)</th>
<th>Mean</th>
<th>StDv</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers are happy when companies offer what they have been looking for</td>
<td>174(77.3)</td>
<td>51(22.7)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.22</td>
<td>.41</td>
</tr>
<tr>
<td>Customers are happy when companies offers what they have been looking for at a comparatively cheaper price</td>
<td>182(80.9)</td>
<td>43(19.1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.19</td>
<td>.39</td>
</tr>
<tr>
<td>Customers are happy when a firm introduces a more quality service</td>
<td>183(81.3)</td>
<td>42(18.7)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.18</td>
<td>.39</td>
</tr>
<tr>
<td>Quality addition increases customer patronage</td>
<td>141(62.7)</td>
<td>75(33.3)</td>
<td>5(2.2)</td>
<td>3(1.3)</td>
<td>1(0.4)</td>
<td>1.43</td>
<td>.65</td>
</tr>
</tbody>
</table>

Table 1.3 shows the participants responses on Customers are happy when companies offers what they have been looking for. The result revealed that 174(77.3%) and 51(22.7%) of the participants strongly agreed and agreed respectively that Customers are happy when companies offers what they have been looking for. On this note, Customers are happy when companies offers what they have been looking for is therefore accepted with a mean and std score of 1.2267.41961. Also 182(80.9%) and 43(19.1%) strongly agreed and agreed respectively that Customers are happy when companies offer what they have been looking for at a comparatively cheaper price. Customers are happy when companies offers what they have been looking for at a comparatively cheaper price is accepted with a mean and Std score of 1.19111+.39405. Similarly, 183(81.3%) and 42(18.7%) of the participants strongly agreed and agreed respectively that Customers are happy when a firm introduces a more quality service. With a mean and Std score of 1.1867+39051, the assertion Customers are happy when a firm introduces a more quality service is accepted, thus Customers are happy when a firm introduces a more quality service. Also, 141(62.7%) of the respondents strongly agreed that quality addition increases customer patronage, 75(33.3) agreed and 5(2.2%) were undecided, while a minor 3(1.3%) and 1(0.4%) 0f the respondents disagreed and strongly disagreed that quality addition increases customer patronage. Thus, quality addition increases customer patronage is accepted with a mean and Std score of 1.4356+65232. This means that quality addition increases customer patronage.

Test of Hypotheses One to Three

Hypothesis One

H<sub>0</sub>: Blue ocean strategy has no significant effect on market share in the Nigerian telecommunication industry

Results

Model Summary<sup>a</sup>

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.727</td>
<td>.529</td>
<td>.527</td>
<td>.97848</td>
<td>.298</td>
</tr>
</tbody>
</table>

<sup>a</sup> Predictors: (Constant), Blue ocean strategy  
<sup>b</sup> Dependent Variable: market share

Coefficients<sup>a</sup>

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-.517</td>
<td>.169</td>
<td>.727</td>
<td>17.090</td>
</tr>
<tr>
<td>Blue ocean strategy</td>
<td>.754</td>
<td>.044</td>
<td>.727</td>
<td>-3.059</td>
</tr>
</tbody>
</table>

<sup>a</sup> Dependent Variable: market share

Interpretation of the Result

A linear regression analysis was conducted to examine the effect of blue ocean strategy on market share in the Nigerian telecommunication industry. The result of the regression indicates that there is strong positive relationship between blue ocean strategy and market share (R- coefficient = .727). The R square, the coefficient...
of determination, shows that only 52.9% of the variation in market share can be explained by blue ocean strategy with no autocorrelation as Durbin-Watson (.298) is less than 2. With the linear regression model, the error of estimate is low, with a value of about .97848. The extent to which blue ocean strategy affects the market share with .680 value indicates a positive significant effect between blue ocean strategy and organizational market share which is statistically significant (with \( t = 17.090 \)) and \( p = .000 < 0.05 \). Therefore, the null hypothesis is rejected and the alternate hypothesis accepted accordingly.

**Decision:**
Since the P-value upon which we are to accept or reject the null hypothesis is less than 0.05, the alternate hypothesis \( H_1 \) is therefore accepted.

### Hypothesis Two

**Hypothesis Two**

**H_0:** Blue ocean strategy has no significant effect on customer satisfaction in Nigerian telecommunication industry

**Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.841</td>
<td>.707</td>
<td>.706</td>
<td>.60515</td>
<td>.596</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), blue ocean strategy
b. Dependent Variable: customer satisfaction

**Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.232</td>
<td>.077</td>
<td>3.026</td>
<td>.003</td>
</tr>
<tr>
<td>blue ocean strategy</td>
<td>.650</td>
<td>.026</td>
<td>.841</td>
<td>25.048</td>
</tr>
</tbody>
</table>

a. Dependent Variable: customer satisfaction

### Interpretation of the Result

A linear regression analysis was conducted to identify the impact of blue ocean strategy on customer satisfaction in the Nigerian telecommunication industry. The result of the regression indicates that there is strong positive relationship between blue ocean strategy and customer satisfaction \( (R \text{- coefficient} = .841) \). The R square, the coefficient of determination, shows that only 70.7% of the variation in customer satisfaction can be explained by blue ocean strategy with no autocorrelation as Durbin-Watson (.596) is less than 2. With the linear regression model, the error of estimate is low, with a value of about .60515. The extent to which blue ocean strategy affects the customer satisfaction with .650 value indicates a positive significant effect between blue ocean strategy and customer satisfaction which is statistically significant \( (t = 25.048) \). Therefore, the null hypothesis is rejected and the alternate hypothesis accepted accordingly.

**Decision:**
Since the P-value upon which we are to accept or reject the null hypothesis is less than 0.05, the alternate hypothesis \( H_1 \) is therefore accepted.

### Discussion of the Major Findings

The result of the study well demonstrated the relevance of blue ocean strategy in the contemporary society. Blue ocean strategy remains a sine quan non to the success of any business organization. Today many organizations are faced with global competition, advancement in technology, things traditional done, non-longer holds vital relevant today, thus demanding some innovative ways of inventing procedures of rendering valuable services and product to customers. The study revealed that blue ocean strategy has a significant effect on market share in the Nigerian telecommunication industry \( (r = .680; F = 223.971; \ T = 14.966; p = .000) \). The result of the study agreed closely to a study by Fatemeh Mohammad and Kambiz (2013) which reported that there is a relationship between Blue Ocean strategy indexes and marketing function was and that of Blue Ocean Strategy significantly affect the performance of marketing. In view of the global competition currently facing telecommunication industries in Nigeria, the place of innovation remain a paramount in creating increase market share especially with regards to customer appealing product and services. As revealed by Dillon, Lee and Matheson (2002), innovation generate outstanding value for customer.

Organization are driven by the value the generate to customers, in order to improves organizational market share, value innovation or creation need a fact to rely on. However, organization could further enhance their
chances by simultaneous introducing innovative product and services that add value as well as drafting new strategic means of creating a unique customer satisfaction. The study further shows that blue ocean strategy has a significant effect on customer satisfaction in Nigerian telecommunication industry ($r = .777; F = 292.079; t = 17.090; p < .000$). This finding coincide with a study by Ngaruiya (2013) which reported that company applied new solutions in its’ operations to meet the customer’s needs, the unparalleled quality service they provided increased their coverage in their niche which was their main focus.

**Summary and Conclusion**

The debate regarding blue ocean strategy have remain a prominent one within modern management. The Blue Ocean Strategy in today business world is a critical component of all strategy. It is the backbone of organizational growth and sustainability; it forces the company to destroy bloody compete of Red Ocean by creating uncompetitive market space. Blue is seen as the creation of a new, uncontented market space by organization in view of creating more customer satisfaction and increasing profitability via market share. In adoption blue ocean strategy, various tools required were outlined in the study, these tools include value innovation, visualizing strategy and strategy canvasing. Empirical evidence within the scope of blue ocean shows the relevance of blue ocean to organization. In particular, organizations with blue ocean were seen to have introduced new solutions in their operations to meet the customer’s needs, increase profitability.

Blue ocean strategy creates a new framework of thinking regarding competition. This new thinking, instead of dividing of the demand among competitors, due to the growing demand, on the one hand and nullify competition, on the other hand. This is, not only, a challenge to the company, to edit and develop a new strategy, but it shows to them, how to overcome them. Achievement of this new approach is to introduce a set of principles, tools and analytical frameworks, which states way of dealing, systematically, with the blue ocean strategy challenges and distinguishes it from strategic thinking based on the competition.

No doubt, the country is thriving in the production of functional telecommunication services especially with the deregulation in the industry and the participation of private players. In this light, telecommunication activities continue to play a lead role as a central component of the ICT sector in Nigeria, and it could be assumed subjectively that the industry is competitive with a mix of service providers. Based on the mentioned content in the article, it can be concluded that the formation of the phenomenon of Blue Ocean is quite an accomplishment and dynamic process as it affects organizational profitability, market shares and customer satisfaction.

**Recommendation**

Based on the findings of this study, the following recommendations are being made

i. The management should also see to it as a matter of urgency to innovatively deliver a cutting edge services that outstand their competitors hence encourage acquisition of more customers

ii. Satisfaction of customers should be at the forefront of telecommunication industry, as such, the management should develop mechanisms that will enable them be in constant touch with their clients, such mechanisms could be development of self-service channels and prompt response rate to issues relating to customers which ensure customer satisfaction

iii. The government and policy makers should endeavour to create a more innovation enabling environment in order to encourage entrepreneurs and business managers to create innovative concept and strategies.

**References**


Chan-Kim, W. K., and Mauborgne, R. (2015). 8 keypoints of blue ocean strategy: The fundamentals that will jump start your strategy development process