

Yoganand Budhram Mahadeo

Value of a Telecom Monopoly to a Developing Country



ABSTRACT

The telecom regulator in Guyana, with the backing of the Government, introduced competition in the mobile market sector in the year 2006. However, the fixed-line market and the international telecom sector in Guyana has been dominated by a 40-year (monopoly) license that holds exclusivity over landline voice, data connectivity (internet) and international voice and data access. The telephone company, GT&T has, over its life, made contributions to the national economy while creating the opportunity for its own expansion and growth as well as the international expansion of its parent company. This quantitative correlational study analyzed the results of a web based and face-to-face survey to quantify the value of the telecoms monopoly (i.e. fixed-line market and international telecom sector) to Guyana, a developing country. This research found that there is no significant relationship between telecom monopoly in the country and Guyana's economy. The study has shown that the impact of liberalization will neither negatively impact the economic well-being of the national economy of Guyana nor that of the incumbent, GT&T. This study also supported the hypothesis that there is significant impact of telecoms market liberalization on the satisfaction of the telecoms subscribers in Guyana. The study further concluded that there is significant difference in the satisfaction experienced from telecom services between the male population and the female population of Guyana. This study also concludes that customers' acceptance of and satisfaction with liberalization is directly correlated to their satisfaction with the company's products, its customer care and quality of service – which are usually the factors that influence customers' willingness to pay higher prices with the converse being true for lower prices.