

**MARKET STRUCTURE, CONDUCT AND PERFORMANCE OF
SELECTED MOBILE NETWORKS IN THE PHILIPPINES**

THESIS

**KRISTEL JOY D. BARQUILLA
CARA ANGELICA M. GONZALES**

**College of Economics, Management
and Development Studies
CAVITE STATE UNIVERSITY**

Indang, Cavite

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**KRISTEL JOY D. BARQUILLA
CARA ANGELICA M. GONZALES**

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ABSTRACT

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A study was conducted to determine the market structure, conduct and performance of selected mobile networks in the Philippines. Descriptive statistics was used to analyze the data on market structure, conduct, and performance of selected mobile networks. Growth rate was used to describe the trend in revenue, number of subscribers and number of employees of selected mobile networks. Financial tools such as profitability ratios were used to determine the performance of the selected mobile networks in the industry. The study used secondary data from different government agency and organizations such as: National Telecommunication Commission (NTC), Securities and Exchange Commission (SEC), Globe Telecom Inc., Smart Telecommunication Inc., Digitel Mobile Phils. Inc. Likewise, other data were collected from published and unpublished reports, internet and previous research studies. It was conducted from October to December 2015.

The study revealed that among the three mobile networks, Smart Communication Inc. had the highest average revenue of P76.7 billion for ten year period followed by Globe Telecom Inc. with P74.9 billion, and lastly Digitel Mobile Phils., Inc. with P13.3 billion. The number of subscribers had gradually increased. Smart had an average growth rate of 12 percent, Digitel with 37 percent and Globe with 20 percent. Smart and Digitel had the highest number of 8,663 employees in 2012 while Globe had 6,182 employees recorded in 2014.

All of the operators offered the same services especially Unlimited Call and Text, MMS, Voicemail, Rewards and Mobile Internet. All of the selected mobile networks offered mobile banking (Smart, Digitel, and Globe) and express money services known as SMART Padala, SunCash and GCash. There is a high entry barriers in the mobile industry. The market structure of the selected mobile networks in the Philippines based on the data gathered on product and services, pricing competition and non-pricing competition was an oligopoly. The market conduct of the selected mobile networks was influenced by the regulations and strategic behavior. The profitability ratios (return on asset and return on equity) show that the industry is profitable and had a good managerial efficiency.

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**Kristel Joy D. Barquilla
Cara Angelica M. Gonzales**

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INTRODUCTION

Telecommunication is any process which enables a telecommunications entity to relay and receive voice, data, electronic messages, written or printed matter, fixed or moving pictures, words, music or visible or audible signals or any control signals of any design and for any purpose by wire, radio or other electromagnetic, spectral, optical or technological means (Republic Act No. 7925). According to Tungcab and Lacap (2014), the telecommunication industry specially the mobile network companies is a vital factor in the Philippine economy. It contributed about 10 percent to the Gross Domestic Product (GDP) of the Philippines. Almost every sector in the economy uses telecommunication facilities in their daily transactions. Telecommunication includes telephones, cellular phones, wireless networks, television and radio. One of the most changing factors that the telecommunication industry has given to the world is mobile networks communication, communicating through cellular phones throughout the world. Mobile networks make communication easier and more affordable for its subscriber. Mobile phones and their