

## **Financial Statements Analysis: Wealth Creation and Wealth Maximisation at Telecom Company from 2010 To 2012**

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**Abstract:** Information technology revolution has gained popularity with companies' success depending virtually on the exchange of information. As a result, it has brought to consideration the need to create and sustain technologies through which information can be transmitted and received, and the telecommunication industry has been a major development. The research paper seeks to analyse the financial statements of a telecom company to determine whether the company created wealth and suggesting ways to improve wealth creation. Factors such as operational results, key economic variables and customer satisfaction were explored. A questionnaire survey was employed to collect primary data. The questionnaires were distributed by hand and some were emailed. Results of the survey were reported and customer suggestions and concerns were noted. Secondary data was obtained from the financial statements as well as operational reviews available on the website. Data was analysed and it was discovered that the company has revolved significantly and its performance has improved over the years. However, it was highlighted that a lot still needs to be done. Therefore recommendations to pave way for future studies have been suggested.

**Key Words:** Wealthy creation, Wealthy maximization.

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### **I. Introduction**

#### **Background of the study**

The information revolution and the extraordinary increase in the spread of knowledge have given birth to a new era in which exchange of information directly affects economic, social, cultural and political activities of all regions of the world, including [Name of Country withheld]. Governments worldwide have recognized the role that Information and Communication Technologies could play in socio-economic development. A number of countries are putting in place policies and plans designed to transform their economies into an information and knowledge economy. According to Ajayi (2000), the revolution taking place in information and communication technologies have been the central and driving force for the globalization and wealth creation process.

With the growth in business and the move towards globalisation, businesses have become connected and interlinked in one borderless community. This has been particularly possible through the growth of the telecommunications industry where voice, text and digital data can be exchanged almost instantaneously. This research paper is focused on financial statement analysis to determine wealth creation at [a telecom company], which is the national telecommunications operator, established in August 1992 and wholly owned by the Government of the Republic of [Name of Country withheld]. Telecom [Name of Country withheld] is functioning as a commercialised company and as a subsidiary of its parent company.

The evolution of businesses from small scale primitive cottage based industries to large scale, often complex entities has given birth to the need for new approaches of evaluation. While the government might be concerned about business for the people - that is provision of social amenities and infrastructural development for the society at large, the capitalist shareholder is interested in the yield on their investment in order to create and maximise wealth. Since the language of business is accounting, through financial statements, the shareholder is therefore interested in proper and sound analysis of financial statements to determine the net residual interest. Financial statement analysis is a technique of financial analysis in which quantities are converted into ratios for meaningful comparisons, with past ratios and ratios of other firms in the same or different industries. It is thus the process of reviewing and evaluating a company's financial statements (such as the balance sheet or profit and loss statement), thereby gaining an understanding of the financial health of the company and enabling more effective decision making. Financial statements record financial data; however, this information must be evaluated through financial statement analysis to become more useful to investors, shareholders, managers and other interested parties. Financial statement analysis is an evaluative method of determining the past, current and projected performance of a company. Several techniques are commonly used as part of financial statement analysis including horizontal analysis, which compares two or more years of financial data in both dollar and percentage form; vertical analysis, where each category of accounts on the

balance sheet is shown as a percentage of the total account; and ratio analysis, which calculates statistical relationships between data.

Shareholder wealth is defined as the present value of the expected future returns to the owners of the firm. It is measured by the market value of the shareholders' common stock holdings, (J. R. McGuigan, W. J. Kretlow and R. C. Moyer, 2009). Shareholder wealth is the increase in the purchasing power of the shareholders. It is the value delivered to the shareholders because of management's ability to grow earnings, dividends and share price. It sums up all the strategic decisions that affect a firm's ability to efficiently increase the amount of free cash flow over time. It therefore follows that wealth maximisation is the maximisation of shareholders' purchasing power or the current share price. It is a long term objective, although in some instances short term efforts may be carried out to provide shareholders with wealth.

Wendy McKenzie (2010) defines wealth as a measure of residual income that results from increase in business value and decrease in debt. This increases the present value of free cash flows from operations and maximise return to shareholders. Therefore wealth is created and maximised through maximum utilisation of resources and minimising costs to produce a surplus for common stockholders. Therefore financial statements analysis entails the critical evaluation of the performance of an enterprise using techniques which are consistent with the overall business goal of wealth creation and maximisation.

While the major objectives of financial statements analysis have been cited as assessment of past performance, assessment of current position, prediction of profitability and growth prospects, prediction of bankruptcy and failure, and assessment of the operational efficiency, this research paper is mainly concerned with the analysis of financial statements to determine wealth creation and maximisation at Telecom [Name of Country withheld] between 2010 and 2012.

### **Statement of the problem**

Since the growth of corporations, entities in which management is not the owners, there has been a constant demand for management to report their stewardship as well as the need to determine precisely how much wealth has been created for shareholders and other stakeholders. However, instead of critically providing such information, there has been a tendency to give mere comparisons from one reporting period to the next. Moreover many measurement problems have been overlooked, resulting in misinterpretation.

Traditionally, much emphasis has been placed on increasing sales, market share and profitability without a critical analysis of the long term implications. Techniques of financial statements analysis are often misinterpreted and unrelated components of financial statements are sometimes compared. Users have often failed to establish the relationship between financial statements analysis and wealth creation. Consequently, several individuals and companies are not well acquainted with the utilisation of financial statements analysis, among other corporate practices, in evaluating wealth creation, especially in a telecommunications business like Telecom [Name of Country withheld].

Telecom [Name of Country withheld] has been involved in a number of activities in an attempt to create wealth. Despite all these attempts and policies, wealth can still be depleted rather than being created. Recently, some of the moves by Telecom [Name of Country withheld] include the acquisition of [ Name of Country withheld]. This was a strategic decision but one that can also jeopardise overall efficiency and earning potential. Thorough analysis is therefore necessary to determine whether these attempts have been successful.

Many questions arise as to whether financial statements analysis is the sole key element in determining business success. Henceforth other disciplines that contribute to business success should be explored and their relevance evaluated. Despite these other practices, the role of financial statements analysis cannot be discounted.

Problems have also often come up when users confine themselves to the analysis of financial statements without paying attention to the macroeconomic environment in which Telecom [Name of Country withheld] operates. An equally important aspect to consider in the analysis of wealth creation is the effect of macroeconomic variables like inflation, unemployment and taxation. These have an effect on the operational efficiency and consequently wealth creation, hence need to be analysed.

### **Objectives of the study**

1. To analyse whether Telecom [Name of Country withheld] created and maximised wealth.
2. To determine the ways through which Telecom [Name of Country withheld] created and maximised wealth.
3. To suggest ways of improving creation and maximisation of wealth at Telecom [Name of Country withheld].

### **Significance of the study**

The pervasiveness and importance of Information and Communication Technologies (ICTs) throughout the economy and society can't be ignored. The former United Nations Secretary, General Kofi Annan, stated that, "If harnessed properly, Information and Communication Technologies (ICTs) have the potential to improve all aspects of our social, economic and cultural life. ICT can serve as an engine for development in the twenty

first century" (Annan, 2003). It is therefore important to understand the profitability of telecommunications entities and how they create and ultimately maximise wealth. This research enlightens on how financial statements analysis is utilised in evaluating the performance and efficiency in wealth creation at Telecom [Name of Country withheld] between 2010 and 2012.

Globalisation through communication technology, has made it possible to find fast access to, and distribution of information as well as new ways of doing business in real time at a cheaper cost. As such, a many businesses rely on information exchange in order to survive the information technology era. Investment in telecommunications is growing and stakeholders need insight into the operational as well as long term efficiency of the enterprise and this research will help evaluate wealth creation as well as the operational efficiency of Telecom [Name of Country withheld] in recent years through financial statement analysis.

As a developing African country, [Name of Country withheld] suffers a considerable gap in telecommunications distribution between urban and rural areas. This is due to limitations of lack of infrastructural development and expansion, the taxation on telecommunications goods, which is discriminatory and makes products unaffordable for the marginalized communities. This obviously affects the creation of wealth. Although this fact cannot be disclosed through financial statements analysis, it is worth mentioning to facilitate the government's efforts to make investment, assess profitability and performance of its enterprises for institutional planning and address the issues of socio-economic development. Accurately analysed financial information that reflects true and fair presentation is therefore very vital. It is of utmost importance to highlight the necessity for the government to take measures to make telecommunications affordable, easy to use and accessible. This will possibly significantly create wealth for Telecom [Name of Country withheld] and the government in the long run.

Furthermore, this research highlights the need to stimulate the private sector to become an active driving force in telecommunications creativity to enhance productivity, competitiveness and contribute meaningfully to economic growth by providing the global solutions to the challenges of an information age so that the country benefits maximally. Private sector involvement is particularly significant in creating awareness and ensuring access to promote service diffusion. It is therefore important for the government of [Name of Country withheld] to provide a sufficiently flexible and enabling environment that provides incentives, attract investors and reap tremendous payoff in terms of wealth creation and generation.

The research also establishes how a balance between wealth maximization and social responsibility concerns can be achieved without compromising either of the two. Knowledge of financial statements analysis helps equip individuals with the relevant financial planning skills which are necessary for improving quality of life and economic livelihood by making informed decisions, especially applicable in the inflationary developing economy of [Name of Country withheld]. A lot of individuals are interested in investing or knowing the state of their economy and how it is generating wealth. Therefore knowing how to analyse financial statements and its relationship with wealth creation is vital.

Analysis of the financial statements of Telecom [Name of Country withheld] in terms of wealth creation will uncover how it operates and some of the policies it has adopted in order to deliver value to its shareholders. The harmonisation and convergence of these policies with other policies relating national goals like the Vision 2030 can then be assessed because the deployment and utilisation of telecommunications services for socio economic development is a key component of the national vision to improve quality of life, knowledge and international competitiveness. Failure to embrace this puts [Name of Country withheld] at risk of being further marginalized.

## **II. Literature Review**

Traditionally, wealth creation has been attributed to high profits through increasing revenues and minimising costs. In this regard, Telecom [Name of Country withheld] has shown sequential improvement as can be seen from the positive changes in revenues from 2010 to 2012. However, it is very important to note that while revenue figures may reflect a favourable operational efficiency of the company, they cannot adequately communicate how the company created wealth. An in depth analysis is necessary to precisely pin point areas that affect market value of the firm. Hence determine wealth more accurately because it is the utilisation of assets to earn profits, (wealth creation), that stakeholders are interested in. Lumbu and Jones (2001) argue that maximising shareholders' wealth is achieved not only through maximising revenues and revenue growth and minimising cost of sales; it is also achieved through critically analysing the performance of an enterprise in a systematic and consistent manner. Revenue may be maximised and costs minimised but their proportion to funds invested or their growth over the years may still remain drastically poor and proportionately inconsistent. Alexander et al (2009) argue that business planning, working capital management, marketing, short term planning and budgeting are the key activities in maximising profit and boosting financial performance. Impressive results (as will be indicated in the findings) were reported by Telecom [Name of Country withheld].

It is not evident, however, if these results were due to the increase in revenues or decrease in costs or any other reason.

Partly as a result of additions for its broadband offerings, Telecom [Name of Company withheld] registered impressive performance for financial year ended September 2010. According to its executives, the company has grown consistently over the years, showing strong, sequential improvements in its profits and revenues. During the year ended 2010, Telecom [Name of Company withheld] registered a 3 per cent increase in its total revenue from \$1.13 billion for the year ended September 2009 to \$1.16 billion for the year ended 30 September 2010. The growth in demand of broadband product and service offerings contributed significantly to the increase in revenue.

There was a significant increase in operating profit for the year from \$58.5 million realised in the previous financial year, to \$103.7 million for the year ended 30 September 2010. This represents an increase of 77 per cent year on year and is largely attributable to the immense savings made in the cost of distributing the Company's products and services. Telecom [Name of Company withheld]'s profit after tax vastly improved from \$25.5 million for the year ended September 2009 to \$ 69.7 million for 2010.

The Company's total assets have increased from \$2.13 billion as at the 30 September 2010 to \$2.18 billion at the end of the period under review, representing an increase of 3 per cent. Additional investment amounting to \$159 million was made towards local capital infrastructure development. The above trend in revenues continued throughout the years up to 2012, although some little changes happened in 2011, hence sequential movements.

Mard et al (2010) argue that financial statements analysis tend to focus on a company's past performance and report past results when it is actually the present and future that stakeholders, particularly common equity holders are interested in. In the light of this argument, it is not certain that Telecom [Name of Country withheld] will continue to report impressive results sequentially in the future.

A totally different approach to wealth maximisation by some other scholars is the understanding and management of all facets of human resources. Emphasis is placed on career counseling, the management of diversity and the structure of the organisation. Vernon G. Zunker (2006) opines that employees should have their careers built on a strong foundation and it is the responsibility of a company's human resource function to source employees who are not in their jobs merely by coincidence, but careers should be well rooted. Hence thorough background checks, the hiring of competent trustworthy personnel and recruitments based on merit is important for organisational efficiency. Continuous human capital development to adequately respond to the changing demands of the growing clientele and analysis of organisational demographics to pipeline fresh talent are also very vital for sustainable existence. It is only then that wealth can be maximised. After all, the driving force behind any organisation's success is its employees. With regards to human resources, Kirton and Greene (2005) argue that the various forms of workforce diversity (cultural, gender, social group) will deliver benefits to the organisation and stimulate wealth creation. In relation to this, Telecom [Name of Country withheld] takes pride in being an equal opportunity employer.

A notable development to mention is the acquisition of [Name of Company withheld] by Telecom [Name of Country withheld]. This was a strategic move perceived to bring about developments in the overall competitive position and wealth generation capacity of the company. This came with advantages and disadvantages. Since [Name of Company withheld] was one of the key competitors of Telecom [Name of Country withheld], competing for customer base as well as innovations in various products, its acquisition meant a reduction in competition as well as an increase in the market share since [Name of Company withheld] had an existing population coverage of about 64% with 270 000 subscribers. This also meant that Telecom was able to build its own GSM facility and GSM mobile business added value to Telecom [Name of Country withheld] and gave good returns to the shareholder, the [Name of Country withheld] government. Since Telecom [Name of Country withheld] is owned by the government of the Republic of [Name of Country withheld], acquisition of [Name of Company withheld] means revenue generated will stay in the country and therefore increase funding for the government through tax revenue and for Telecom [Name of Country withheld] through profit growth.

However the impact of mobile telecommunications, particularly MTC, on economic growth cannot be disregarded. Acquisition of [Name of Company withheld] eliminated competition, which means less private sector involvement in the domestic telecommunications industry. This reduces efficiency and compromises quality. Ultimately the long run success is jeopardized. An additional boost to the government's revenue came from receipts (NS\$648 million) from the partial privatization of the mobile phone company, Mobile Telecommunications (MTC). This is an indication of its significance in the revenue generation capacity of the industry. Nevertheless, a closer look shows that the improvement was due more to higher revenue than to continued expenditure restraint.

Since independence, the [Name of Country withheld] Government has pursued free-market economic principles designed to promote commercial development and job creation to bring disadvantaged [Name of Country withheld]ns into the economic mainstream. The mobile telecommunications industry has grown rapidly and mobile subscribers have exceeded the number of fixed lines globally. The process to achieve what fixed phones have struggled for more than 120 years took less than a fifth of the time for mobile networks. This cross-over time of mobile users has been even shorter for developing countries. This makes the mobile competition a necessity.

The importance of the mobile telecommunications sector becomes also evident by comparing the share of telecommunications revenues in Gross Domestic Product (GDP). Telecommunications services accounted for on average 4.8% of the total GDP of sub-Saharan Africa. In mobile telecommunications there is lower access cost to the user compared to wired telecommunications, as well as the solution of the problem of creditworthiness of customer through prepaid cards. The implication suggests that high mobile penetration and competition yields incentives for further investment and ultimately wealth creation. Therefore the elimination of competition is disastrous in the long run.

Like any other industry, the telecommunications industry in [Name of Country withheld] is exposed to a number of macroeconomic variables, all of which affect its performance, directly or indirectly. Amongst them are inflation, taxation and unemployment.

### **III. Research Methodology**

For the purpose of this research, both quantitative and qualitative research designs were used. Quantitative longitudinal research was used. A longitudinal study is observational and researchers do not interfere with their subjects. The researchers conduct several observations of the same subjects over a period of time, sometimes lasting many years. Developments or changes in the characteristics of the target population can be detected at both the group and the individual level. Longitudinal studies extend beyond a single moment in time. As a result, they can establish sequences of events. This research design was deemed suitable for this research because it emphasises on quantity measurement and numericals. Information in the financial statements is presented in dollar amounts or their equivalents. To be able to understand and precisely get vital information from financial statements, quantitative research design has to be used. The creation of wealth over the given period can be examined better using this design. Moreover, the quantitative research design allows the use of questionnaires. However, the quantitative research design suffers drawbacks in terms of failure to deal with data of a qualitative nature. Hence the need for the use of the qualitative research design so that the two can complement each other in approach to the research. The structure of the questionnaire incorporated some sections that are of a qualitative nature, for instance customer satisfaction. Therefore qualitative research design was also used in gathering and analysis of data about respondents' perceptions about the quality of services. Questionnaires were used to inquire and gather primary data from the Telecom [Name of Country withheld] finance personnel and other respondents. Under this technique document review was also used. Annual financial statements were analyzed and reviewed to observe trends in profitability and wealth.

In this research, respondents were selected using convenience sampling. The researcher was approaching the people close to hand and handing them questionnaires. A total of 35 questionnaires were handed out to the general public. However, only 30 could be collected back.

To select respondents at Telecom [Name of Country withheld], the researcher used still another type of convenience sampling- snowball sampling. Snowball sampling is a sampling technique that uses a small pool of initial informants to nominate, through their social networks, other participants who meet the eligibility criteria and could potentially contribute to a specific study, (Bryant, 2009). Using this method, knowledge is obtained from extended associations through previous acquaintances. Snowball sampling uses recommendations to find people with the specific range of skills that has been determined as being useful. Those participants then recommend additional participants, and so on, thus building up like a snowball rolling down a hill. Respondents were from Telecom [Name of Country withheld]'s finance department, human resources department, marketing department, information technology department and pricing and tariffs department. Respondents were approached and they subsequently referred the researcher to certain individuals or specifically recommended certain other respondents, either in the same department or another department, who they thought were more knowledgeable. The targeted sample size was 20. However, not all of them could be distributed. 17 were distributed and only 13 were collected back.

Both primary and secondary data was used in this research. Primary data is data that the researcher gathers specifically for the purpose of the particular research. It is not readily available in a source. For this research, primary data was gathered through the questionnaire. Secondary data is data that is readily available for research. It is data that was collected or compiled for some other purpose or research and the researcher just takes advantage of this data. Secondary data was gathered from Telecom [Name of Country withheld]'s annual financial statements. As much as annual reports are limited in that they are secondary data, their purpose of

providing audited information about a company’s business and financial operations makes annual reports a reliable research tool.

#### IV. Results and analysis

**Table 4.1 Summary of descriptive analysis for respondents from the general public**

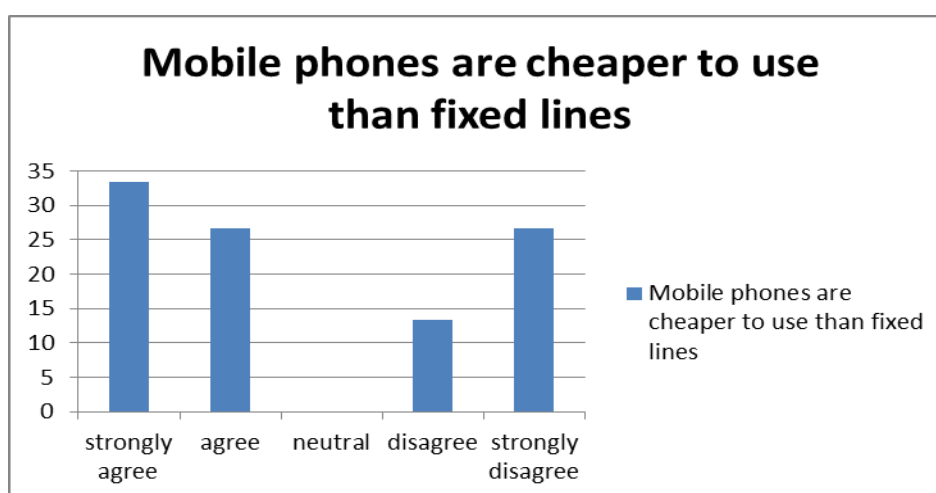
Demographic variables	Frequency	Percentage (%)
<b>Gender</b>		
Male	16	53.33
Female	14	46.67
<b>Age</b>		
Below 20 years	0	0
21 to 25 years	22	73.33
26 to 30 years	4	13.33
30 years and above	4	13.33
<b>Service used</b>		
Pre-paid	28	93.33
Post-paid	2	6.67
<b>Average amount spent on calls per month</b>		
Below N\$200	24	80
N\$200 to N\$500	4	13.33
N\$500 to N\$1000	2	6.67
Above N\$1000	0	0

As depicted above, frequency and percentage for gender shows that from the respondents selected from the general public, 16 were male (53.33percent) and 14 were female (46.67 percent), giving a total of 30 respondents.

**Table 4.2 Summary of descriptive analysis of Telecom [Name of Country withheld] employees**

Demographic variables	Frequency	Percentage (%)
<b>Gender</b>		
Male	8	61.54
Female	5	38.46
<b>Age</b>		
Below 30 years	3	23.07
31 to 40 years	7	53.85
41 to 50 years	2	15.39
Above 50 years	1	7.69
<b>Department at Telecom [Name of Country withheld]</b>		
Finance	4	30.77
Human Resources	1	7.69
Marketing	3	23.07
Pricing and Tariffs	2	15.39
Information Technology	3	23.07

The targeted number of questionnaires to be distributed to Telecom [Name of Country withheld] departments to collect data was 20. However, only 17 could be distributed and 13 were collected back.



**Figure 4.2 Mobile phones are cheaper to use than fixed lines**

As depicted by the graph, 33.33% of the respondents strongly agreed with this notion citing reasons of convenience.



Figure 4.3 Telecom [Name of Country withheld] products have improved

20% of the respondents strongly agreed that products have improved and 46.67% were neutral.

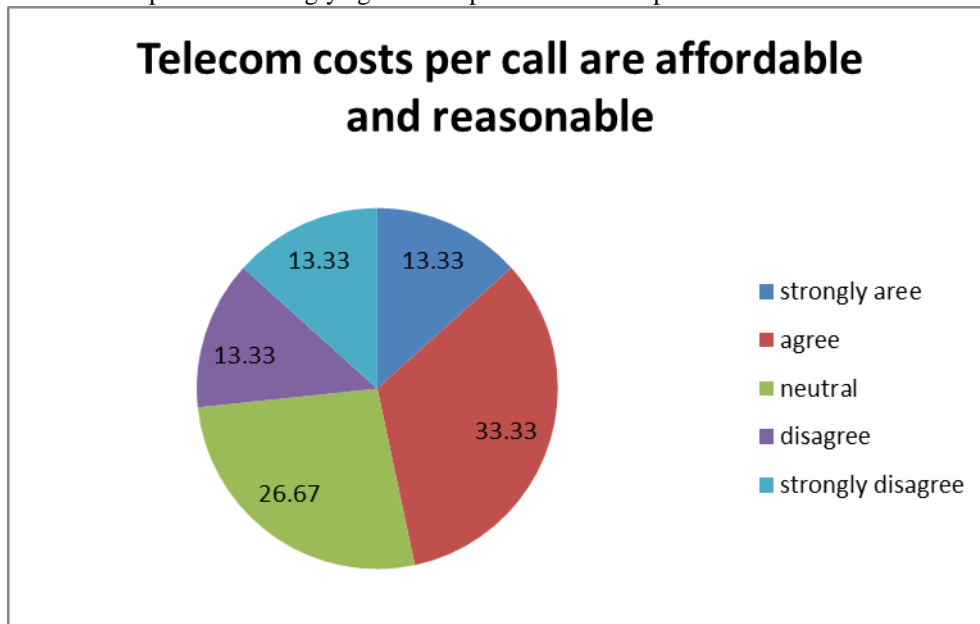


Figure 4.5 Telecom costs per call are affordable and reasonable.

As can be seen on the pie chart, a significant percentage of respondents agreed that costs per call are affordable and reasonable. Respondents from the pricing and tariffs department indicated commitment by their department to costing and pricing products and services correctly as well as creating revenue streams for each product.

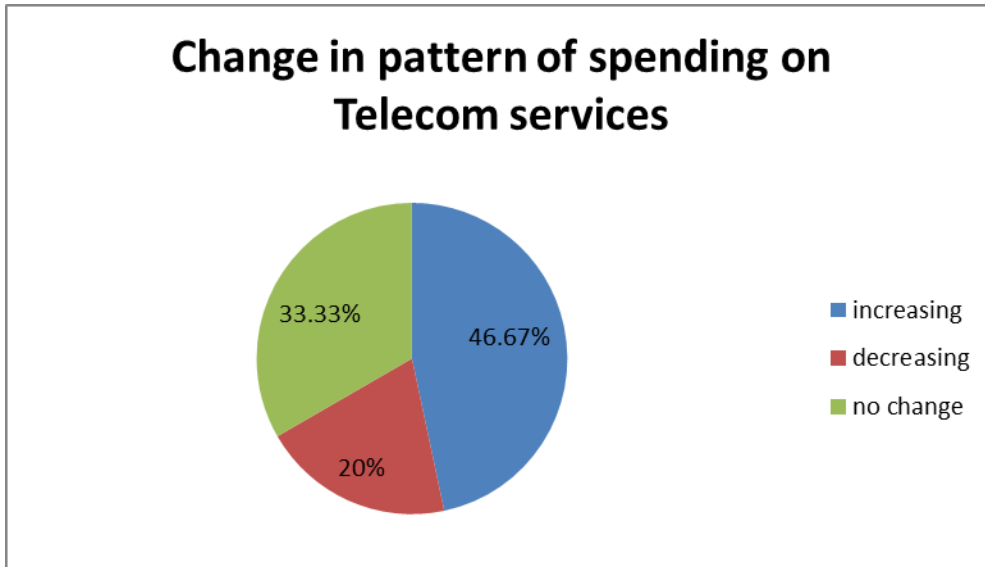


Figure 4.6 Pattern of spending on Telecom services.

46.67% of the respondents from the general public indicated an increasing pattern of spending on Telecom products and services. This communicated the loyalty of customers as well as their satisfaction with the services. In response to the dynamic needs of customers, marketing efforts were carried out to reposition sales channels, market segmentation, brand architecture and provision of both fixed and wireless services.

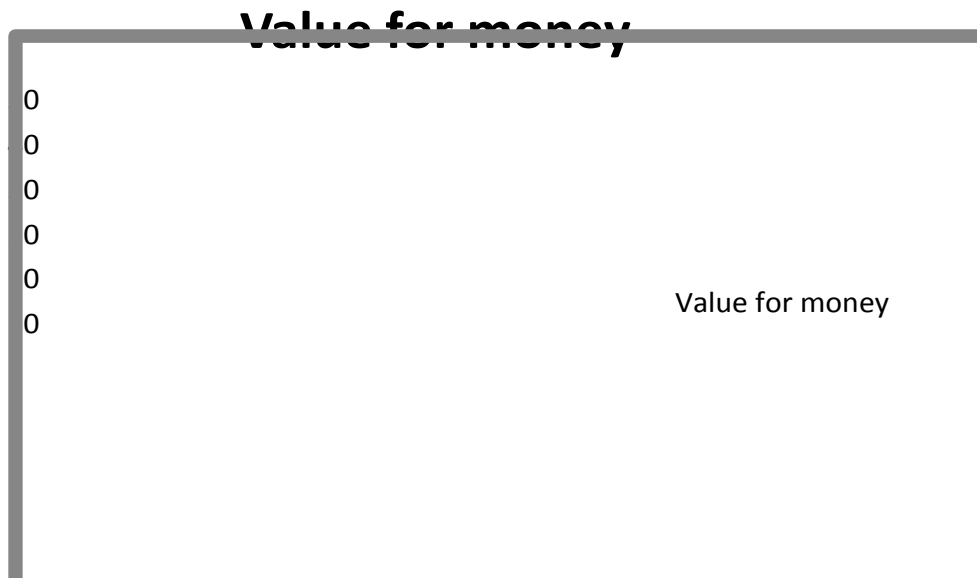


Figure 4.7 Value for money

6.67% of the respondents felt that the value for money is very satisfactory, 40% felt that it is satisfactory,



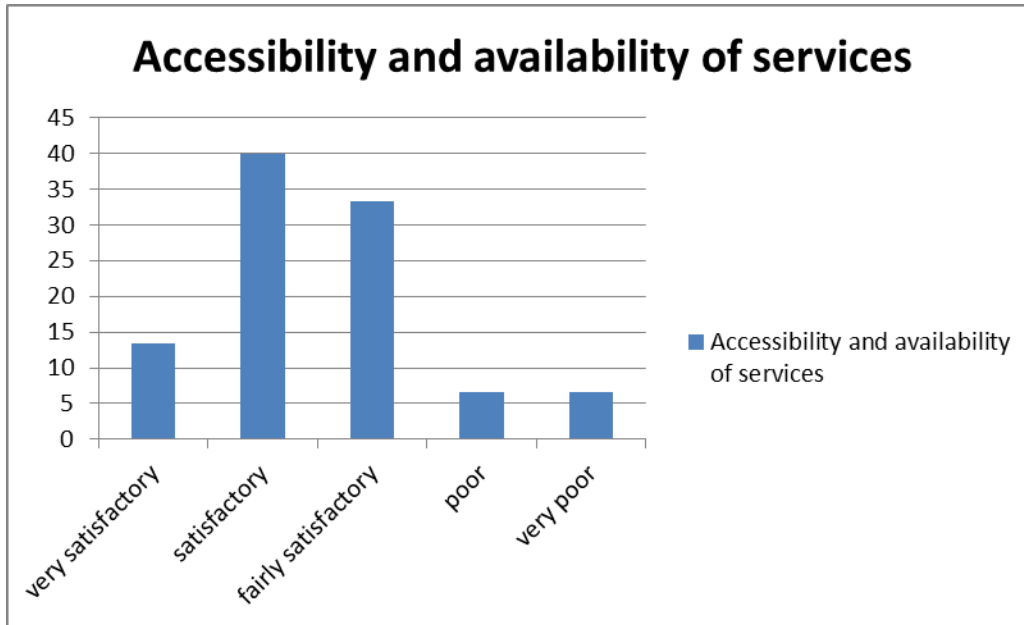


Figure 4.8 Accessibility and availability of services

As presented in figure 4.8, Accessibility and availability of services, 40% felt that it is satisfactory and 6.67% felt that it was poor

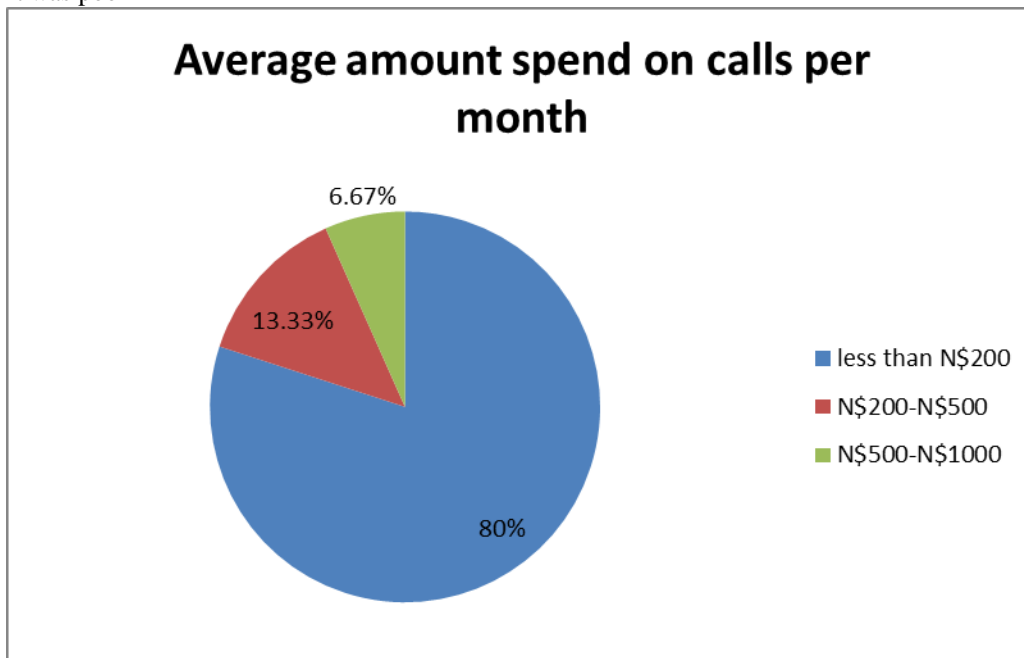


Figure 4.9 Average amount spend on calls per month

80% of the participants indicated that they spend on average less than N\$200 on calls per month. This, together with the high percentage of increasing usage showed earlier, and the opinions indicated on accessibility and affordability, showed that a majority of the respondents are satisfied with the products, and that the prices are generally low.

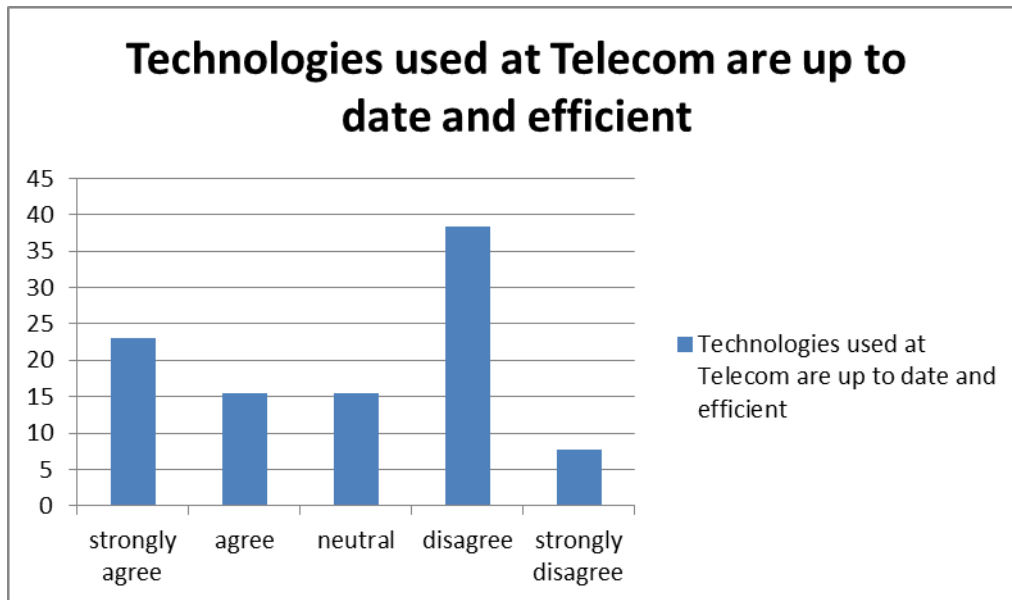


Figure 4.10 Up to date and efficient technologies.

The high proportion of Telecom [Name of Country withheld] employees disagreeing to this statement matched the suggestions given as to how much more the company has to do on the technology frontier. Suggestions were given about the idea of number portability and enabling sim swaps to change from one number to another.

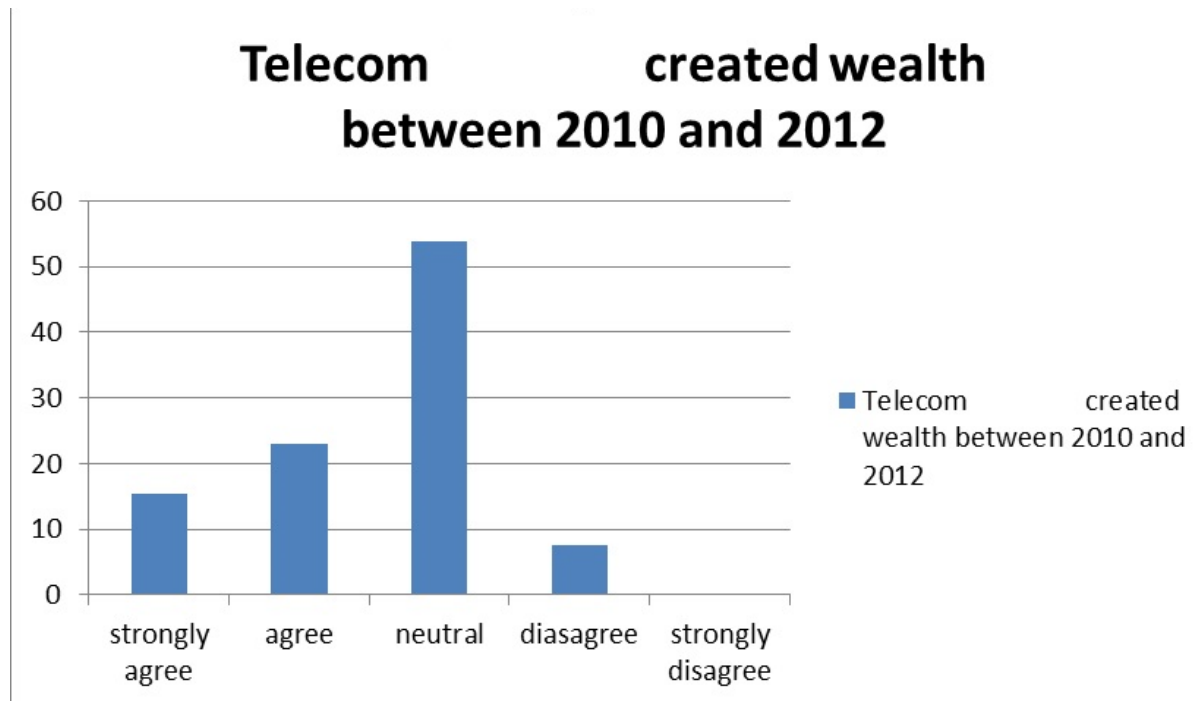


Figure 4.11 Telecom [Name of Country withheld] created wealth between 2010 and 2012

While a considerable percentage of the respondents from Telecom [Name of Country withheld] agreed and strongly agreed to this statement, a significant portion were neutral. This does not mean that the company did not create wealth but it highlights the need to create awareness on the part of the employees as to what wealth creation is and how their individual roles in the organisation contribute to wealth creation. As suggested by other respondents, there is need to empower employees in decision making to create a sense of personal connection to the success of the company at large.

## V. Conclusion And Recommendations

The research was an attempt to carry out financial statements analysis with an objective to determine wealth creation as well as suggesting ways of improving wealth creation. In doing so a lot of considerations and variables had to be looked into. It was not just limited to the financial statements because wealth creation encompasses a broad function of activities and policies. This exposed the researcher to a variety of disciplines and the insight gained was valuable, both as input to the research and personal knowledge.

From the analysis of the findings, it may be concluded that the company created wealth because the financial statements showed good operational results over the period, a look into the departments' functions showed that growth was remarkable. Revenues indicated that they were increasing due to the quality products offered, good customer care, repositioning of sales channels and marketing efforts, as well as continuously producing a variety of products and services. Products are costed and priced to accommodate the budgets of different customers, and they are segmented. This increased revenues by reaching out to customers from various backgrounds, with unique taste and appeal. Commitment to quality and efficiency, as indicated by the continuous training and development of human capital resources also contributed to the company's competitive advantage. There was a general increase in spending on products by customers and showed a general satisfaction with the products.

## **VI. Recommendations**

In the modern day economic era, businesses are exposed to both internal and external influences in the pursuit of their interests. It is worth noting telecommunications is a customer-centric business hence a business has to critically evaluate the strategies it undertakes and consider both the short term and long term implications on its survival and wealth generation capacity. In the light of this, the researcher posed the following recommendations:

- Customer loyalty needs to be improved by continuously adapting to the needs of the customers and giving what they want to gain. This would mean services that are fast and products that are relevant, accessible, easy to use and cheap. Facilities should be offered that allow customers to customize products they wish to purchase.
- Customers should be persuaded to use the services through offering discounts, service advantages and promotions. Incentives like "tell a friend or get a premium service for inviting a new customer" can also be used to attract a broader customer base and maintain a larger market share.
- In this information technology revolution era most people find it fascinating to shop and transact online. It is beneficial to provide customers with such an experience by designing a website where the services they desire are accessible, readily available and convenient. The website should also be very easy to navigate so that potential online buyers do not find it hard to comprehend.
- Taxation on telecommunications should be reformed. The disparity in taxes on telecommunications and other goods should be sustainable to encourage investment in infrastructure. This will be beneficial in the long run. The fact that the government relies on tax revenues from telecommunications and their customers is not disregarded. Therefore if taxes are lifted, policies regarding alternative sources of revenue should also be put in place to mitigate the impact on the government.
- Telecom [Name of Country withheld] should increase visibility through marketing campaigns and advertisement in the media. Education should be given to the rural and other remote communities to sensitise them of products. Products should be made easy to use and appealing to the different needs of clientele.

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