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The Effect of Market Benchmarking on Business Performance: Evidence from MTN, Mobile Company in Ivory Coast

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Abstract: Benchmarking involves a company taking inspiration from the ideas of the market leader and adapting them to turn defects into strengths, ultimately striving for excellence. The main objective of this study is to investigate the impact of Market Benchmarking on a company's performance, specifically through the moderating effect of management decisions, using the case of MTN-CI in the cell phone market in Côte d'Ivoire. The study used a quantitative research method and collected data from 128 participants. The results demonstrate the importance of pricing benchmarking at MTN-CI, which positions itself as a dynamic, innovative, loyal, and transparent company, and continues to compete healthily in a competitive market. The key factors to success in this market are seriousness, credibility, and proximity to customers, which MTN-CI prioritizes by making management decisions that are closely aligned with the needs of its partners and customers. Additionally, MTN-CI is committed to assuming its role in sustainable development through its participation in economic progress, with its top priority being to gain market share and build customer loyalty while ensuring the company's performance.

Keywords: Pricing bench marking, Market benchmarking strategy; business performance; Management Decision

1. Introduction

The organization of a company is influenced by its management concept and strategic choices. The introduction of information and communication technologies, recent changes in the environment, and increased competitive intensity have led to the emergence of new management methods and a complete reorganization of marketing in many sectors. Today, many sectors face uncertain and increasingly complex environments, creating a need for anticipation, innovation, and quick decision-making. Flexible structures are necessary to meet this need, particularly in this period of economic war and leadership between companies. Benchmarking has become an integral part of companies' strategies and a strategic weapon in competitive environments. There are many competitive strategies to become a market leader and gain the largest market share in the business, and Benchmarking is one of these marketing strategies.

According to Claude Demeure, Benchmarking can be defined as "a method of evaluating a company's performance by comparing it to significant competitors, analyzing the most effective methods of competing companies or companies recognized as the best in a given field." Robert C. Camp, the initiator of the approach, defines it as "the search for the most efficient methods for a given activity, allowing superiority." Regardless of the name used, the goal is to identify a standard or a pinnacle as a model with which to compare oneself and close the performance gap.

In the mobile telephony sector in Ivory Coast, where there are three mobile operators and a population of 21 million, marketing techniques, including Benchmarking, are used to understand the market environment. With approximately 44,561,505 million subscribers in December 2021, the sector is one of the most attractive in French-speaking West Africa. MTN-CI is one of the companies in this market and fully engaged in its commercial activities. Given the market's importance, MTN-CI deploys marketing strategies, including Benchmarking, to compete with its competitors, such as Orange and Moov, who also use the same strategies.

2. Literature Review and Hypothesis Development

2.1. Market Bench Marking

The term benchmarking covers a relatively simple idea: finding those who are most efficient in a process or task, studying them, and adapting the process to one's own company. In other words, it involves comparing oneself to "champions" in a specific field, drawing inspiration from their ideas and experience to strive for excellence. Benchmarking is composed of two words: benchmarking, which means "test bench," and marking, which means "notation." The concept of benchmarking is best known through the expression "best practices." The word benchmarking comes from the English benchmark, which means reference or standard. This translation reduces the method to almost nothing, as the word is translated into French as standard or calibration, allowing it to be measured against others. Regardless of the name chosen, the goal is to locate a standard or model with which to compare oneself and close the performance gap.

Benchmarking relates to management practices and staff work to manage the business. When benchmarking is intended to establish performance indicators, it is referred to as "calibration" and "markup." When it is aimed at documenting best practices and the reasons for their performance, the term "comparative analysis" is used. Moreover, benchmarking systematically researches the best practices and innovations of a given activity to adopt, adapt, and apply them to ensure superior performance of the company over the competition.

Benchmarking is not a simple comparison of processes or methods, as it requires a genuine willingness to change. It is closer to marketing analysis in terms of studying the main object of study. While marketing analysis studies the needs of customers, benchmarking studies the methods that meet those needs. Benchmarking is considered an extension and generalization of the marketing approach as it ultimately pursues the same objectives of excellence.

Benchmarking has been of interest to many economists, managers, and professionals in the field, and each has proposed definitions that complement or bring a new aspect to consider. Among the many definitions of benchmarking, one can distinguish the operational definition by Robert C. CAMP, the initiator of the approach, who considers benchmarking as "the search for the most efficient methods for a given activity, allowing to ensure superiority." According to David Kearns, "Benchmarking is an ongoing process of evaluating products, services, and methods relative to those of the most serious competitors, partners, or organizations recognized as leaders or leaders."

On the other hand, benchmarking allows for establishing a natural system of recurrent measures of the activity under study and development. Benchmarking makes it possible to improve the management of this activity from the point of view of reactivity (delivery times), costs (development projects, maintenance, integration of software solutions), and the quality of applications. Finally, benchmarking promotes the awareness of the development teams in metrology and the industrial approach and facilitates the integration of the methodology of the points of function into the working methods of the organization. Unlike the world of production, the world of studies and development is much more resistant to measurement and comparison. This culture, which is far removed from the industrial spirit that drives production staff, means that "development people" are less sensitive to producing information and metrics needed to measure productivity and effectiveness.

2.2. Companies Performance

Mobile Telephone Network Côte d'Ivoire (MTN-CI) is a telecommunications company that was established on July 01, 2005, after the purchase of the cell phone license of Loteny Telecom (Telecel) by the South African Group M-Cell, which later became MTN International. MTN-CI aims to achieve customer satisfaction, loyalty, innovation, and technological progress. These primary objectives have enabled the company to make profits and acquire over 16,511,725 subscribers in record time. By constantly working on its brand image and offering better products and services to its customers, MTN-CI is positioning itself as an operator that is close to its partners and customers. The company's values are Transparency, Loyalty, Dynamism, and Innovation.

MTN-CI optimizes its quality of service and ensures the loyalty of its customers by deploying a high-quality network, ensuring satisfactory customer service, and creating innovative products and services. The company has developed a telecommunications network that meets international standards with 2G, 3G, 4G, and 5G technologies. Its network is constantly evolving and is equipped with two ultra-modern data centers of the latest generation, with others under construction. MTN-Côte d'Ivoire has quickly established itself as one of the leaders in the mobile sector in Côte d'Ivoire,

with nearly 16,511,725 subscribers by the end of 2022. Additionally, MTN-CI has excellent network coverage of the population.

MTN-CI deploys all its efforts and services to face the competition, launching several offers and services. The company continues to compete in a competitive market where seriousness, credibility, and proximity are the keys to success. MTN-CI adopts a development strategy based on a simple principle, which is to be a company focused on innovation and new technologies, adopting the strategy of sustainable development. The company is committed to assuming its role in sustainable development through its participation in economic progress, respect for cultural diversity, assuming its social role, and participating in environmental protection. The present charter translates its values and commitment into its communicative behavior.

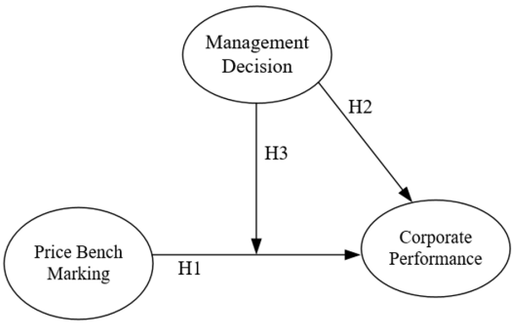
The concept of performance can be defined in several ways. According to the Grand dictionaries Larousse, performance is an English word that means "execution, completion; by extension, any achievement." It proposes a definition of performance that focuses more on means: "the accomplishment, execution, carrying out, working out of anything ordered or undertaken; the doing of any action or work; working, action." The concept of performance is used daily in all sectors of human activity. Performance benchmarking is a powerful tool if you're looking for continuous improvements in your business processes. It involves comparing a company's performance with a group of companies in the same industry.

The literature supports the use of benchmarking as a driver of performance. Benchmarking addresses the need to improve profitability, efficiency, and process quality in a rapidly changing environment (Haughton et al., 1999). However, most studies are based on examples from company cases, and currently, there are very few empirical verifications of its actual effect on performance, whether defined operationally, at the level of different dimensions of the organization, or more globally by financial indicators. At the operational level, Brah, Ong, and Rao (2000) state, for example, that benchmarking can lead to significant improvements in flexibility, quality, costs, delivery, and customer satisfaction. On the financial side, other authors, such as Foley (1999), argue that benchmarking can also help reduce costs through advanced risk management techniques.

Leandri S. J. (2001) also points out the possibility of improving a company's financial performance through benchmarking. The controller can identify the company's weak and strong points by comparing quantitative and qualitative information with that of companies using best practices in the field of billing, credit, and collection (Voss et al., 1997). According to these authors, benchmarking improves performance by helping a company identify best practices, set challenging performance goals, and, through a better understanding of its strengths and weaknesses relative to its competitors, implement decisions based on actual needs. Therefore, it is assumed that benchmarking prices have a positive impact on procurement performance.

2.3. Hypothesis Development

2.3.1. Pricing Bench Marking and Performance



Price benchmarking involves comparing your prices to those of competitors in a particular market niche. One might wonder why this is important, but the answer is straightforward: a successful business depends on knowing your prices and where you stand relative to your rivals. This is particularly important for pricing managers and analysts who need to keep up with ongoing changes in the e-commerce industry. Armed with this information, a company can position itself effectively in the market, increasing the likelihood that its target audience will buy and use its products. Price benchmarking is a valuable method for determining prices that maximize value. It also enables a company to assess the competitiveness of its rivals in the market, identify any operational performance gaps, and highlight their strengths and

weaknesses. Pricing benchmarks help determine what the public is willing to pay for the goods and services a company provides and keep track of what its competitors are charging. There is no better way for a company to continuously refine and improve its offerings than by looking at the market through the lens of competition. A company should consider selecting a software solution that can handle this work, as the process can be time-consuming. Competitive intelligence tools provide market competitive data while posing little risk and saving time and money. Price benchmarking is a continuous exercise due to frequent price changes, and therefore, competitive intelligence solutions with real-time data are essential for success.

H1: Price benchmarking has a positive effect on business performance.

2.3.2. Managers' Decision and Company's Performance

Machine learning and business rules are combined in decision management, which helps businesses determine the proper course of action to follow in a process. Decision management is typically used by businesses as a more comprehensive kind of business automation. Chester Barnard, a retired telephone executive, is credited with coining the term "decision making" in the business world. He saw it as a more well-rounded concept for directing managers than other, more limited concepts like policy making or resource allocation, according to Buchanan, L. and Connell (2006). These more restricted conceptions were thought to be insufficiently indicative of the work required to take steps that will bring about a positive shift in an organization's course.

Organizational survival depends heavily on decisions. It often serves as the link between the proclaimed strategic aspirations of an organization and the achievement of strategic expectations. Most business-related decisions can be categorized into eight major categories by Kreitner (2007), each of which describes the decision's nature, importance, or time frame. Programmed, non-programmed, minor, major, routine, strategic, individual, and group decisions are among the eight different categories of decisions. Making decisions is a skill or activity that individuals as well as organizations engage in. While the strategy, timeline, or method may vary from one economic agent to the next, the overall goal — to inspire constructive change or action — remains the same.

Decision-making involves the interaction of three factors, according to Tohidi, H., and Jabbari, M. M. (2011): human instinct, conscious rationality, and subconscious emotional intuition. In this situation, human instinct is a result of previously acquired experience. While rationality still uses structured, logical thinking to achieve the same goals, intuition tends to act involuntarily. People often view intuition as an instinctive awareness of information and offer associations and evidence to the decision-makers without comprehending why such linkages or evidence exist (Sauter, V. L., 1999). On the other hand, rationality requires a logical, critical evaluation of the alternatives in a decision-making scenario. These two characteristics have been utilized to distinguish between important decision-making approaches. The goal of rational (normative) decision-making is to maximize results, while intuitive (descriptive) decision-making approaches emphasize the incorporation of psychological factors and outline how people make judgments (Harren, V. A., 1979; Lamoureux, T., Bandali, F., and Martin, L., 2005). Both organized and unstructured situations can be used to depict the managerial decision-making process. Structured circumstances include tactical-level operations, operational review meetings, and strategy development sessions. On the other hand, unstructured settings include routine shop floor tasks. Unstructured, everyday decisions are made under known circumstances, but structured decisions are typically taken when there is risk and ambiguity (Robbins, S. P. and Coulter, M., 2012). The hypothesis is that managers' decisions in benchmarking positively affect the company's performance. However, the effect of managers' decisions in benchmarking can be direct and indirect, i.e., mediated by the positive effect of managers on the company's performance, which is why hypotheses H2 and H3 have also been formulated.

H2: Managers' decisions positively affect business performance.
H3: Managers' decisions moderate the relationship between benchmark pricing and business performance significantly.

3. Materials and Methods

3.1 Data Collection

The employees and business managers of telecommunication companies such as MOOV, MTN, and ORANGE in Averi were the source of information for this study. The researchers utilized the purposive sampling approach to select respondents from the entire population to estimate the sample size of telecommunication business managers. The writers selected 128 respondents from the three telecommunication companies by using both primary and secondary data. The

researchers distributed 148 questionnaires to respondents. Eventually, they gathered 128 questionnaires and subjected them to statistical analysis using Smart-PLS software.

3.2. Analyses and Interpretation of Result

Table 1: Demographical Statistics of Respondents and Enterprises

Demographic variables		Frequency	%
Gender	Male	74	57.8
	Female	54	42.2
Age	15-25	27	21.1
	26-35	56	43.8
	36-45	33	25.8
	46-55	9	7
	>55	3	2.3
Education	Bachelor Degree	33	25.8
	Undergraduate	39	30.5
	Postgraduate	44	34.4
	Others	12	9.4
Demographical statistical of Tele Enterprises			
Tele Companies	MOOV		
	MTN		
	ORANGE		

Source: Authors' Computation through Percentage, Frequency.

The target population of the study is dominated by the 26 to 35 age group, representing 56 of the interviewed subscribers, which is 43.7% of all cell phone subscribers. Within this age group, Orange holds the highest proportion at 51.7%, followed by MTN at 26.7% and MOOV with a proportion of 21.4%. Almost half of the interviewed subscribers are Orange subscribers (43%), with almost 29.7% being MTN subscribers, and the MOOV operator having a proportion of 27.3% of the interviewed subscribers. More than half of the interviewed subscribers are men (57%), and more than 45% of them are Orange subscribers. Additionally, 38.8% of women are Orange subscribers. The majority of subscribers surveyed are postgraduates, with 44 of the subscribers being postgraduates, 52.2% of whom are Orange subscribers, 27.3% are MOOV subscribers, and 20.4% are MTN subscribers.

Regarding the failure of the service to deliver calls, 52% of the individuals surveyed showed a predominance of disagreement. MTN alone is in first place, with 38% of the 67 individuals disagreeing with the service's call failures. MOOV and Orange telephone operators represent 31.3% and 29.8% of respondents, respectively.

Regarding satisfaction with the established call service (less than 6 seconds), the respondents' opinions differ. The predominance of disagreement is among MTN subscribers at 37%, followed by MOOV and Orange, both at an appropriate level of 31.4%. Regarding the volume of poor-quality calls, 65 respondents had an assessment of disagreement, with 41.5% being MTN subscribers, 33.8% being MOOV subscribers, and 24.6% being Orange subscribers. The study notes that 57 of the subscribers surveyed strongly oppose call disconnection, of which 40.3% are MTN subscribers, 31.6% are MOOV subscribers, and 28.1% are Orange subscribers. Among the levels of the measurement scale, strong agreement comes in first place with a workforce of 62 individuals, of whom 46.7% are MTN subscribers. The mobile operators MOOV and Orange have 17.7% and 35.4% of the surveyed workforce, respectively. Of the respondents concerning the delay in sending SMS in good time, 66 subscribers show a disagreement opinion, with 37.8% being MTN subscribers, 31.8% from Orange, and 30.3% from MOOV.

3.3. Reliability and Validity

Convergent validity and internal consistency are essential requirements for measurement models. This study employs the average variance extracted (AVE) to test concurrent validity. Table 2 illustrates that the AVE values range from 0.613 to 0.874, indicating that the constructs share a significant amount of variance. Furthermore, the outer loadings also exhibit consistency between corresponding indicators, with values greater than 0.7 (Table 2). The coefficients of Cronbach's alpha for the latent variables are between 0.896 and 0.976, indicating a higher level of reliability, as per the conventional criterion for internal consistency. The range of CR coefficients, which is typically acceptable in exploratory research, is 0.912 to 0.980, and it is crucial to check for this to avoid biased estimation due to collinearity. This study also employs cross-loading and the Fornell-Lacker criterion to evaluate discriminant validity. The algorithm computation provides the path coefficient for the structural model and the estimation of loads and weight for the relationship in the measurement models. Together, the three constructs (R2 = 0.28) account for 28% of the variation in the endogenous construct.

Table 2: Correlations Matrix and discriminant validity results analysis

	BP	MD	PBM
BP	0.935		
MD	0.449	0.783	
PBM	0.433	0.414	0.877

Note: BP = Business Performance; PBM = Price bench Marking; MD = Management Decision

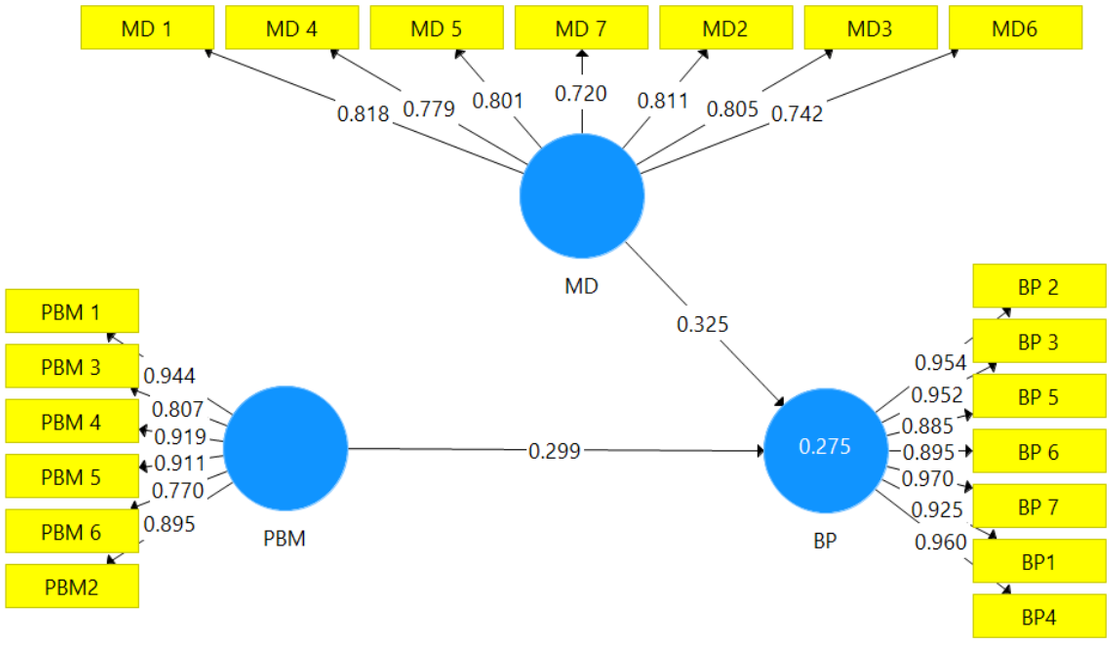


Figure 1: Measurement Model Analysis

3.4 Hypothesis Testing

Each of the paths has a p-value of less than 1%, making them all statistically significant (Figure 1). The results demonstrate that pricing benchmarking has a significant impact on company performance (β = 0.242, t-value = 3.23, p-value = 0.001), indicating that H1 is supported. Management decision has a positive impact on firm performance with a coefficient of (β = 0.171, t-value = 2.002, p-value = 0.046). Since each path has a significant p-value of less than 1%, the data further support the validity of H2. The association between pricing benchmarking and firm performance is finally moderated by management decisions at the coefficient findings (β = 0.255, t-value = 7.25, p-value = 0.000). Therefore, since both management decision and interaction terms have a significant impact on business performance, hypothesis H3 is supported. The outcome suggests that management decision upheaval significantly affects the impact of risk-taking behavior on corporate performance. The impact of pricing benchmarking on business performance is declining due to

increasing technological disruption. The moderating effect reveals that the link between price benchmarking and business performance shifts depending on the management decision upheaval (Table 3 and figure).

Table 3: Summary of hypothesized results

Hypotheses	Paths	β	T-value	p-value	Decision
H1(+)	PBM -> BP	0.242	3.227	0.001	Supported
H2 (+)	MD -> BP	0.171	2.002	0.046	Supported
Explained variance for each dependent variable (R^2)					
	MD	28			
Moderation Effect of Management Decision					
H3	MD_ PBM X BP	0.255	7.725	0	Supported

Note BP = Business Performance; PBM = Price bench Marking; MD = Management Decision

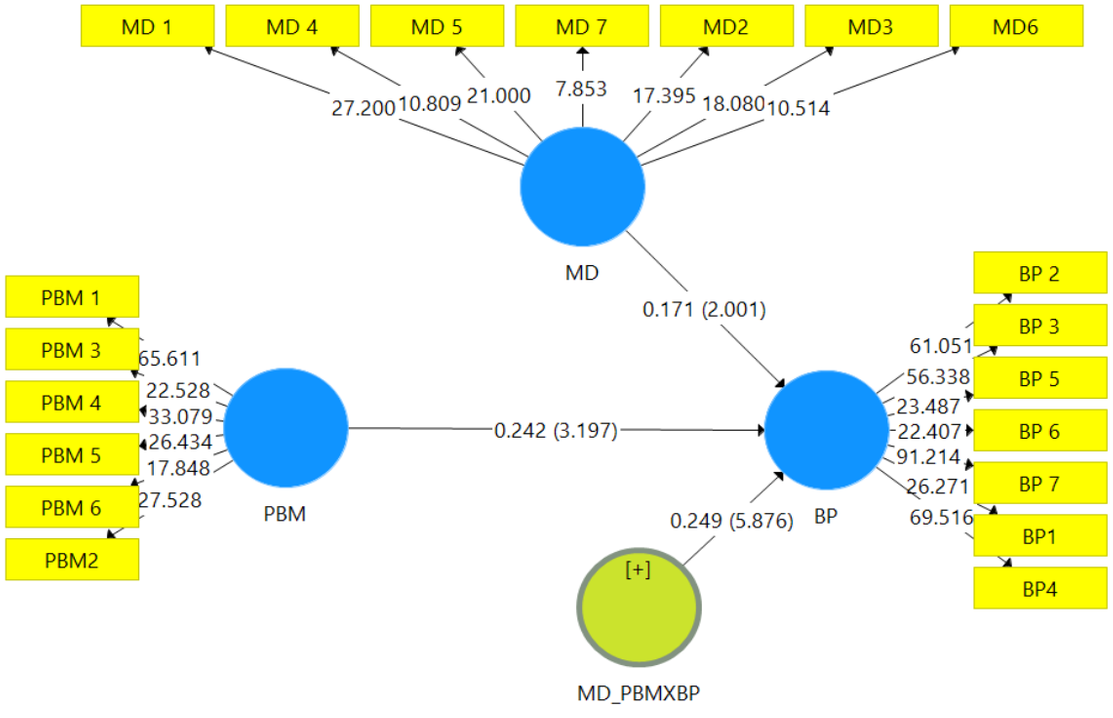


Figure 2: Result of the Moderation effect

4. Discussion and Conclusion

The research framework operationalized and measured the benchmarking concept, which enabled an evaluation of the dynamics of MTN-CI as a solution for ensuring customer satisfaction and sustaining its telecommunications market activities in Côte d'Ivoire. The concept was measured by assessing its capacity to satisfy the Ivorian population's service needs in three dimensions: telephone calls, SMS, and Internet connections. This allowed for an overall assessment of MTN-CI's efficiency from a benchmarking standpoint.

Benchmarking was measured from the consumer's point of view, as an essential means for companies to remain dynamic in a competitive market, such as the telecommunications sector. Consumers judged the telephone operator MTN-CI based on the company's dynamism, innovation, loyalty, transparency, credibility, and proximity to Ivorian consumer expectations. These judgments determined consumer attitudes and loyalty toward MTN-CI's services.

This research aimed to understand how benchmarking was practiced in the Ivorian telecommunications market, particularly by MTN-CI, in the face of intense competition. The empirical study was based on a sample of 128 MTN-CI executives and 128 consumers. The results showed that benchmarking had a positive influence on MTN-CI's marketing efforts. Although data collection precautions could not entirely eliminate the risks of misunderstandings among some respondents, the study's relevance and validity remain unquestioned. This research introduced a new concept into marketing methodologies for measuring the effectiveness of competitive actions by telephone operators. While applied

to Ivorian telephone services in this study, the concept could also apply to other types of services, such as banking and insurance.

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