

THE PLACE OF THE CONSUMER IN THE NIGERIAN TELECOMS INDUSTRY – BEING A KEYNOTE ADDRESS PRESENTED BY ENGR. ERNEST NDUKWE AT THE THIRD STAKEHOLDERS FORUM ORGANISED BY IT & TELECOM DIGEST AT GOLDEN GATE RESTAUREANT IKOYI, LAGOS, ON MONDAY 9TH JUNE, 2008

Introduction

Consumers of Telecommunications products and services in Nigeria today are varied and their tastes, needs and expectations are also varied. They number over 46 million today and are spread across the vast geographical area of the country, and have become more aware of the usefulness and potentials of ICT products and services.

There are corporate, communal, institutional, individual and many other categories of users of telecom and ICT products and services. Conceptually, the consumer includes the high political office holders, the movers and shakers of the society, the youths, the entrepreneur, the artisans, the military rank and file, the fishermen in the Delta, the Fulani pastoralists on Gembu hills, and the rural women who sell crayfish at Zonkwa market, etc.

Today, Consumers of telecoms services in Nigeria are no longer the few who were endowed with the economic power to own a phone in those days when only very few Nigerians could afford the few lines that were available. The reasons of inability to own a phone is no longer much about inability to afford a phone because of very high cost or that locations of business or residence are not covered by any telephone network as, apart from very remote areas, most urban and semi-urban parts of the country is covered today.

Some people have said those who could afford phone services in the era being referred above, were victims, rather than being described as the privileged few when compared with the present day consumers of telecommunications services.

To all intents and purposes, it is easy to agree with this assertion because deregulation of the telecoms industry, with the attendant availability of many networks, providing multifarious products and services, covering far more geographical areas, with millions of Nigerians privileged to own phones services at far lower costs, supports that position. The fact that Nigerians can also sit down today to discuss the place of the consumer in the national telecom equation, provides an insight into the elevated position of the Nigerian telecoms consumer in the scheme of things.

The Position of the Consumer in our Regulatory Process

The Commission has many stakeholders in the regulatory process. These stakeholders include the government, consumers, the operators, the media, and the international community, among few others. There is a need to expand on this because it would appear that a number of people do not know that the Commission strives to meet the expectations of many stakeholders.

Government: Government is a very important stakeholder in the job of telecom regulation. The policy and the laws being implemented by the Commission have been prepared and enacted by government for good of society. The Government's interest in the process is also varied. Government is interested that services are made available to the Nigerian people in a timely, qualitative and affordable manner, and that activities in the sector are carried out in a legal and orderly manner. Government is also interested in creating an enabling environment that would continue to attract investment in the sector so that her desires for the people are substantially met.

The Commission in all its activities is therefore mindful of the need to protect, preserve and implement actions and programmes that meet the expectations and objectives of government.

The Consumer. The consumers of telecom products and services, as we have indicated above, have many desires expected to be met. He wants services available at all times and at every place. The consumer wants the services to be of a good quality and affordable. The consumer wants the operator to respond at all times when he or she needs attention, and to provide explanations whenever anything goes wrong. The consumer wants to be protected at all times from being taken advantage of by service providers. Just like consumers of any services, the consumer of telecom services wants to be well treated. The Commission has recognized this and has put in place special structures to ensure that the needs and desires of the consumer are taken care of. For us in the Commission, the consumer is the main object, the subject and the reason for our being; hence the place of the Consumer as the KING is sacrosanct.

The Operators: The operators also belong to a class of stakeholders in the business of telecom regulation. Apart from obtaining their operational licenses, with certain obligations attached to them, the operators also expect certain obligations from government and the regulator. They expect a non partial regulator to protect their huge investments. They want the Commission to ensure that no other entity interferes with their network resources such as frequency spectrum or

base stations. They expect a regulator that will not be arbitrary in decision making and one that will regulate by the rules as contained in the license agreement and provisions of the laws and regulations.

The media: The media is also one of the major stakeholders in the industry. This is perhaps, the reason why we are here today at a forum organised by members of the media. We know that the government, the operators, and the consumers alike depend on the media for dissemination of information about activities and services in the telecommunications industry. The Commission depends on the media for provision of adequate information on the industry.

The International Community: The international community, especially the global development and regulatory institutions are stakeholders of our telecom industry development. An action of a telecoms regulator in today's world can trigger off multiple reactions that may affect other parts of the world. This is why the regulator needs to adhere to certain international standards in carrying out its functions even in the local operating environment.

The starting point for due diligence by any international investor showing interest in the country, would be in the regulatory process, as no investor would ordinarily be interested in doing business in an unpredictable regulatory environment. The telecom regulator, therefore, must be careful to meet the expectations of such investors for regulatory certainty on a continuous basis, as well as meeting the international obligations expected by the global community.

Other stakeholders:

There are other stakeholders like the staff of the Commission, the vendors and distributors among others. Suffice to say that the Commission must always strive to strike a balance in meeting the expectations of the many stakeholders even when the interests of these stakeholders conflict with each other. For instance, the average consumer would want the license of an operator withdrawn because he failed to deliver a text message he sent to his friend but the regulator knows that withdrawing such a license for that infraction would mean that more than 40 million Nigerians would be adversely affected. It would lead to loss of huge investments already made in the economy, and will lead to a lot of gainfully employed Nigerians losing their jobs.

Lets look at another example. The average businessman in Lagos could be very happy with the operators if he gets 100% perfection in service quality if the operators decide to concentrate all their efforts in services in Abuja and Lagos and few other locations where his businesses are

located. He will not be worried if services are not available in other locations of the country. This would run counter to the desire of government to ensure that services are extended to all parts of the country. The typical telecom operator would want to roll out in few locations where profit is guaranteed as against the desire of government to see that all the citizens enjoy phone services in all parts of the country

It is in adequately managing the interest of different stakeholders that is critical to the success of the telecom regulatory body. The role of the NCC is to achieve a common good and not pander to the wishes and desires of any of the stakeholders. To ensure that the consumers of telecom services continue to enjoy services, and that operators are equipped to provide those services, just as government achieves its the objectives of development using telecom services as the tool, the Commission must understand this role clearly and manage the interests in such a way that one does not suffer.

The Place of the Consumer in telecom regulation

The Commission does not just theorise about empowering the consumer in industry, it has given practical expressions to this phenomenon through actions, policies and programmes which have venerated, empowered, protected and uplifted him/her in the comity of stakeholders in the industry. Prior to the enactment of the Nigerian Communications Act, 2003, the Commission had in September 2001 established a full fledged department called Consumer Affairs Bureau. The Bureau was charged with PIE mandate – to Protect, Inform and Educate the Nigerian telecoms consumers. This mandate has remained an irrevocable social contract between the Commission and telecoms consumers in our nation. In a bid to protect, inform and educated consumers, the Commission held its maiden Consumer Forum at Flamingo Restaurant in Victoria Island in April 2002 and shortly after in August 2003, launched the monthly Telecoms Consumer Parliament, a novel regulatory initiative that earned the Commission, nay Nigeria, commendations from ITU and ICT professionals and groups across the globe. At the last count, 46 sessions of Telecoms Consumer Parliament has helped in no small measure in creating awareness of the rights of consumers and the obligations of the service providers in the resolution of their problems and concerns. It has enable operators to clarify issues pertaining to service delivery for the benefit of their subscribers and also to publicly give account of their stewardship to the people. Useful feedbacks have emanated from the programme which culminated in far-reaching regulatory interventions by the Commission.

The Commission has over the years proactively enunciated policies and programmes that served the interest of the consumers through the introduction of price caps within which operators were allowed to charge consumers for services provided in accordance with global best practice, introduced competition in all segments of the telecom services portfolio to ensure that consumers have a wide range of products and services to choose from; and are not held to ransom by any service provider. Based on feedbacks received from consumers at the TCP, the Commission intervened on the issue of charging subscribers for calls made to customer care lines to lay consumers complaints.

In recognition of the need to extend services to rural and unserved remote areas of the country where operators may unwilling to provide telecoms services due to their non-viability, the Universal Service Provision Fund (USPF) was set up to provide incentives to operators to extend services to such unserved and underserved areas in the pursuit of achieving universal access.

The Commission has also defined acceptable quality of service thresholds which operators are expected to meet on the one hand, as well as sanctions in event of failure to meet those thresholds. In order to ensure compliance by operators, regular monitoring by the Commission of the operations of licensees across the length and breadth of the country is undertaken. Periodic reports on these monitoring activities are published on the website of the Commission and in major national newspapers.

To underscore the importance that the Board and management of the Commission attach to improved QoS on the networks, an industry QoS Working Group was set up with members drawn from the public and private sectors of the economy.

In 2007, the Commission caused to be gazetted Consumer Code of Practice Regulation which has become the reference document for both consumers and the operators. Each licensee is required to produce and submit a Code of Practice which has to be reviewed and approved by the Commission. The Code of Practice stipulates Service Level Agreements, the responsibilities and rights of each party, and procedure for resolving disagreements whenever they arise between parties.

Given the diversity of the country coupled with its geographical vastness, the Commission has taken it upon itself to promote and nurture consumerism by identifying and collaborating with reputable Consumer Advocacy Groups to facilitate nation-wide consumer protection and empowerment as a precondition for orderly and sustainable growth and development for the telecoms industry in Nigeria.

It is important to emphasise that it is the primary responsibility of Operating companies to at all times ensure that their consumers are provided acceptable quality of service and to promptly and professionally address complaints and grievances of their clients. It is indeed mandatory on operators to deal reasonably with consumers at all times.

Since the consumer is KING, operating companies should strive to anticipate consumer needs, expectations and preferences and work diligently to meet them. They should be transparent, fair and reasonable in their dealings with consumers by eschewing sharp practices, incorrect billing, untrue and deceptive advertisements, non-disclosure of vital products or services information, false promises, reluctance or apathy towards consumer grievance handling and respect for the feeling of the average consumer.

While we commend operators for providing the market with a bouquet of products and services, it is imperative to stress the importance of adequate and timely consumer information and education on these products and services without which consumers would be unable to optimally derive value for their money. It is not just enough to advertise these products and services in the media (radio, television, newspapers and magazines), other channels of communication have to be employed in targeting the rich and poor, the rural and urban consumers. It is may be desirable in some cases for local languages to be used in communicating product features, benefits and applications to the consumers.

It is pertinent to mention that we have observed that the number of consumer interface centres for consumers in some parts of the country is abysmally low. We would like to see a situation where in each State of the federation, each service provider has a minimum of three well equipped and well staffed Customer Service Centres to attend to consumer issues. The Commission will soon issue a direction in this regard to nudge operators on to do what is expected of them in the area of Customer Relations management.

As a means of encouraging good customer care in the telecoms industry, the Commission intends to introduce merit awards to deserving operators and service providers, who have distinguished themselves in delighting and creatively managing the expectations and needs of consumers.

In a fully liberalised market such as what we have in Nigeria today, the future of each and every service provider would be bright or bleak depending on how it manages its consumers and assures consumer satisfaction. As we introduce number portability and other such measures, the ability to delight and retain the consumer would be determined on the basis of how fair and transparent service providers are in their dealings with their consumers.

For us in the Commission, the consumer enjoys a primary place in our regulatory functions and we shall continue to invest valuable time and resources in ensuring that his/her rights are protected at all times. Please join me to celebrate and delight distinguished Nigerians telecoms consumers who have catapulted the nation's active lines from mere 400,000 in 2000 to well over 46 million as at May 2008.

Thank you.

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EVC/CEO

Nigerian Communications Commission, NCC.