

## THE ROLE OF EXPANSION STRATEGIES IN THE GROWTH OF MTN NIGERIA, A CASE STUDY OF MTN NIGERIA, DAMATURU BRANCH, YOBE STATE.

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### ABSTRACT

*Although the mainstream of the investigations that study expansion strategies focus on expansion strategies from the standpoint of theoretical formulation and growth as per external and internal, little attention has been paid to the growth from perspective of the point of implementing organizational strategies formulated especially within the telecommunication industry like MTN. Therefore, this research aims to examine the extent at which expansion strategies affects the growth of MTN; ascertain the challenges faced in the implementation of the expansion strategies by MTN and examine the relationship between expansion strategies and the growth of MTN. This is achieved by using descriptive research design in order to generalize the findings to a larger population and it is more precise and accurate since it involves description of events in a carefully planned way. A stratified random sampling is used in the study as 123 staff of MTN in Damaturu, Yobe state across four MTN offices collected questionnaires, while 120 was retrieved. The study finds with strong evidence that expansion strategies has a positive effect on the growth of MTN. Regression Analysis of Variance (ANOVA) table showed F-value of 4.196 and  $P < 0.05$ , and it implies that the regression is significant statistically, the extent at which Growth is dependent on Expansion Strategies is significant. Also, the study finds that the relationship between concentration strategies, integration strategies and diversification; and growth of mtn is significant with 0.82, 0.78 and 0.87 ( $p < 0.05$ ). The study also finds that the inability to understand the peculiarities of a new market, such as the demographic, cultural, and economic factors that may affect the success of the expansion, funding and financial allocation, and setting up subsidiary and legal compliance could be very challenging in the course of strategizing for growth. The study recommends that MTN should develop their products to meet the needs of the target market, allocate finances appropriately for priorities and also intimate staff on legal compliance and deliberate implementation of strategies for sustainable growth of the organization.*

**Keywords:** Expansion, Strategies, Growth, Implementation.

### 1. INTRODUCTION

The role of expansion strategies in growth of organizations cannot be separated in recent researches. Several works have shown their relationship and influence on the other (Akweshola, 2015, Ajayi & Madhumathi, 2012, Asenge, 2020). Today's business is in continuous state of flux occasioned by the competitive war in the market place. To meet up and fit into such a competitive arena, organizations constantly develop and improve their strategies in order to capture a greater share of the market and create a competitive advantage for themselves. Strategy is the action firm's take in light of rapid changes in their operating environment to achieve competitive advantage. Adamu et al (2011) asserts that a firm's strategy focuses on how to perform better than competitors. A strategy is the direction and scope of organization over the long-term which enables it to achieve competitive advantage through configuration of resources within a changing environment to fulfill stakeholders' expectations (Johnson, 2002). Robson (1997) sees strategy as a pattern of resource allocation decisions made throughout an organization. This encapsulates both desired goals and beliefs about what are acceptable and most critically unacceptable means for

achieving them. Strategy implies that the analysis of the market and its environment, customer buying behaviour, competitive activities and the need and capabilities of marketing intermediaries (Aremu, 2012).

Expansion strategies enables firms to make decisions and allocate resources to achieve long term goals. Expansion strategy is an integrated and coordinated set of commitments and detail actions designed to use core competencies to gain competitive advantage. Expansion Strategies are the strategies aimed at winning larger market share, even at the expense of short-term earnings. The large number and wide variety of market expansion strategy decisions required to strategize and deliver a service are made at several levels in the organization, from the strategic level to the operational and service encounter levels (Vargas-Hernandez & Vargas-Gonzalez, 2021). The most widely pursued corporate market expansion strategies are those designed to achieve growth in sales, assets and profits. Companies that do business in expanding industries must grow to survive. Continuing growth means increasing sales and a chance to take advantage of the experience curve to reduce the cost of product sold (Storbacka, 2008). The motives behind the rapid growth of organizations are the stakeholders involved expect to increase their wealth (value per share of stock), and management expects to gain higher salaries and employee benefits (Mols, 2008). Expansion strategies of businesses is a very wide area to study and apply. Businesses try to reach sale and profit rate for growth (Yükselen, 2013).

The telecommunication industry in Nigeria as elsewhere in the world is a big market and a key development driver for an emergent or stable economy (Adekemi & Abosede, 2017). Before the entry of the MTN in 2001 in the third democratic republic under the leadership of President Olusegun Obasanjo, Nigerian Post and Telecommunications (P&T) in 1939, Nigerian External Telecommunications in early 1980s and subsequently a merger of the two Nigerian Telecommunications Limited (NITEL) in 1985 drove the indigenous communication sector through an analogue and electric driven line. The political turnaround with the emergence of the third republic initiated the Global Systems Mobil Telecommunication (GSM) under the licensing of the Nigerian Communications Commission (NCC). This agency, the NCC, has the mandate to issue license to private companies to participate in telecommunications business in Nigeria and mediate while ensuring a healthy competition of the players (Quarshire and Asare, 2011).

MTN is a leading telecommunications company operating in 22 developing countries across Africa and the Middle East. The most significant markets are South Africa and Nigeria, representing 63% of EBITDA and 57% of Revenue as of 2015. Total revenue totalized ZAR147, 063 million. MTN made the first entry into the Nigerian telecommunication market and with her huge investment and they have driven a transformation ahead of other 3 big players like the Etisalat Networks, Globacom Networks, and Airtel Networks amongst other companies. (MTN Group, 2016; MTN Group, 2022). MTN as a corporation had developed different strategies to expand its growth on Nigeria and its various sub-decisions across the different states of the Federation. Basically, the strategies developed are collectively known as marketing Mix. They include Brand /Company mix which covers the 4ps (Products, Price, Place, and Promotion). It involves the Product, pricing, advertising and distribution strategies used by MTN. MTN offers various product and Services which are the voice and data plan. They have both the Home Service and the Business Service. The Growth Strategies developed by MTN has led to an increase in volume of production, and increase in the profit margin. (MTN Group, 2022). However, the challenges faced by the telecommunication industry has also affected MTN Nigeria. Ndukwe (2003) reported some of the challenges that MTN Nigeria is facing which are relative to the telecommunication industry, which are weak infrastructure base, high demand for service due to inefficiency of the system, poor spectrum, planning and allocation challenges, poor enabling, laws and regulations limitations, and also poor power supply in the country. According to MTN Communications (2023), MTN has experienced headwinds in their operating environment and the impacts of global macroeconomic and geopolitical developments on energy, food and general inflation has placed additional pressure on economic activity, consumers and businesses, which in turn has escalated the issues related to the growth of MTN. Since the company is present in emerging markets, it is subject to macro-economic challenges of the respective regions. In times

of global uncertainty, external conditions slow down developing countries' growth prospects. In general, these countries are characterized by sluggish growth, excessive inflation, currency depreciation, commodities dependency and corruptive systems, posing challenges for companies operating in such conditions. Major direct risks relate with foreign exchange currency fluctuations. The telecom industry has grown a lot in the past and emerging markets still have a good potential for further growth. The sector is characterized by fierce market competition due to the services offered which tend to be similar between operators. Thus, price wars are common, even though companies need to invest in their network in order to ensure good quality to its subscribers. There has also been a clear trend related with the shift of voice revenue to data revenue (MTN Communications, 2022; MTN Communications, 2023). MTN Nigeria, Yobe State, Damaturu is majorly faced with fluctuations and unreliability of electricity, and has led to total dependence on alternative source of power supply in the form of generating sets. Other challenges include poor interconnectivity, tariff regulations, effective competition, monitoring and complain, managing consumer expectations, consumer education and institutional strengthening. Against this backdrop, they continue to manage the business and invest in the resilience of their networks, expanding coverage and capacity with a focus on cost efficiencies and disciplined capital allocation. This underscored their strong commercial momentum and financial performance in line with their medium-term guidance (MTN Nigeria Communications, 2023). The accomplishment of telecommunication companies in choppy evolving markets represents a constant interest in the rational formulation of expansion strategies. However, there has been very little or no empirical research on the dependency of the growth of MTN or any of the telecommunication industries on the expansion strategies. Therefore, this study attempts to examine the extent to which the growth of MTN is affected by the implementation of the expansion strategies in Damaturu, Yobe State, Nigeria.

### **Objectives of the Study**

The objective of this work is to examine the role of expansion strategies in the growth of MTN Nigeria, with particular reference to Damaturu, Yobe State, Nigeria. This is studied under the following objectives:

- i. To examine the extent at which expansion strategies affects the growth of MTN.
- ii. To ascertain the challenges faced in the implementation of the expansion strategies by MTN.
- iii. To examine the relationship between expansion strategies and the growth of MTN.

## **2. LITERATURE REVIEW**

### **Conceptualizing Strategy**

Deresky (2008) describes strategy as 'the basic mean by which the company competes – its choice of business or businesses in which to operate and the ways in which it differentiates itself from its competitors – is its strategy'. The definition of Deresky (2008) is a relatively open definition. Johnson et al. (2006) define strategy as 'the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations'. We prefer this definition as it sets emphasize on the role of the changing environment and the term 'long term'. Why this seems to be important will be discussed in chapter 5.7.2 Strategic Planning. Johnson et al. (2006) identify different levels of strategy, which are

1. Corporate Level Strategy
2. Business Level Strategy
3. Operational Strategy

This is an interesting angle for our research. In order to investigate the international growth strategy of a micro enterprise and especially for the formulation of the strategy for sonami, we now know that we are not only talking about the business level strategy, about how sonmai successfully competes overseas, but we are also talking about the corporate level strategy (this point, of internal and external strategies will

be discussed later). The third strategy might not be that appropriate in our case, as most micro companies lack the necessary resources for such a strategic approach.

Mintzberg and Waters (1985) talk about emerging and deliberate strategies. Emerging strategies are those that are not intended on but that are nevertheless accomplished, while deliberate strategies are planned clearly and are realized. They identify eight different strategic approaches that range from planned strategies to imposed strategies. For this research the entrepreneurial strategy (Mintzberg & Waters, 1985) seems to be quite interesting. How this strategy looks like will be discussed in a later chapter.

Mintzberg, Lampel and Ahlstrand (2008, p. 78 et seq.) describe strategies for services/products, markets, strategic positions and competition. We would like to name the market development strategy in the context of service/product strategies. From our point of view this strategy fits most micro companies and start-ups best as they mostly are too small and miss important resources for tracking a diversification strategy for example. We further would like to mention the niche strategy, in correspondence to the strategic position, as the number of niche markets is increasing (Aspelund and Moen, 2001) and is of particular interest for smaller enterprises. But first of all, before going into the several strategies, the terms strategic planning and strategic management need some explanation.

### **Expansion Strategies**

Expansion strategies are important innovative goal of manufacturing firms though the concept of expansion strategies has not yet achieved a consensus. This is because expansion strategies depend on several factors including the purpose of the strategies, timing, the industry and the types of strategies involved (Samson, Cosmas, Charity, Timinepere and Samuel, 2020). However, there is a reasonable agreement that expansion strategies involve introducing new products to the existing products in order to increase sales, assets and income. Westerlund and Leminen (2012) consider expansion strategy as a means in which organizations plan in order to achieve its objectives, which are to increase firms' size, activity volume, and turnover in terms of sales. Thus, the scholars consider expansion strategies as means of expansion in order to attain a targeted sale threshold. Based on the above concept, it does appear that growth and expansion can be used interchangeably (Samson et al, 2020). Expansion strategies are normally adopted to expand from business operations through market penetration, diversifying products, services or stages of production to the existing business in order to improve and increase its venture into entities that are different from the current operations (Samson et al, 2020).

### **Concentration Strategies**

Concentration strategy is a business strategy undertaken by a company to build and maintain a competitive advantage in the long-term and to obtain better results than those obtained by competitors in a given sector. This strategy consists of focusing the company's activities on a specific group of buyers, on a specific assortment of products or on a specific geographic market (Ahsan, 2022). Concentration strategies involve trying to grow by successfully competing only within a single industry. There are three sub-strategies of concentration strategies: market penetration, market development, and product development (Edwards, 2015).

Market penetration involves trying to gain additional share of a firm's existing markets using existing products. Market development involves trying to expand into new markets using existing products. Product development involves creating new products to serve existing markets (Jason, Gordon 2022). Concentration strategies allow the company to focus its resources on a specific market segment, which is easier and more efficient to meet the requirements of than its competitors who operate on a larger scale. This strategy helps companies to achieve specialization in various production processes, marketing, and promotional activities. However, concentration strategies also have disadvantages, such as limited customer base and vulnerability to market changes. Overall, concentration strategies are a sensible business strategy for many firms. By focusing on a single industry, companies can become dominant players and achieve growth by successfully competing within a specific market segment (Quarshie and Asare, 2011).

## **Integration Strategies**

Horizontal integration occurs when companies which share same product range and market merged or acquired by one (Paşaoğlu, 2012). Companies gain lots of advantages thanks to horizontal deals, such as; economization, distortion of competition, optimization in production and marketing etc. (Anarbek, 2008). Integration is a result of horizontal growth. In brief, horizontal growth provides companies with new markets (Öncer, 2012). A company merges or purchases supplier to transport products to customers (Paşaoğlu, 2012; Akgöbek, 2011). In this strategy, companies improve their activities from production to marketing. Businesses prefer vertical growth in order to take over the control of distribution channels and dominate markets (Öncer, 2012).

## **Diversification**

The effect of a diversification strategy on performance has over the decades attracted the attention of scholars in the field of management and social sciences. Nonetheless, the justifications for diversification as well as results vary, with some findings found to be inconclusive (Asrarhaghighi et al., 2013). Organizations may choose to diversify to survive the dynamics of business environment; for expansion (Su & Tsang, 2015); increase profitability (Yigit & Tur, 2012); foster efficiency in the use of resources and create investment opportunities to achieve economies of scale to explore market options and opportunities and as a turnaround strategy. Okolo and Ezekoma, (2020) conclude that organizations diversify in order to have a better position in the market, while Akewushola (2015) opined that a diversification strategy enables an organization to expend its excess resources for economic use. However, subsequent studies have revealed contradictory results, some negative and others finding no relationship among variables (Shyu & Chen, 2009).

Internationalization in the mobile telecom industry was also the outcome of other forces, including the quest to establish an international presence and consolidate subscriber bases for revenue growth (Adeleke, 2008). The desires to leverage knowledge and expertise—or ownership advantage—acquired through domestic operations, exploit early-mover advantages (Oladele, 2012), and achieve prompt return on investment (Ahmad, 2014) were additional motivators.

## **Empirical Review**

Expansion strategies play a vital role in organizational growth. According to a study conducted by Adeleke (2008), growth strategies allow companies to access new markets, expand geographically, and obtain cutting-edge technology, complementary skills, and core competencies relatively fast. Growth strategies are normally adopted to expand from the current market, and they increase shareholders' or investors' value. According to Samson et al (2020), the impact of growth strategies on the performance of organizations are important as they act as innovative goal of manufacturing firms and they involve introducing new products to increase sales and performance. Growth strategies also involve expansion of firms through acquisitions. They draw from the analysis conducted using an exposit facto research design of 120 firms listed on the Nigerian Stock Exchange that both internal and external growth strategies affect firms differently during global economic crisis. Another study by Vargas-Hernandez & Vargas-Gonzalez (2021) showed market expansion and business growth from the perspective of resources and capabilities, that the combination of the expansion strategies will give the resources and capabilities required the possibilities of the business activities to experience marginal growth and market share expansion. Shah, Nasir and Zaman (2013) emphasizes the importance of growth models, growth strategies, and the role of knowledge management systems in the formulation of entrepreneurial growth. They stated that choice of an appropriate growth strategy is at the heart of any successful entrepreneurial venture. Selection of a strategy may be effective for one entrepreneur while it is not for other. Choice of Growth Strategy depends on various different factors, organizational context and environment which may vary from enterprise to enterprise.

There are several studies that discuss the expansion strategies of MTN Nigeria and their role in the growth of the company. MTN Nigeria has been successful in the Nigerian market due to its effective market entry strategy (Okolo and Ezekoma, 2020), and that the company's strategy for entering the

Nigerian telecommunications market involved partnering with local companies and complying with local regulations. External forces, such as regulatory changes and competition, have influenced MTN Nigeria's e-business strategy (Adeleke, 2008). MTN Nigeria has adopted expansion strategies to expand its operations in emerging markets (Quarshire and Asare, 2011). The company's internationalization strategy has been influenced by factors such as oligopolistic competition and mutual avoidance among competing mobile network operators (Ezeani, 2012).

## Theoretical Reviews

### Ansoff Matrix Theory

This theory explains interdependency between expansion strategies and growth of organization. Igor Ansoff was an applied mathematician and extremely successful business manager who is known as the father of strategic management for his significant role in originating and recognizing strategic management as its own discipline back in the 1950's. Ansoff proposed that there were only four basic growth alternatives available to a business. He claimed that as a corporate strategy, a business can grow through increased market penetration, market development, product development, or diversification. These four growth strategies were identified by Ansoff using a 2x2 matrix (now known as the Ansoff Matrix) and was made up of new or existing products on one axis and new and existing markets on the other. The Ansoff matrix is a widely used strategic planning tool that provides a simple, yet effective framework to help companies plan and implement an effective growth strategy. The matrix consists of four strategies: market penetration, market development, product development, and diversification.

1. **Market Penetration:** This strategy involves increasing sales of existing products in existing markets. MTN Nigeria's concentration strategy, such as network modernization and expansion, can be seen as a market penetration strategy (Edwards, 2015). This strategy can help MTN Nigeria to increase its customer base and revenue in Nigeria by providing better network services to its customers.
2. **Market Development:** This strategy involves expanding into new markets with existing products. MTN Nigeria's investment in Pan-African markets can be seen as a market development strategy (Edwards, 2015). By investing in Pan-African markets, MTN Nigeria can expand its customer base and revenue in Africa.
3. **Product Development:** This strategy involves creating new products for existing markets. MTN Nigeria's leading digital solutions can be seen as a product development strategy (Butler, 2018). By providing innovative digital solutions to its customers, MTN Nigeria can increase its customer base and revenue in Nigeria (Butler, 2018).
4. **Diversification:** This strategy involves creating new products for new markets. MTN Nigeria's financial inclusion and environmental sustainability strategies can be seen as diversification strategies. By providing financial services and adopting sustainable practices, MTN Nigeria can differentiate itself from other telecommunication industries and attract new customers. The Ansoff Matrix suggests that a business's growth strategy depends on its product and market growth strategy. MTN Nigeria's expansion strategies, such as concentration, integration, and diversification strategies, can be seen as a way to implement the Ansoff Matrix and achieve growth.



## ANSO MATRIX THEOREY (1950)

### **The Resource-Based View (RBV) theory.**

The RBV theory suggests that a firm's resources and capabilities are the primary drivers of its competitive advantage and growth. According to the RBV theory, a firm's resources and capabilities can be classified into two categories: tangible and intangible. Tangible resources include physical assets such as equipment, buildings, and financial resources, while intangible resources include knowledge, skills, and reputation. The RBV theory suggests that a firm's resources and capabilities must be valuable, rare, inimitable, and non-substitutable (VRIN) to achieve a competitive advantage and growth (Andersen & Kheam, 1998; Butler, 2018).

In the case of MTN Nigeria, the company's expansion strategies, such as network modernization and expansion, investment in broadband access, and leading digital solutions, can be seen as a way to acquire and develop valuable, rare, inimitable, and non-substitutable resources and capabilities. These resources and capabilities can help MTN Nigeria to differentiate itself from its competitors and achieve growth. For example, MTN Nigeria's investment in broadband access can help the company to acquire valuable resources such as network infrastructure and skilled employees. These resources can help the company to provide better internet services to its customers and differentiate itself from its competitors. Similarly, MTN Nigeria's leading digital solutions can help the company to acquire intangible resources such as knowledge and skills, which can help the company to develop innovative products and services and achieve growth (Quarshire & Asire, 2011). The RBV theory suggests that a firm's resources and capabilities are the primary drivers of its competitive advantage and growth. MTN Nigeria's expansion strategies can be seen as a way to acquire and develop valuable, rare, inimitable, and non-substitutable resources and capabilities, which can help the company to achieve growth and differentiate itself from its competitors.

### **3. RESEARCH METHODOLOGY**

#### **Research Design**

The research design adopted in this study is descriptive in nature. This design allows for the collection of data that describes the current state of expansion strategies used by MTN Nigeria and their impact on the growth of the company in Damaturu, Yobe State. Descriptive research design was chosen because it enables the researcher to generalize the findings to a larger population and it is more precise since it involves description of events in a carefully planned way. This study therefore was able to generalize the findings to all the departments in the organization.

#### **Population**

The study focused on the staff of MTN in Yobe State which comprised of male and female folks across different age groupings and academic backgrounds. The total number of staff that participated in the study was 123. This comprised of senior staff, middle level staff and low-level staff. The overall population of the staff in MTN Nigeria, Damaturu across the branches in the LGA was 180 from reconnaissance survey

#### **Sampling**

The study adopted stratified random sampling whereby the population is divided into three strata i.e. senior staff, middle level staff and low-level staff. The sample is recruited from each stratum. Then, a simple random sample procedure within each stratum. Using sample size determination table by Krejcie and Morgan (1970), the sample size for the study determined is 123. Each stratum had fair chances of getting questionnaires according to their percentages. Senior managers got 25 copies (20%), Middle level managers got 62 copies (50%) and low level managers got 36 copies (30%).

#### **Instruments of Data Collection**

The study employed the use of structured questionnaire. It was divided into three: Personal Data Questions (PDQ), expansion strategies questions (ESQ) and MTN Growth Questions (MGQ). Each section had nine questions and each question is in line with the research focus. Before processing the

responses, the completed questionnaires were edited for completeness and consistency. The Cronbach’s Alpha was employed to measure reliabilities among items of ESQ and MGQ items. The coefficient was 0.82; a value which depicts high satisfactory internal consistency and strong reliability.

**Methods of Data Collection:**

Both primary and secondary data will be collected for the purpose of analyzing the effects of expansion strategies on performance. Primary data was collected using a questionnaire from the staffs of MTN Nigeria while secondary data will be obtained from annual reports of the company. The data was then coded to enable the responses to be grouped into various categories. Data collected was purely quantitative and it was analyzed by descriptive analysis such as frequencies, percentages, means and standard deviations. Inferential statistics was used to test the hypothesis. The study had only one hypothesis and it was tested using Regression statistic, which is used to examine the dependency of growth on expansion strategies.

SPSS (Statistical Package for Social Sciences) was used for the analysis and not manual for the sake of accuracy in results.

**The Regression Model:**

$$G = a + b ES_1 + bES_2 + bES_3 + e$$

Where G = Dependent Variable (Growth)

a= intercept

b = slope

ES<sub>1</sub>, ES<sub>2</sub> and ES<sub>3</sub> = Independent Variable (Expansion Strategies)

e= error function

**4. RESULTS AND DISCUSSION**

**Personal Data of Respondents**

**Table 1 Sex Characteristics of Respondents**

Sex	Frequency	Percentage
Male	78	65
Female	42	35
<b>Total</b>	120	100

Table 1 revealed that out of 120 respondents retrieved, 78 (65%) were males while 42(35%) were females that participated in the study.

**Table 2 Age Characteristics of Respondents**

Age	Frequency	Percentage
20-30	14	11.7
30 and above	106	88.3
<b>Total</b>	120	100

Table 2 revealed that out of 120 respondents, 14(11.7%) were of the age range between 20 and 30 and 106 (88.3%) between 30 and above.



**Table 3 Marital Status of Respondents**

Sex	Frequency	Percentage
Married	56	46.7
Single	23	19.2
Divorced	14	11.7
Widow	27	22.5
<b>Total</b>	<b>120</b>	<b>100</b>

Table 3 shows that out of 120, 56(46.75%) were married, 23(19.2%) single, 14(11.7%) divorced and 27(22.5%) widowed.

**Answering Research Questions**

**Table 4. Responses on the concentration expansion strategy in MTN**

S/N	Items	Responses							
		SA	%	A	%	D	%	SD	%
1.	Launching in new products in the market increases the product line of the business	56	46.7	23	19.2	14	11.7	27	22.5
2.	Market development attracts more customers using the available products	49	40.8	31	25.8	25	20.8	15	12.5
3.	Concentrating on a particular product and not having varieties can limit customers choices	46	38.3	44	36.7	13	10.8	17	14.2

Table 4 shows that 56(46.75%) strongly agreed, 23(19.2%) agreed, 14(11.7%) disagreed and 27(22.5%) strongly disagreed that launching in new products in the market increases the product line of the business, 49(40.8%) strongly agreed, 31(25.8%) agreed, 25(20.8%) disagreed and 15(12.5%) strongly disagreed that market development attracts more customers using the available products, 46(38.3%) strongly agreed, 44(36.7%) agreed, 13(10.8%) disagreed and 17(14.2%) strongly disagreed that concentrating on a particular product and not having varieties can limit customers choices.

**Table 5 Responses on the Integration expansion Strategy in MTN**

S/N	Items	Responses							
		SA	%	A	%	D	%	SD	%

1.	The company offers same products like other telecommunication companies with improved marketing style	45	37.5	38	31.7	19	15.8	18	15
2.	Branch retail stores directly gets products and services to the customers and increases sales	35	29.2	56	46.7	15	12.5	16	13.3
3.	MTN supplies supports to other companies with their products	65	54.2	30	25	10	8.3	15	12.5

Table 5 shows that 45(37.5%) strongly agreed, 38(31.7%) agreed, 19(15.8%) disagreed and 18(15%) strongly disagreed that The company offers same products like other telecommunication companies with improved marketing style, 35(29.2%) strongly agreed, 56(46.7%) agreed, 15(12.5%) disagreed and 16(13.3%) strongly disagreed that Branch retail stores directly gets product and services to the customers and increases sales, 65(54.2%) strongly agreed, 30(25%) agreed, 10(8.3%) disagreed and 15(12.5%) strongly disagreed that MTN supplies supports to other companies with their products.

**Table 6. Diversification Expansion Strategies in MTN**

S/N	Items	Responses							
		SA	%	A	%	D	%	SD	%
1.	MTN provides services and products closely related to its core to increase product/service range	20	16.7	16	13.3	48	40	36	30
2.	MTN expands into other businesses that are not in line with telecommunication industry to increase its business portfolio	48	40	38	31.7	24	20	10	8.3
3.	MTN recovers company losses from this diversification and sustains the mainstream with profits	37	30.8	44	36.7	29	24.2	20	16.7

Table 6 shows that 20(16.7%) strongly agreed, 16(13.3%) agreed, 48(40%) disagreed and 36(30%) strongly disagreed that MTN provides services and products closely related to its core to increase product/service range, 48(40%) strongly agreed, 38(31.7%) agreed, 24(20%) disagreed and 10(8.3%) strongly disagreed that MTN expands into other businesses that are not in line with telecommunication industry to increase its business portfolio, 37(30.8%) strongly agreed, 44(36.7%) agreed, 29(24.2%) disagreed and 20(16.7%) strongly disagreed that MTN recover company losses from this diversification and sustains the mainstream with profits.

**Table 8. Responses on the Growth of MTN Nigeria**

S/N	Items	Responses							
		SA	%	A	%	D	%	SD	%
1.	Number of Customers increases within the state throughout the year	44	36.7	35	29.2	20	16.7	21	17.5
2.	The company experiences high sales with maximal profits	48	40	40	33.3	20	16.7	10	8.3
3.	There is an increased market share in the company throughout the year	45	37.5	38	31.7	19	15.8	18	15

Table 7 shows that 44(36.7%) strongly agreed, 35(29.2%) agreed, 20(16.7%) disagreed and 21(17.5%) strongly disagreed that number of customers increases within the state throughout the year, 48(40%) strongly agreed, 40(33.3%) agreed, 20(16.7%) disagreed and 10(8.3%) strongly disagreed that the company experiences high sales with maximal profits, 45(37.5%) strongly agreed, 38(31.7%) agreed, 19(15.8%) disagreed and 18(15%) strongly disagreed that there is an increased market share in the company throughout the year.

**Table 7. Challenges of Implementation of Strategies for Growth of MTN**

S/N	Items	Responses							
		SA	%	A	%	D	%	SD	%
1.	Inability to understand the peculiarities of a new market, such as the demographic, cultural, and economic factors that may affect the success of the expansion.	48	40	44	36.7	48	40	36	30
2.	Funding and financial allocation	37	30.8	38	31.7	24	20	10	8.3
3.	Setting up subsidiary and Legal compliance	20	16.7	16	13.3	29	24.2	20	16.7

Table 9 shows that Table 7 shows that 48(40%) strongly agreed and 40(44%) agreed that inability to understand the peculiarities of a new market, such as the demographic, cultural, and economic factors that may affect the success of the expansion could be very challenging in the course of strategizing for growth, 37(30.8%) strongly agreed and 38(31.7%) agreed that funding and financial allocation could be very challenging in the course of strategizing for growth, whereas 20(16.7%) strongly agreed and 16(16%) agreed that Setting up subsidiary and Legal compliance could be very challenging in the course of strategizing for growth.

### Test of Hypotheses

H0<sub>1</sub>: The extent at which Growth is dependent on Expansion Strategies is significant

#### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
	concentration, integration, diversification	.	Enter

- a. Dependent Variable: Growth
- b. All requested variables entered.

The regression statistic is used to examine the extent at which expansion strategies predict growth of MTN Nigeria.

#### ANOVA<sup>a</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	11053.904	3	3684.635	4.196	.019 <sup>b</sup>
Residual	17562.320	20	878.116		
Total	28616.224	23			

- a. Dependent Variable: Growth
- b. Predictors: (Constant), Concentration strategies, Integration strategies, Diversification Strategies

Regression Analysis of Variance (ANOVA) table showed F-value of 4.196, and significant P value of 0.019. From this result,  $P < 0.05$ , and it implies that the regression is significant statistically. Therefore, the extent at which Growth is dependent on Expansion Strategies is significant.

#### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-56.562	282.013		-.201	.024
Concentration Strategies	9.612	4.778	.407	2.012	.04
Integration Strategies	-2.515	4.080	-.128	-.616	.03
Diversification Strategies	.368	.136	.488	2.706	.014

- a. Dependent Variable: Growth
- The Regression equation:

$$G = -56.56 + 9.61ES1 + -2.52ES2 + 0.368ES3$$

One unit increase in ES1 will predict water quality to be higher by 9.612 units, one unit increase in ES2 will predict water quality to be higher by -2.515 units and one unit increase in ES3 will predict Growth to be higher by 0.368 units. The study revealed that the dependency of growth on Concentration, Integration and Diversification strategies is significant statistically.

**Correlation between expansion strategies and Growth of MTN**

Expansion Strategies	Growth
Concentration	Pearson Correlation .82
	Sig. (2-tailed) .04
Integration	Pearson Correlation .78
	Sig. (2-tailed) .036
Diversification	Pearson Correlation .87*
	Sig. (2-tailed) .012

\*Significant at 0.05

The relationship between expansion strategies and growth of mtn shows that each relate differently. The correlation coefficient of 0.82 for the relationship between concentration strategies and growth of mtn shows that the relationship is strong, 0.78 for relationship between integration strategies and growth of mtn shows that the relationship is strong, and 0.87 for relationship between diversification and growth of mtn shows that the relationship is strong. The correlation between the expansion strategies and growth of MTN is statistically significant (since  $p=0.05$ ,  $p<0.05$ )

**4.1 DISCUSSION OF FINDINGS**

The study discovered that concentration, integration and diversification strategies are employed by MTN for the growth of the organization. The data gathered and analyzed showed that there is a relationship between these expansion variables and growth variables. The study found that the relationship between concentration strategy and growth of MTN is strong and statistically significant, through the launching in new products in the market increases the product line of the business, market development, concentration on a particular product. The study also found that that integration Strategies have significant effect on the growth of an organization as the company offers same products like other telecommunication companies with improved marketing style, open branch retail stores directly so that the product and services get to the customers and increases sales and producing to support other companies with their products. This is in line with the study conducted by Samson et al (2020) that emphasized on product development than market penetration. The study discovered that diversification strategies significantly enhance organizational growth of MTN Nigeria through the expansion into other businesses that are not in line with telecommunication industry to increase its business portfolio, recovering company losses from this diversification and sustaining the mainstream with profits, provision of services and products closely related to its core to increase product/service range. As these strategies are employed, there is increase in sales with maximal profits and high customer flow and increasing market share, and this favours the results of Vargas-Hernandez & Vargas-Gonzalez (2021) that expansion strategies can cause growth and share expansion.

**5. CONCLUSION**

Since it is a must for today’s businesses to grow in order to survive, understanding the strategies employed for growth and how they affect growth levels is pertinent and should be studied. This decision affects a company’s business segments. The study has attempted an explanation on expansion strategies in detail and the different perspectives they can be seen.

Companies especially telecommunication industries compete neck and neck nowadays, due to increasing demand and constant change in the attitudes of customers. Being an incentive for growth, pressure of competition makes inorganic growth a tactical choice in the long run for businesses which do not have enough sources. MTN being the focus of the study has made several attempts to improve their existing system in order to grow. Applying the theories in this study, the work sees that all of the strategies they employ are very visible but plays individual role in the growth of MTN based on the factors that determine the implementation dynamics. The study found that growth variable is dependent on the expansion strategies variables, and can be predicted by them significantly.

### Recommendations

Having taken a hard look at the theoretical nexus and empirical evidence of the role of expansion strategies in the growth of MTN Nigeria, the following policy recommendations could be made to guide government policy decisions:

1. Companies should concentrate on the developing products available to suit the diverse needs of target market sector and increasing promotion to foster growth in the middle of competition.
2. Cutting down cost and reinvesting funds from this reduction of cost in new growth areas or exploit additional opportunities can also help in the expansion of MTN. This will address issues relating to funding and financial resources allocation.
3. MTN's policy structure should connect with the legal framework of the country and that every staff should be intimated with the right information to avoid non-compliance.
4. There should be clearly laid down means of Implementation of the strategies and indeed ensure they are implemented, ensure that the branches of MTN have sufficient capacity on how to develop and implement market expansion strategies as the success and failure of these strategies depend on them and firms should ensure that they put in place the best distribution channels and pricing strategies.

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