

**Project
On
Promotional activities & Customer Services
Of BanglaLink**

Bus – 498

Submitted To:

Mr. Omar Faruq
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Department Of Business Administration

Submitted By:

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2003-2-10-045

Date of Submission:

17-04-2008

**EAST
WEST
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LETTER OF TRANSMITTAL

April 17, 2008

To
Mr. Omar Faruq
Senior Lecturer
Department Of Business Administration
East West University

**Subject: Project Report Submission On “Banglalink™, Its
Promotion Activities & Customer Services.**

Dear Sir,

Here is my project report, which I prepared after three months research as part of the requirement for earning a Bachelor Degree in Business Administration Department from East West University of project program on the multinational organization named Orascom Telecom Company. In this report I tried to gather all necessary information On “Banglalink™, Its promotion activities & customer services. There might be some other necessary information, which I couldn't gather due to some unavoidable circumstances, among them time was the major factor.

Otherwise, I believe that my report, which has been prepared for my academic purposes prepared without any bias or prejudices.

Thanking you



.....

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Acknowledgement

While the writing of this **report** would have been difficult, the preparation for writing has been even harder. It certainly would not have been possible without the help of many people and I would like to acknowledge my appreciation to all those who have helped during the process.

At first, I must express my deepest gratitude and respect to **Mr. Omar Faruq**, my faculty advisor, who guided me to write the report that was of interest and could be of use to organization. His guidance in suggesting me to separate the important and necessary details from the unnecessary certainly helped me to stay on the right track.

I would also like to thank all the employees of Banglalink who provided enough information when needed. They have been extremely cooperative and willing to help at all times.

My gratitude goes out to all my friends who helped during the difficult times when I felt that report writing was hard. They gave me back life, just by being there.

Lastly, I would like to thank my family members. They have been extremely patient and always willing to sacrifice the valuable time when it came to my studies. Without such a wonderful family, I do not think I could have withstood all the year, extremely difficult to let alone complete this report.

EXECUTIVE SUMMARY

The telecom industry of Bangladesh is, at the moment, experiencing accelerated growth. According to one telecom analyst, **Abu Saeed Khan**, the growth curve may resemble a “hockey stick” by the of 2005 and it really has been proved to be true.

All credit of this fact goes to Orascom’s acquisition of Sheba Pvt. Telecom in the previous year. Considering its track record, people knew that the newly formed Banglalink™ would shake the market somehow.

Since its entry into the market, the company has managed to make the others stand up and take notice. Its subscriber base is growing at an accelerating rate per month, which really becomes a threat to the market leader as well. Plotting the position of Banglalink™ in a BCG matrix reveals that the business is a question mark, and with more investment injected into the company it can come closer to, if not become, the star. This will be the likely scenario, as the CEO of the company announced during a press conference recently that it is planning to invest a further \$180 million for expansion purposes.

Analysis of Banglalink™, it can be seen that Banglalink™ is strong enough especially from capital side and able to solve its weakness quickly. The market competition is showing that GP has already built brand equity among its subscribers. Thus far, it has been able to hold on its leadership without doing very much. However, this is likely to change soon with the other telecom companies taking steps to increase their market share companies. Few months ago, people used Banglalink™ SIM as a second SIM, but days have changed; Now people are more likely to use Banglalink™ SIM as the first one due to its new pre-paid & post-paid tariff and other promotional activities.

Introduction

ORIGIN OF THE REPORT

Considering the dynamic in the telecom industry, I chose one of the youngest and brightest organizations in the telecom industry, Banglalink™, as my topic of research is **Promotion Activities & Customer Services Of Banlalink.**

There is a lot of speculation regarding the future of the telecom industry, in general. With the little bit of healthy competition that the industry had been lacking till now, there is no doubt that the consumers have begun to feel its effect in the form of lower prices and more flexible packages to choose from. However there remains a doubt as to which companies would just survive and which companies would thrive and prosper. Hence, I chose to carry out a comparative analysis of Banglalink™'s promotions and its effect on consumers with that of other telecom companies in Bangladesh. Besides a particular emphasis is given on the future prospects of Banglalink™.

OBJECTIVES OF THE STUDY

The Broad Objectives:

- (i) To examine the current scenario prevailing in the telecom industry of Bangladesh, specially of Banglalink™
- (ii) To analyze the comparative advantages of the respective players.

The Specific Objectives:

In order to fulfill the broad objectives, the following specific objectives must be satisfied:

- i) Determining the growth rate and relative market share of the players to ascertain their position in the market.
- ii) Looking at different offers and packages that Banglalink™ is providing.
- iii) Finding out what customers intend to get from Banglalink™.
- iv) Carrying out a SWOT analysis based on the above findings.

SCOPE OF THE RESEARCH

- The report analysis the current promotions and product offerings of Banglalink™.
- The report failed to include information available in the company, which are confidential, and not for public dissemination.
- The total telecom industry and investment situation of the country is not observed significantly in the report. So this report does not actually compare the position of the mobile companies in the context of the total business situation of the country.

METHODOLOGY

The report has been prepared based on both primary and secondary sources.

The primary source mainly consists of:

- Interviews with the sales people at the direct sales booth of Banglalink™.
- Direct interactions with customers through a small survey with a sample size of 50 with a questionnaire.

The secondary information came mainly from:

- Websites, specially the official websites of the telecom companies.
- Different literatures and articles written by experts and analysts.
- Few articles published on newspapers.

Target population

For this research, the target population is:

- People who come to the direct sales booth of Banglalink™ in Landview Gulshan C/A.
- Students of East West University
- Students of BRAC University
- People who live in Rampura

CONSTRAINTS

- i) Several information regarding on-going projects could not be used to analyze further competitive position of Banglalink™ as they were considered confidential.
- ii) As I was surveyed for Banglalink™, I could not interview the employees and customers of its competitors specifically, as would have been the case normally, and had to rely solely on information available to the public and press.
- iii) The sample size is too small so the result may not convey the scenario perfectly.

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1.1 ORASCOM TELECOM HOLDING

Orascom Telecom Holding S.A.E. ("Orascom Telecom") is a leading mobile telecommunications company operating in more than 10 emerging markets in the Middle East, Africa and South Asia.

Established in 1998, the company has acquired more than 10 operating licenses in this region. With nearly 520 million people and an average mobile telephony penetration of only 5% falling under these licenses, Orascom Telecom has positioned itself as a leading telecommunications conglomerate in the emerging markets of this region. The organization has managed to build an amazing subscriber base of around 15 million in just a short span of six years by the end of 2005.

The majority stakeholder (56.9%) of the OTH group is the Sawiris family of Egypt, of whom Naguib Sawiris is the present Chairman and CEO. The rest of the shares are traded in the Cairo, Alexandria & London Stock Exchanges. Less than 4 years after its establishment, Naguib Sawiris was selected for the GSM Association CEO Board on October in 2002. OTH's IPO raised US\$320 million during the year 2000, and was the largest offering on the Egyptian Stock Market at the time.

The capital of Orascom Telecom is estimated at 1.1 billion Egyptian Pound represented in 110 million shares.

1.1.1 Mission Statement

The mission statement of the OTH is "to be the primary telecom operator in the Middle East, Africa, and South Asia, providing the best quality services to our customers, value to our shareholders, and a dynamic working environment for our employees."¹

¹ www.otelecom.com/about/

With this mission in mind, OTH had recently divested its investment in various locations, including Jordan, Yemen & the Ivory Coast, to concentrate on its core function of providing the primary GSM network in the regions it operates.

Most of its remaining subsidiaries concentrate on adding value added services to its operation than in introducing new packages from time to time, in an effort to provide its customers with a complete mobile solution and in turn add value to its shareholders.

1.1.2 Operational Performance

Operational performance in 2004 was driven by a robust subscriber growth with a marked rise in commercial activities by OTH operations. The number of subscribers exceeded 15 million by August 2004, with prepaid subscribers constituting 90% of the total subscriber base. Mobilink exceeded the 5 million-subscriber base in Pakistan, and Djezzy exceeded 3.4 million subscribers in Algeria, pushing penetration to 5% and 14%, respectively, in those two markets.

Mobilink alone added close to 1.3 million subscribers in 2004 and 3 million over the year. Djezzy added close to 1 million subscribers over September 2004. Tunisian more than doubled its subscriber base over December 2003, and Iraq added approximately 600,000 in less than 12 months. Furthermore, MobiNil added 500,000 subscribers this quarter alone and over 1 million during 2004 pushing penetration in the Egyptian market to 10%.

Table 1: Worldwide mobile market share of ORASCOM

Country	Brand name	Market Share
Algeria	Djezzy	73.0%
Pakistan	Mobilink	63.8%
Egypt	MobiNil	53.5%
Tunisia	Tunisian	29.4%
Iraq	Iraqna	100.0%
Bangladesh	Banglalink™	42.0%
Congo Brazzaville	Libertis	36.8%
Zimbabwe	Tel Zim	31.0%
Democratic Republic of Congo	Oasis Telecom	5.1%

Banglalink™, the most recently acquired subsidiary of OTH, showed the most aggressive growth & an unprecedented success, by adding nearly 100,000 subscribers within a week of its launch in February 2005 and more than 10 million at the end of the year 2008

1.1.3 Achievements

Having started out a mere 10 years ago in March of 1998 [a shorter history than Grameen Phone, but greater achievement], Orascom Telecom has many achievements under its belt. Through the addition of valuable services to their operations, they have many managed to expand their subscriber base to around 15 million in a very short span of time.

1.2 TELECOM INDUSTRY IN BANGLADESH

"Bangladesh is well suited for OTH's [Orascom Telecom Holding] ongoing expansion into emerging markets, and our preparation for the challenges of providing top quality services nationwide is solid. We are confident that Banglalink™ will repeat the success story of Mobilink in Pakistan." Mr. Naguib Sawiris, Chairman and CEO

It was with these statements that Orascom launched its first package in Bangladesh that they had hoped would rock the telecom industry. However, neither their competitors nor the public had needed these words to convince them that Banglalink™ would be bringing them a great offering. Ever since Orascom bought off Sheba (Pvt.) Telecom last September, people have been expecting something big, given their record of accomplishment in other countries.

1.2 BANGLALINK™

Banglalink™ is the latest addition to the GSM family of OTH. Naguib Sawiris, Chairman and CEO of OTH, announced the acquisition of Sheba Telecom (Pvt.) Limited with a cost of US\$60m in September of 2008.

1.2.1 Vision:

The company aims to make a difference in the lives of the people. Its vision is to "Understand people's needs best and will create and deliver appropriate communication services to improve people's life and make it easier". To achieve this vision, the company has established some values that it tries to instill in its employees. They want their employees and the company as a result, to be:

- Straightforward
- Reliable
- Innovative
- Passionate

1.2.2 Mission:

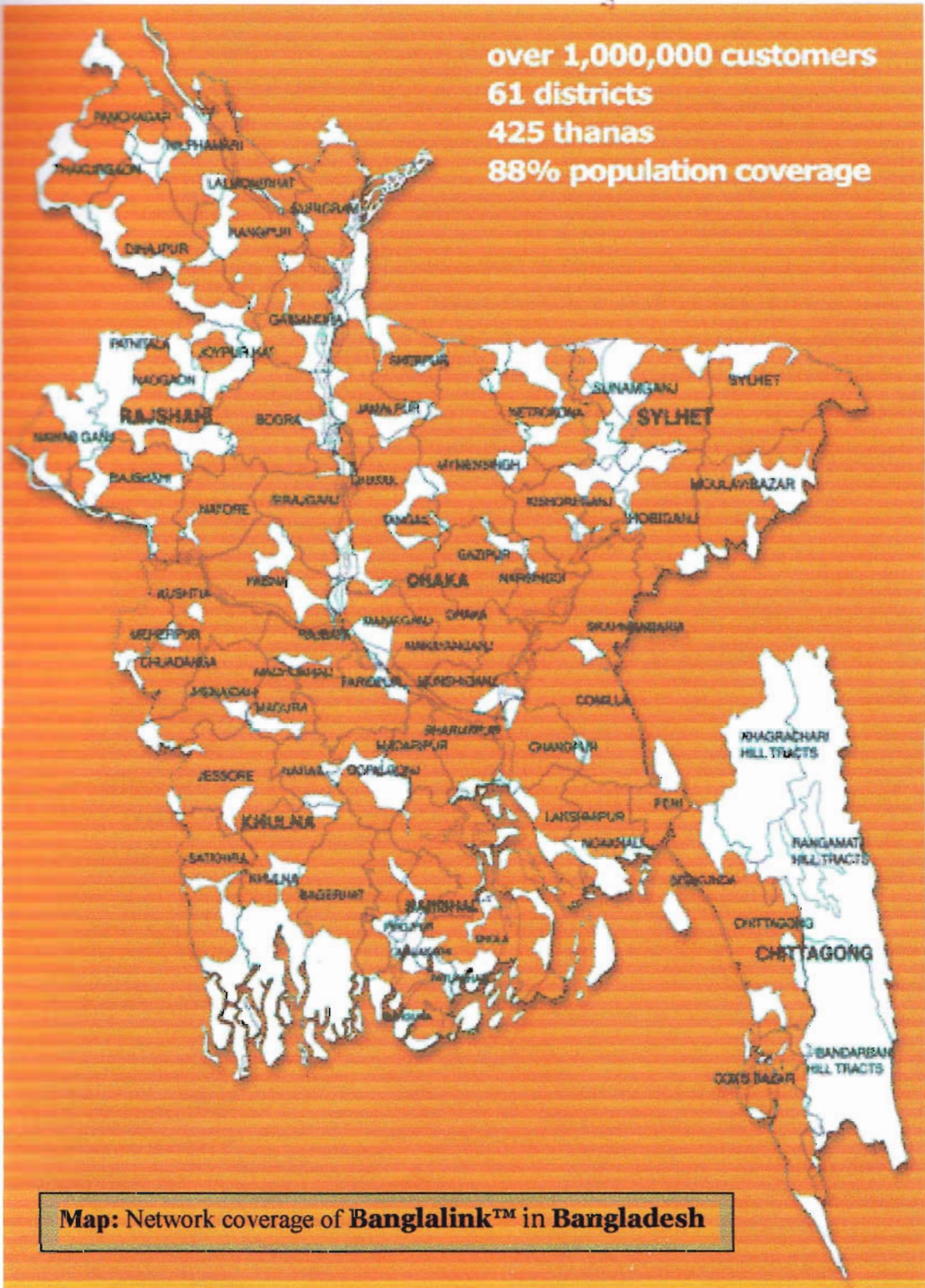
Their mission is, therefore, to reduce the total cost of ownership of buying and using a mobile phone.

1.2.3 Objective:

All the Banglalink™ family members have one thing in common-A passion to serve. They want to go that extra mile, so that people can have the best possible service investing in the future of Bangladesh.

As Sheba Telecom, the worst performing network operator in the industry, the company had only 30,000 subscribers. To dispel this image, OTH had re-branded Sheba as Banglalink™ in an attempt to give it a completely new image. With that kind of a reputation at its disposition, the Banglalink™ management has placed one of the highest priorities on improving its network. In this respect, they have installed state-of-the-art equipment from Siemens and Huawei and brought in over 1,000 people, including experts, from 15 countries around the world to set up the required infrastructure. The system took a record of four months (less than half the normal time) to build. In 2005 alone, Orascom plans to invest \$120 million, earmarking close to another \$300 million for future investments.

While Banglalink™ started out quite small, it has increased its coverage from 9 to 61 districts, 425 thanas all across Bangladesh and 88% of the population of the country.



1.2.4 Functional Departments

There are approximately eight functional departments in the organization. The functions of these departments are described in the following sections:

1.2.4.1 Sales

One of the most important links in the chain, the sales department is responsible for all the sales activities of the organization. The department, led by Mr. Hassan Samy, Director Sales, is divided into four divisions: Direct Sales, Corporate Sales, Distribution Sales and Sales Support.

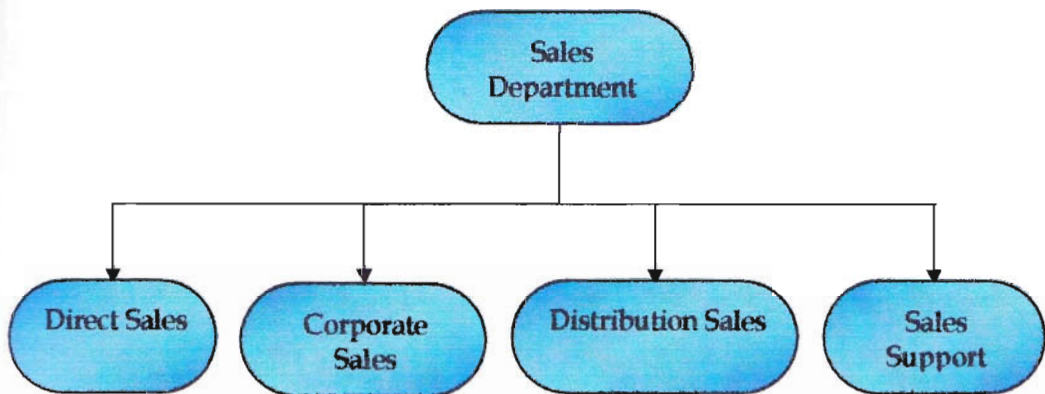


Figure 1: Sales Department

1.2.4.2 Marketing

The Marketing team also consists of several teams, which includes PR & Communications, VAS, Loyalty & Retention and International Roaming. The teams all report to Omer Rashid, the Marketing Director. The Loyalty & Retention team is responsible for the designing of the special offers launched from time to time in an attempt either to increase customer base or to increase ARPU. The VAS division is responsible for the continuously adding valuable services to provide a complete solution to existing customers, for example, for making conference calling & ring tone/logo downloads possible. These two teams together are in charge of making the customers experience with our network more satisfying.

1.2.4.3 Human Resources

-1

Aside from recruiting and training employees, the HR department is also responsible for disseminating internal communication to all users and in the process of developing compensation packages for its employees, such as medical insurance under the group plan, life insurance and running several activities such as the Vaccination Program for all.

Training activities are continuously taking place to develop and hone the skills & knowledge of the personnel, such as the English Language & MS Project Courses for selected employees and conducting a GSM Orientation session for all employees, especially the Sales, Marketing & Customer Care Departments who have to deal with customers.

1.2.4.4 Customer Care

Rumana Reza, the only female director in the organization, is the head of the Customer Care department. This too is segmented, consisting of the Customer Care division itself, and then there is Care Line, Credit Management Unit and the Support Services Unit. They are responsible for handling customer queries and providing solutions to any problems faced by the subscribers.

While the above departments are all located in the headquarters in Gulshan 2, the Customer Care people are divided between the head office and the Call Center (Star Tower) between Gulshan 1 & 2.

1.2.4.5 IT & Billing

The IT & Billing department, as is evident from the name, is in charge of all the hardware, software and program requirement of the other departments. They also generate the bills for the company subscribers (post-paid).

1.2.4.6 Administration

-3

Apart from the Administration division, the department also consists of the Legal division and the Project Management Office.

1.2.4.7 Finance

The finance department is the largest department at the head office with an entire floor devoted to their needs. They consist of the Procurement & Cash Management divisions among many others.

1.2.4.8 Technical

The technical people are all located at Hosna Tower in Gulshan – 1, but many work off site, taking care of BTS or BSCs. The various divisions of this particular department include Access Network, Core Access, O&M, Roll-out & CTO.

2.0 Marketing Mix

2.1 *PRODUCT OFFERING & PRICING*

Banglalink™ currently has six packages in the market. When the company started out, government regulations had prevented it and other telecom companies from selling SIM cards alone, but rather had to bundle them with a handsets. However, this policy has been withdrawn ever since BTRC's Teletalk itself started selling SIM cards alone to the public.

In fact, according to customer feedbacks, Banglalink™ packages are all attractive, since the connections and monthly line rents are the lowest in the industry, and would have attracted a lot more customers, if only the network could be improved.

2.1.1 **Product Variety:**

Currently Banglalink has two main types of product. One is pre paid and another is post paid. It has another type of product which is a mixer of pre-paid and post paid named call and control. Banglalink has two types of pre-paid package- be link and ladies first. These two packages have different features for the convenient of the subscriber. Both the packages have M2M, M2M+ and Standard i.e, ISD connection.

2.1.1.1 **GPRS**

Enjoy the power of internet on your mobile. With banglalink enterprise GPRS you can send and receive e-mails and MMS, browse the internet or download contents through your mobile. Be always online even when you are out of the office; stay updated with your work and the world around.

So don't wait and call our customer service now to activate GPRS in your postpaid line. Provide the agent with your handset details and the settings will be sent to you. Please save the settings after you receive them. Please note, if your handset have any previous settings of other operator then you need to make the banglalink GPRS settings as your default settings.

2.1.1.2 Pre-paid ISD:

This SIM allows a subscriber to make mobile to mobile and receive local, BTTB, NWD and ISD calls.

2.1.1.3 Pre-paid Standard:

The Standard SIM allows a subscriber to make and receive local, BTTB, NWD and ISD calls. It costs Tk. 99, a price which had been nearly 60% lower than competition at the time of launch on March 29, 2005. Currently, even though it is still the lowest in the industry, it is just Tk. 1 less than GP's corresponding package. However, since it has Tk. 20 airtime pre-loaded into the SIM, it can be said that the SIM costs only Tk. 2,079, significantly lower than other competitors.

2.1.1.4 Ladies, First:

This package is designed as per the choice and demand of the ladies. 1 second pulse from 2nd pulse which allows you to call with 1 second pulse facility and pay as much as you talk. 4 fnf, pick and off pick hour facility also available in this package. Lower SMS tariff is the main attraction for this package.

2.1.1.5 Personal Package 1 :

Banglalink constantly strives to provide you the best service at the most affordable price. You can now choice the appropriate package based on your need. Package are divided to two dimation 600 and 1200. this package is standard package and all facilities are provided as the isd line. The lowest call rate and duplicate number facility is the main attraction of this package.

2.1.1.6 Personal Package 2:

The standard connection offers subscribers pay only Tk. 1,000 security deposit and get a connection with T&T incoming & outgoing, ISD and NWD facilities. Monthly 150 free news SMS. It has also the other facilities of personal package 1.

2.1.1.7 SME:

Similar to an SME connection, customers have to pay only Tk. 500 security deposit to become an SME subscriber. Subscribers just pay only Tk. 50 more in monthly line rent (Tk. 200 instead of Tk. 150) to avail the T&T incoming facility.

2.1.1.8 Upper Class Bundle Package:

This package offers a subscriber to pay a certain amount of bundle money each month and enjoy talktime at a lower price. It is sold with M2M, M2M+, and Standard connections as Upper Class 200, 350, and 650.

2.1.1.9 Call and Control:

It is a hybrid of prepaid and postpaid. This connection allows the subscriber to enjoy the freedom and control of prepaid and advantages of postpaid with lowest monthly line rent.

2.1.1.10 CU (Commercial User):

Considering the small and medium enterprenures Banglalink offers CU package for doing phone business with very cheapest rate. It is of two kinds. CU and CU call and control.

Design and Packaging :

The logistical companies do the packaging completely. The Ring provides the company with the SIM cards sealed within CD covers and SAF forms. OrasInvest is also involved in the packaging process.

Similar to GrameenPhone's packaging, Banglalink™ also has a distinctive packaging. Smaller and more petite in size, the Banglalink™ insignia occupy most of the space. Many people can be seen carrying around Banglalink™ packages in their hands on their way to offices and other places these days.

2.1.1 Brand Name:

Brand names are the name, term, symbol that identify the producer and distinguish the product from the competitors. Orascom Telecom is using Banglalink as their brand name for their operation in Bangladesh.

2.1.2 Services:

Banglalink always provides customer services to satisfy its customer. Customer sevics are provided through various customer care center as well as from the care line.

2.1.3 Warranties :

They offer warrenty for their handset but for the SIM there is no warranty. Infact no other company has this facility. Incase of damages or lost of SIM there is a chance to replace the SIM with a cost of taka 75.

2.2 Price :

First Banglalink™ and then BTTB with Teletalk Bangladesh Ltd; The price war can be said to have well and truly started. While Teletalk charges the lowest among all the operators, it is yet to have mobile-to-mobile connection with other operators, hence with only T&T incoming and outgoing facilities, the mobile phone isn't much of a mobile phone.

While the Banglalink™ product themselves are attractive and the initial cost of purchasing is the lowest in the industry, the tariff rates are similar to other network operators, if not higher. The comparative tariff rates are given in Appendix.

2.3 Place:

While Banglalink™ started out quite small with network coverage in only 9 districts the number has been increasing regularly and now there is coverage in nearly 61 districts.

2.3.1 Channel:

Distribution of their handsets takes place via six authorized distributors: Lipro, Asimpex, Butterfly, Deshlink, Deens & Propel. The distributors have more than a hundred dealers working for them, with the number increasing regularly.

Recently Banglalink has signed a franchise contract with Kollol Group of Company to sell its products by the name of Banglalink point. They also give supported customer care services. There are about 20 points are surrounding all over the country.

2.3.2 Coverage:

Within a limited period of time Banglalink has covered around 88% population of Bangladesh which is really remarkable.

2.4 Promotion:

With product offerings becoming almost similar amongst the network operators, most now compete in terms of special offers. Telecom companies all have stepped up their marketing activities and are pushing for aggressive promotions, far more aggressive than they had been in the past and far more aggressive than companies of other industries.

While the chapter on competition analyzes the special offers of Banglalink™ against its competitors, the following section discusses only the offers of the company and its relative attractiveness.

2.4.1 Sales Promotion:

Launch Offer: The initial offer with which the company launched its operation was the Tk. 3,400 hundred package. The package contained one pre-paid ISD connection, six scratch cards worth Tk. 1,800 and a handset. The offer came as a bang in the mass market. While people had expected something big from the time OTH announce the purchase of Sheba Telecom, this offer was big and exceeded many expectations. People would start lining up from early morning and stayed as long as necessary to get the connection. Often the line would extend all the way from the 4th floor, where the DS booth is located, to the 2nd floor. Daily average sales had been around 350-400 connections per day at the booth.

MGM: (Member-get-Member) This offer was launched on March 29 and continued for two months and was available to only purchases from the DS Booths. The objective of the offer had been to build loyalty amongst the existing post-paid subscribers and boost sales of the launch offer.

Family link: This offer had been specially designed for the employees, vendors and agents of the company. An employee could purchase a maximum of three Tk. 3,400-package for only Tk. 3,000 for friends and families. The offer was open for only a month (March 31 – April 30) and was just gathering momentum when it closed. The main reason for ending it was due to the difficulty it raised in daily operations. However, during the short span of time, the offer had introduced a total of 385 pre-paid subscribers to the system.

On-net tariff: This special offer which ended in May 05, allowed all existing and new pre-paid customers (subscribing within the promotion period) to enjoy a reduced tariff of 2.22/30 seconds when they called another Banglalink™ number for three months. Furthermore, they could continue to enjoy this tariff for Tk. 25 per month only.

Extended validity: Banglalink™, following the steps of AKTEL & GrameenPhone, had extended the validity of its scratch cards in an attempt to influence the sales of its scratch cards. According to this, a card of Tk. 150, 300 & 600 would have a validity of 75, 180 & 300 days respectively, instead of the former 15, 30 and 45 days validity period.

International SMS at Tk. 2 only: This is a promotional offer for three months, starting May 16th. The rate has been kept same as national SMS rates to induce more usage of the service. However, it may change after the promotional period is over.

2.3.3 Value Added Services

As mentioned earlier, the industry is on the road to a price war. Most of the operators are competing to bring down their prices below that of others and thus induce customers to switch operators. However, the low cost of switching is also causing more customers to switch operators frequently based on the special offers available at that time and reducing brand equity.

Nevertheless, once people get tired of special offers, operators have to turn back to their basic product and compete at that level. Moreover, since networks can be improved with just a little bit of time and a lot of investment, most operators would sooner or later be competing in terms of the value added services they have to offer.

Like all the other subsidiaries of OTH, Banglalink™ also places a high importance in adding newer and more unique value added services to its operation. The various VAS available to customers are described in Table 2b.

Table 2b: Value Added Services

VAS	Description	Charge
Call Forwarding/Diverting	This allows subscribers to divert their calls to another number of their choice, when they cannot either answer the phone themselves or their SIM is taken out of the mobile and another one put in, in its place	Free
Call Waiting/Holding	This service allows subscribers to accept calls from a caller while talking to another.	Free
Call Barring	Callers can choose to have certain numbers barred which would prevent the caller from coming through the line. The service is provided upon request by a subscriber.	Tk. 50 ²
CLIP	This feature allows subscriber to see the identification of the caller on the display before answering. This is a standard feature provided by all operators.	Free
Itemized Bill	Banglalink™ can provide its post-paid subscribers with an itemized bill, either monthly or on demand.	Tk.10 ³ (monthly) & Tk. 50 (on demand)
Voice Mail Service	This acts as an answering machine when a subscriber is: <ul style="list-style-type: none"> • Unreachable • Engaged in another call • Not in the mood to answer 	Normal Airtime Charge
Short Message Service (SMS)	It allows subscribers to send text messages to the subscribers of Banglalink™, GrameenPhone, AKTEL, Citycell & Teletalk.	Tk. 50p/sms
SMS Push-Pull	Subscribers can receive the latest jokes, quotes, cricket & weather updates, horoscopes, emergency numbers, send for taxi cabs through their Push-Pull services.	Tk. 50p/sms
Premium SMS	Subscribers can download ringtones and logos by sending an SMS to 444	Tk. 9/download
T-Adda/Conference Calling	Through this service, subscribers can talk to more than one caller (connect up to 10 callers, depending on handset) at the same time. It is similar to having a group conference, just this is on the phone instead of face-to-face.	Normal Airtime Charge for each person connected
SMS Adda	This is similar to chatting online, where a subscriber can enter a chat or adda room and send messages to all the people in the room or to one person in the room.	Tk. 1/sms
SMS e-mail	With a unique ID, the subscriber can send & receive e-mails from anywhere and any address in the world.	Tk. 2/sms
International SMS	A subscriber can send SMS to 171 countries & 640 operators around the world	Tk. 2/sms

Ringtone Download	A subscriber can download ring tones of Bangla, Hindi and English songs	Tk. 9/tone
Picture Messages	It allows subscribers to express emotions through images	Tk. 2/sms
Song Dedication	A subscriber can dedicated songs to anyone instantly or on an specific time	Tk. 9/min.
Logo Download	Anyone can choose different logos to set as wallpaper on the mobile screen	Tk. 9/logo
Tap	Under this system any Banglalink™ subscriber can send & receive balance of the same operator. The range of balance transfer is Tk. 10 to Tk. 150	Tk. 2/transfer

From the very beginning, Banglalink™ has been committed to making mobiles affordable and innovative. Their first launch offer not only made mobile owning more affordable from Banglalink™ but from all operators as well. Other operators started drastically reducing their prices, either being reducing the price of handset or reducing their tariff rates. For example, CityCell last week launched a package that would cost consumers Tk. 3,900 – 4,200, automatically recharging their accounts with Tk. 300 per month for 13 and 14 months respectively. But the cream of the package is associated with the fact that the hadnset that comes with the package is free.

In terms of innovation, the company has introduced Call Conferencing, SMS Adda & SMSemail as a part of the service they offer. Quite recently, the CEO of the company, Lars P. Richelt also unveiled several emergency recharging systems (“an ER for mobiles”) around the city that would allow consumers to recharge their handset, regardless of the operators they use, free of cost in public places such as hospitals, universities, etc.

3.0 CUSTOMER SATISFACTION

The inhabitant life in the urban especially in the Dhaka city is becoming more busy and complex than previous. In recent times many women are doing job out of the house as well as their husbands. As a result, both husband and wife could not find out any time for them self & for maintenance of their family and that is the reason now they are inclined to slander to electric communication media as a way of communication method. More over because of high traffic jam on the street people's life become stagnant in a single point. So people want to mobilize their life as telecommunication industry makes people life set in motion to any place in the universe at any time. Now, a person with a mobile phone is available for any time. There are few operators in the market to meet the growing demand of the city dwellers need of the busy life for communication. As a result, there are hungry demands for communication to make life more mobile and mobile phone industry is ready to explore fulfillment of unmeet demand.

For the high demand of the mobile phone there are many unmeet demand are waiting to acquire mobile phone. But question arises whether the existing operators, particularly Banglalink™ can satisfy its subscribers need as per their requirement. This report tries to judge the customer's level of satisfaction and the important values that customers want to be added to the present services of Banglalink™.

To find out customer satisfaction about various mobile products of Banglalink™, subscribers demographic profile, subscription usages pattern, subscriber's preference on various advance services, etc.

This research is intended to provide a general idea about the recent trend of:

- Cell phone buying pattern,
- Usage,
- Popularity,
- Value, and
- Subscribers' satisfaction with their connections

The major facts that will come out of the research are:

- Influencing factors that initiate the consumers in taking their connections.
- Subscribers' expectation of features & facilities from their operators.
- Satisfaction level of subscribers in different aspects.
- Consumers' perception about the particular services.
- Subscribers' expectations for advanced services.
- Image of the existing brand.
- Findings of the report will also be benefited to take any decision about providing more facilities with connections.

3.1 SAMPLING PLAN

Target population

For this research, the target population is:

- People who come to the direct sales booth of Banglalink™ in Landview Gulshan C/A.
- Students of East West University
- Students of BRAC University
- People who live in Rampura

Sampling frame

There is only one stratum within this population of interest. That is the Consumer Stratum.

Sample size determination

A sample size of 50 respondents was used for this study. This is excluding the refusal cases in terms of customer satisfaction of Banglalink™. A total sample size of 75 respondents was used for this study.

Questionnaire structure

For data collection the structured, open ended response question and closed ended response question have been used in the questionnaire. There was one set of questionnaire for the consumers. Data collected through questionnaire is both quantitative and qualitative.

Period

The research work has started on Feb. 04, 2008. Data collections through survey and data input have been taken place till March 12, 2008.

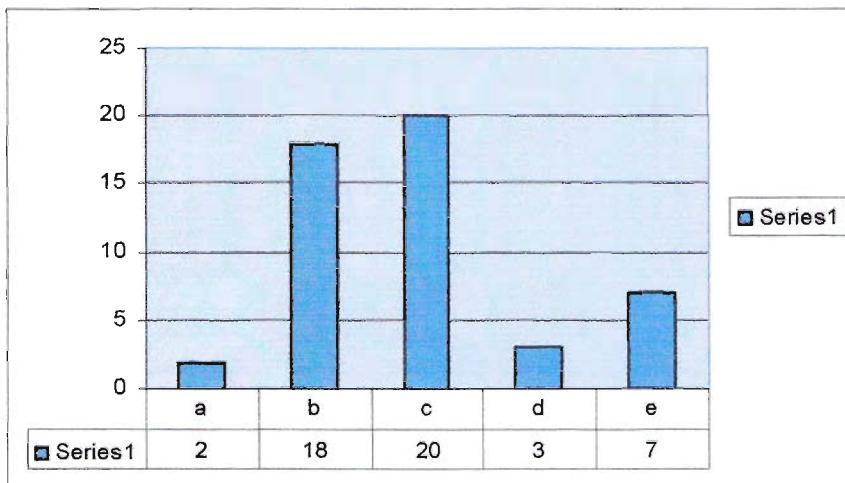
3.2 DATA ANALYSIS AND INTERPRETATION

3.2.1 Age of the respondent

Table: 1

Age and occupation	Number of respondents
a) below 20	2
b) 20 – 30	18
c) 30 – 40	20
d) 40 – 50	3
e) 50 and up	7
Total Respondents	50

Figure - 1



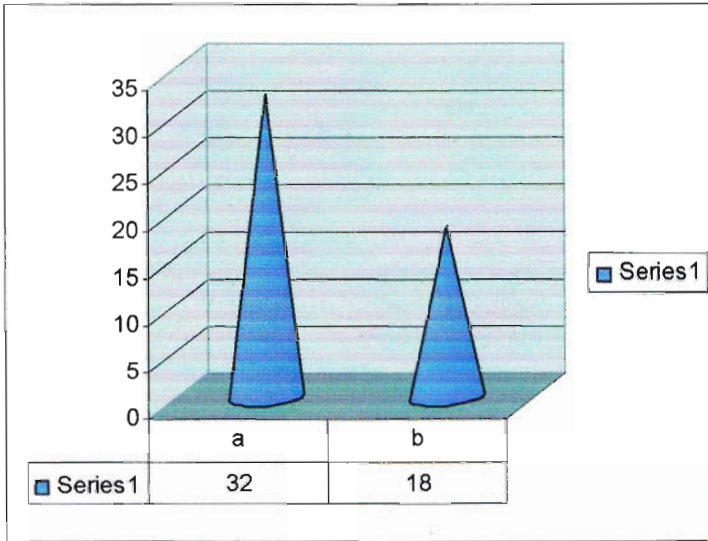
While Bangladeshi culture have traditionally valued the wisdom that comes with age and profession. Thus, mature spokespersons would tend to be more successful in this culture than would younger ones. However, Bangladeshi cultures are becoming increasingly youth oriented. A delightful example can be mobile phone market. But sometimes-proper age positioning is critical for many products like mobile phone. It is such a product where any age group people can use mobile phone. Age is such a demographic characteristic that carries it culturally defined behavior and attitudes norm. Age and profession affect our self-concepts and life-style. Not surprisingly, age and profession influence the consumption of products ranging from cloths to toilet paper to vacation to where to live.

It can be said from the survey results that the major portion of the purchasers are the young generation though they might not have the necessary money to make the purchase. They rather influence their financiers to provide the money to make the purchase.

3.2.2 Gender Classification

As per survey, there are 32 male and 18 female

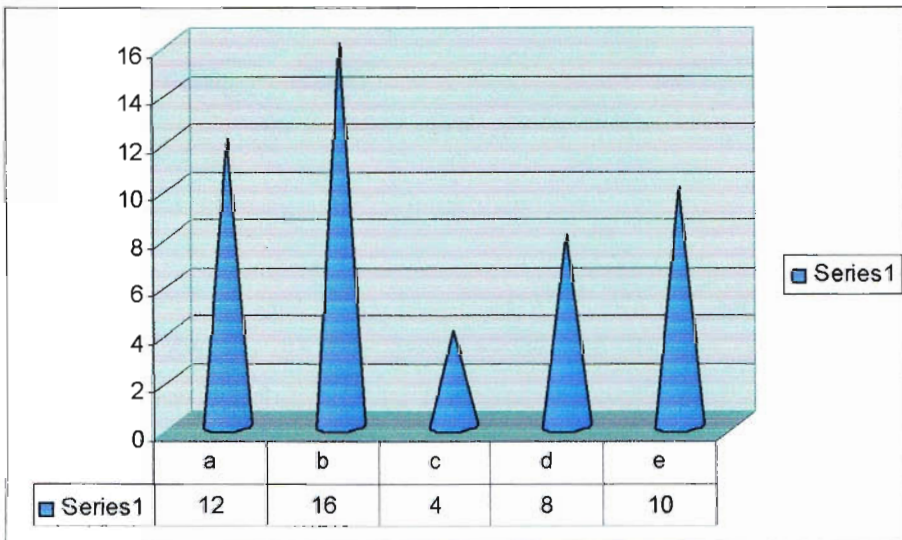
Figure: 2



3.2.3 Income range of respondent

The respondent income is classified from lower 10000 to 50000 and up.

a refers to lower than 10000 b refers to 10000-20000 c refers to 20000-30000 d refers to 30000-40000 and the e refers to 50000 and up.



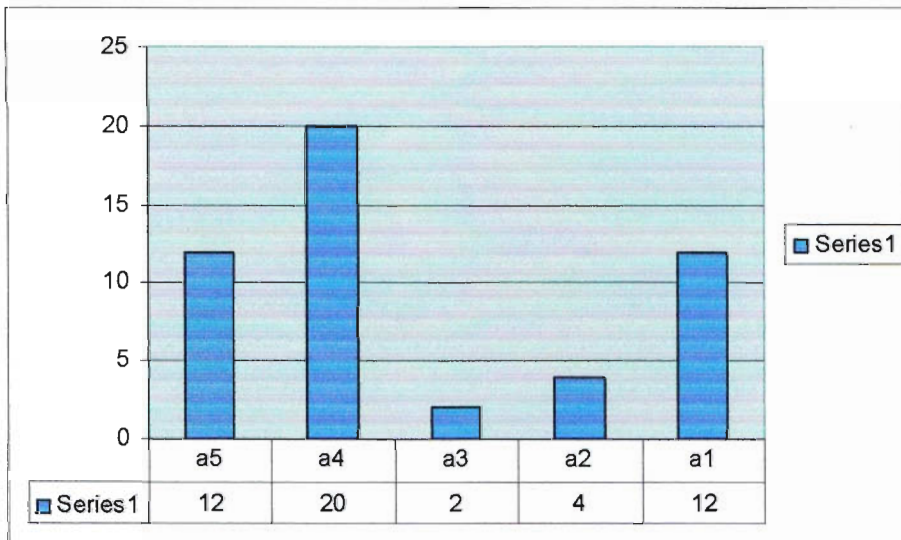
3.3.1 Main Reason of Using Banglalink™ Connection for network:

The sample population was asked on which of the following factors played the main role in their using the present mobile connection is it network.

Table 2: network availability

Scale	Number of respondents
Strongly agree	12
Agree	20
Neutral	2
Disagree	4
Strongly Disagree	12
Total Respondents	50

Figure: 3



From the above table it is very clear that most of the customers prefer a particular network, not Banglalink™ for the network coverage. So it is very important for Banglalink™ to increase the quality of network to gain long-term customer satisfaction. The table shows that the most of the subscribers like to enjoy the special offers of Banglalink™ and that is may be the main reason.

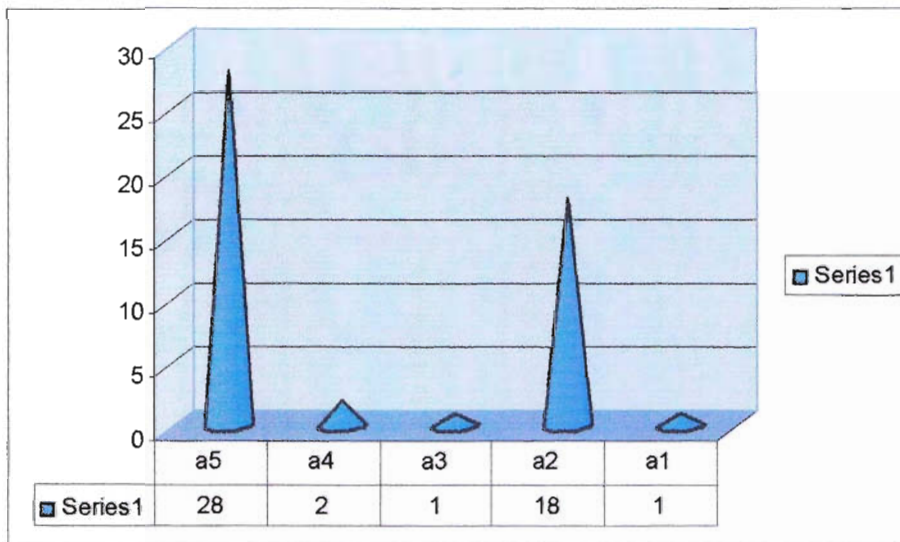
3.3.2 Banglalink™ additional feature in comparison to other operators

Customers' opinion is the call rate of Banglalink™ is reasonable in the present mobile industry of Bangladesh. But not in the context of Bangladesh. So customers express their complain for call rate for all mobile companies.

Table 3: Customers opinion on feature

Scale	Number of respondents
Strongly agree	28
Agree	2
Neutral	1
Disagree	18
Strongly Disagree	1
Total Respondents	50

Figure : 4

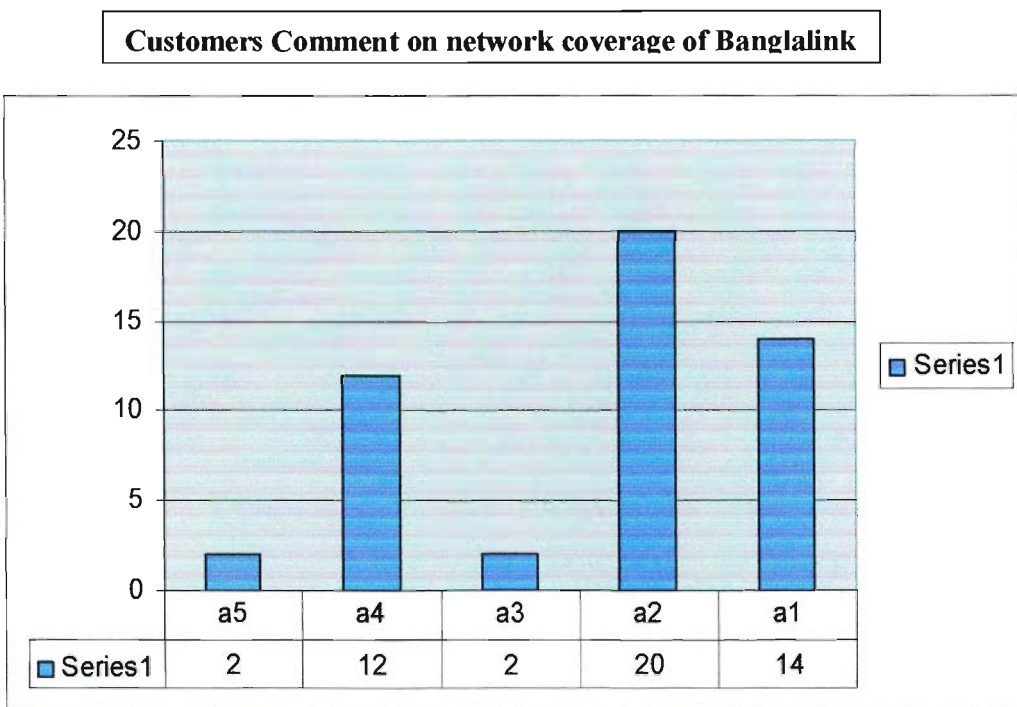


3.3.3 Price affordability of Banglalink™

Table 4: Customers Comment on price of Banglalink™

Scale	Number of respondents
Strongly agree	2
Agree	12
Neutral	2
Disagree	20
Strongly Disagree	14
Total Respondents	50

Figure: 5



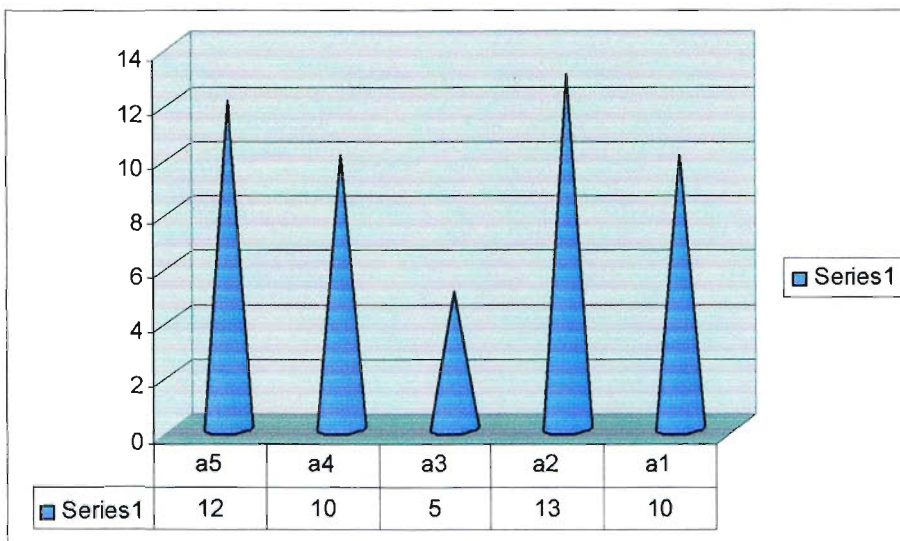
3.3.4 Banglalink™ hotline is effective

Table 5: Customers' comment on hotline of Banglalink™

Scale	Number of respondents
Strongly agree	12
Agree	10
Neutral	5
Disagree	13
Strongly Disagree	10
Total Respondents	50

Figure: 6

Customers' comment on hotline of Banglalink™

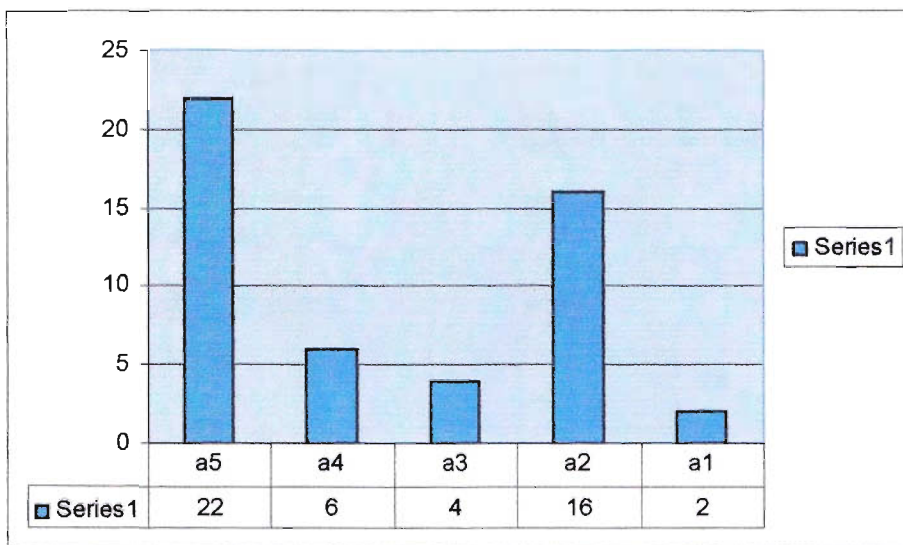


3.3.5 Tariff of Banglalink™ is affordable

Table 6: respondent comments about the tariff of banglalink

Scale	Number of respondents
Strongly agree	22
Agree	6
Neutral	4
Disagree	16
Strongly Disagree	2
Total Respondents	50

Figure: 7

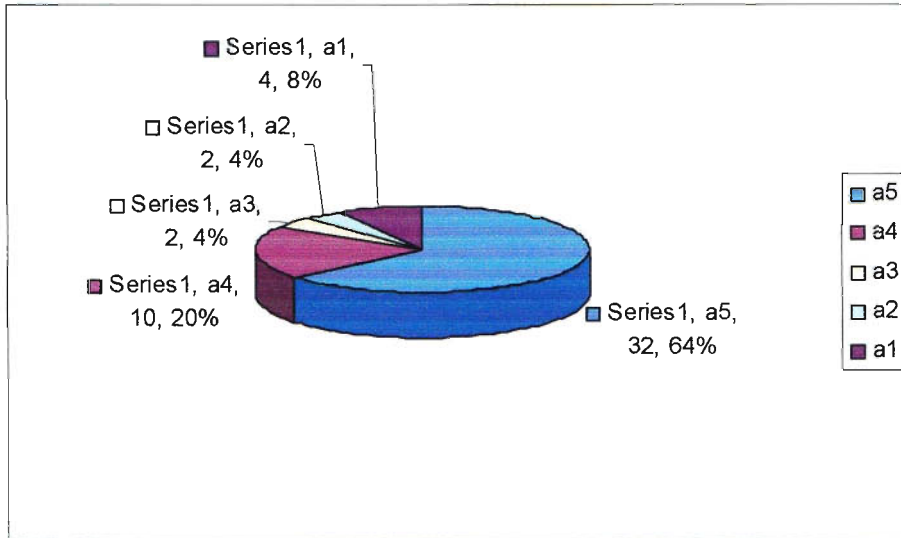


3.3.6 Customer Attribute In search Of Banglalink™

Table 7: Customer Attribute In search Of Banglalink™

Scale	Number of respondents
Strongly agree	32
Agree	10
Neutral	2
Disagree	2
Strongly Disagree	4
Total Respondents	50

Figure: 8

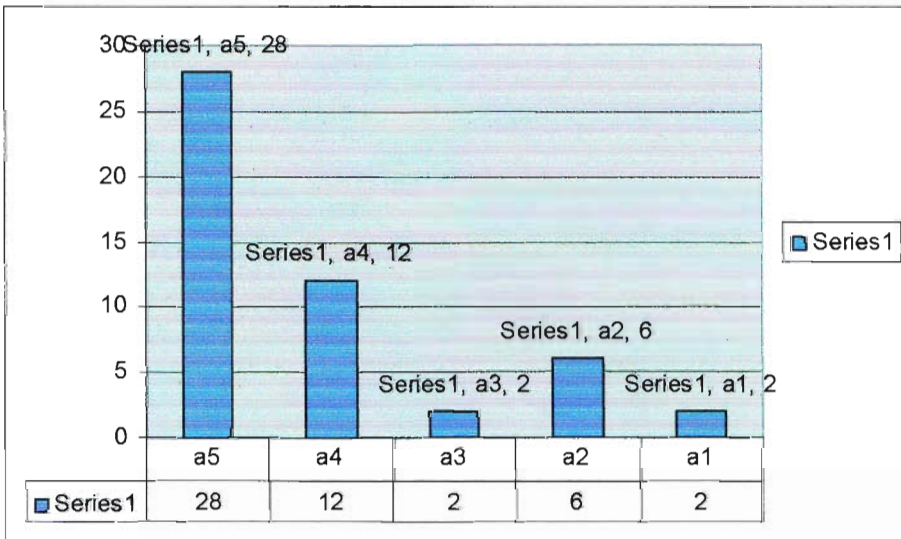


3.3.7 Marketing activities of Banglalink™ satisfactory

Table 8: Marketing activities of Banglalink™ satisfactory

Scale	Number of respondents
Strongly agree	28
Agree	12
Neutral	2
Disagree	6
Strongly Disagree	2
Total Respondents	50

Figure: 9



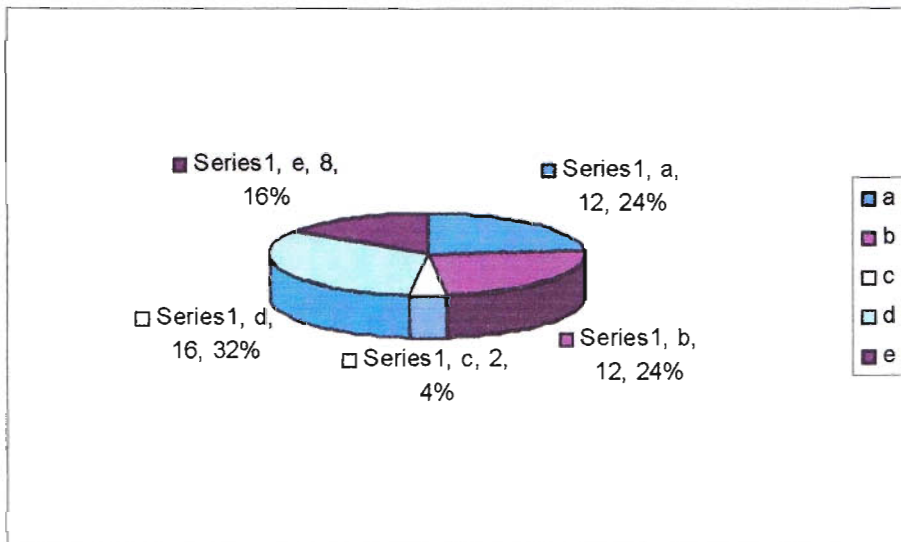
3.3.8 Advertisement rating Banglalink

This question will denote what percent of the total population would like the advertisement. It also leads to another question to know what the reasons are for customers to create value.

Table 9: Advertisement rating Banglalink

Scale	Number of respondents
Din bodoler pala	12
SME	12
Ladies first	2
Desh	16
FNF Package	8
Total Respondents	50

Figure: 10



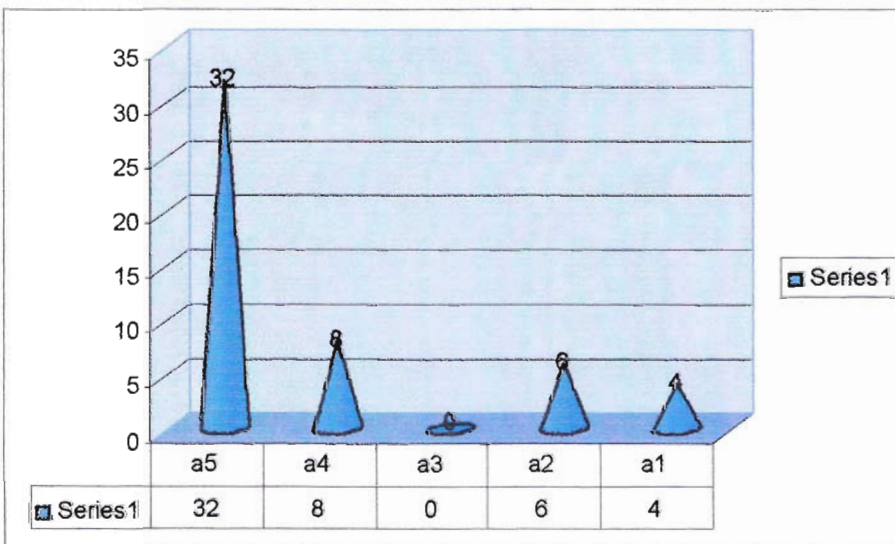
3.3.9 Value creation from marketing activities ⁻⁷

The sample population had to answer a question about which value added service they thought was important for them. In response, the population gave the following feedback.

Table 10:

Scale	Number of respondents
Strongly agree	32
Agree	8
Neutral	0
Disagree	6
Strongly Disagree	4
Total Respondents	50

Figure: 11

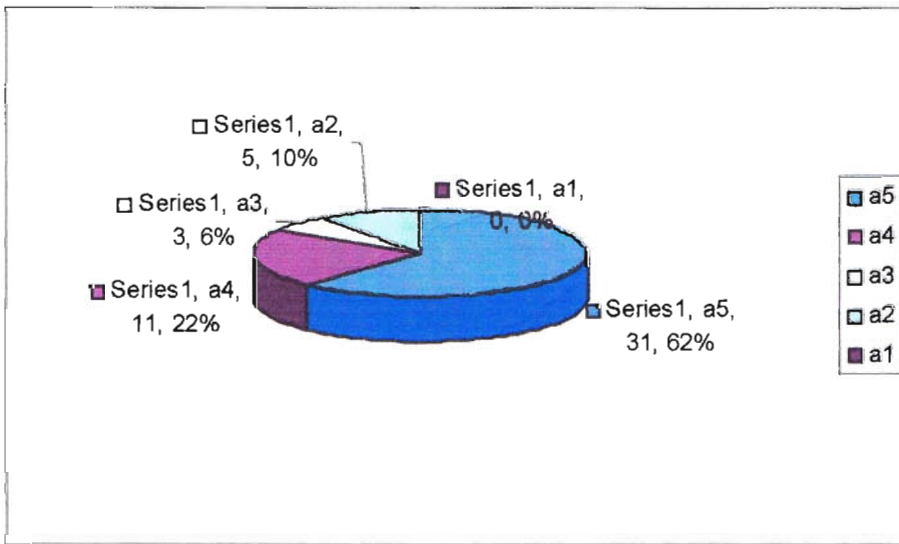


3.3.10 Loyal consumer of banglalink

Table: 11

Scale	Number of respondents
Strongly agree	31
Agree	11
Neutral	3
Disagree	5
Strongly Disagree	0
Total Respondents	50

Figure: 12



The above table and figure show the advanced services expected by the customers and prospects of Banglalink™. World is growing so fast with more demands are creating Industry to take steps for advance services to make products, dynamic and updated. At this point it is screening that the clients are badly want a significantly decreased call rate as like as the nearer countries. The second one is free T&T incoming. Later preferences are more FnF numbers, at least five numbers and pulse per second.

4.0 RESEARCH FINDINGS

- 76% of the mobile users in Bangladesh are in the 20 – 40 age groups.
- 64% male was surveyed and 36% was female.
- The few people usually with high income level who use post-paid, now prefers Banglalink™ post-paid package for lower tariff, lower call rate without any security money.
- Banglalink™ subscribers are satisfied with their connection network.
- Most of the subscribers are staying with Banglalink™ connection for its continuous attractive special offers. As a result a great portion is using Banglalink™ as a second SIM.
- Banglalink™ Price affordability is in the second position.
- Hotline is effective for Banglalink is moderate.
- Tariff is affordable of banglalink.
- Customer attribution is satisfactory.
- Marketing activities of Banglalink is satisfactory.
- The TV advertisements of Banglalink™ are criticized more.
- Banglalink has 62% loyal consumer.

5.0 SWOT ANALYSIS

5.1 STRENGTHS

Huge capital investment: As mentioned earlier, Orascom Telecom has great plans for Banglalink™. Wherever OTH has gone, it has become the industry leader there or is on its way there. A possible explanation is that the organization kicks off its companies with a huge capital outlay to help get rid of or solve all the hitches.

In 2008 alone, Orascom will invest \$180 million, earmarking close to another \$300 million for future investments.

Expertise: As mentioned earlier, OTH had over 1000 people, including 15 experts, working on the infrastructure to get the company started in a record four months. These experts, with several years of experience in the telecom industry, now help in the day-to-day operation of the business.

Tight control over sales process: Many people in the industry do not know the sales process, since it is dealt by their distributors and dealers. However, with the Direct Sales Booth, the people involved know the sales process intimately and are responsible for achieving the sales target and project implementation, thus giving the company a strong control over the process.

Creativity: Banglalink™ has a lot of creative and innovative people involved in marketing and planning. They have a great contribution in selling connections by creating many attractive offers perfectly in time.

5.2 WEAKNESSES

Network: The greatest weakness of Banglalink™ is its network. While the reception is quite clear when the user is out of doors, once inside, the reception breaks up.

The worst part is the company has entered a market where the industry leader has been reigning supreme for years now and people are bound to compare the leader's services with Banglalink's performance, even if it is new to the market. People tend to forget that it had taken the leader more than three years since its start to provide its subscribers with a decent connection; hence it is with Grameen's present performance that Banglalink™ is compared and sure enough the latter does not fare well. Still Banglalink™ is weak from the side of network coverage in rural areas and villages though its network is strong enough in towns.

Unorganized structure: OTH bought off Sheba (Pvt.) Limited last September and immediately started changing the structure of the losing concern. They are constantly recruiting people, adding/deleting levels to the organogram. Thus, the environment is constantly chaotic, with many people not knowing who to contact or whom to report to and who is responsible for what. This takes away time and energy away from the selling activities. Thus some people have to work both for sales and customer care though they are the employee of only sales or customer care department.

Inadequate human resources: While many people drop off their CVs at the office on a regular basis, finding sufficient numbers of people, with the correct qualifications, has become hard to find. Hence, a handful of people are doing the work of many leading to back log of work.

Bureaucracy: The new management is trying to create a system where each individual is responsible and accountable for his duties. While it is a good idea, it has also created a bottleneck at the administrative & financial level, where work gets stuck and stays stuck until all papers are properly signed and taken care of.

Promotion: The marketing team failed to make attractive T.V ads for different satellite channels. Most of their T.V ads are quality less, same and boring also.

5.3 OPPORTUNITIES

Re-invent itself: As mentioned earlier, the company created a strong buzz when it entered the market. Previously an unknown entity, many people now know of the existence of Orascom Telecom. They have done their studies and know that OTH stands for success. Thus, the people are ready to see Banglalink™ as a total different entity from its predecessor and are willing to give it another chance to re-invent its image in the market; not an issue to be taken lightly by the company.

Rural market: Still around 90% of Bangladeshies are not mobile users of which a great portion is living in rural areas. As 85% people of Bangladesh are living in rural areas, Banglalink™ has a great opportunity to capture a huge market share by offering the highest reasonable price and spreading strong & effective network coverage.

5.4 THREATS

Price wars: While in the true sense it had been Banglalink™ who started this price war with its M2M package, it has created a series of price cuts that many operators failed to afford. After eight years of high call charges, Grameen has finally decreased its rates.

BTTB has also entered this battle with Teletalk Bangladesh Limited. With free T&T incoming and the lowest, charge T&T outgoing through its both pre-paid and post-paid package, this is sure to become popular once it has gained access to other operators' networks. Now it is a matter of thought that how long Banglalink™ can be aggressive in random price-cutting and providing services to be the market leader.

New comer : A threat not only for Banglalink™ but also for all other operators is new foreign investors are coming soon in the mobile industry of Bangladesh with huge capital and latest technologies who can develop country wide network over one day through satellite system.

6.0 COMPETITION

6.1 BCG MATRIX

Although the BCG model has been traditionally used for analyzing a portfolio of SBUs for a single organization, this report looks at the mobile industry using an extended version of the BCG model⁴.

Table 3a: Market share & growth rate of industry players

Mobile Operator	Market share	Relative market share	Growth rate	Position
GrameenPhone	18,000,000	37.33%	109%	Star
Banglalink	8,331,000	22.88%	100%	Question mark, moving to the left
Aktel	7,450,000	20.88%	100%	Question mark
Warid Telecom	2,790,000	8.46%	80.75%	Under-developed
Citycell	1,560,000	6.01%	50%	Outside of matrix
Teletalk	1,010,000	4.01%	100%	Question
Industry Total	39,191,000	100%	132%	–

Analysis of BCG Matrix

GrameenPhone had become a leader, a *star*, in the market soon after it entered the industry. While it took the company nearly five years from its start in 1997 to build a subscriber base of 500,000, the company has been growing fast since then.

While AKTEL has been in the market as long as GrameenPhone has, it had failed to take the aggressive growth strategies that GP had used from the beginning, such as heavy promotion to build brand loyalty. It grew quite

slowly and tried to improve their technology and network slowly without creating too much hype. However, AKTEL has stepped up its promotional activities and is fast gathering more and more market share. Hence, with an impressive growth rate of nearly 200%, this *question mark* may become a **star** not too far in the future.

Banglalink™ was as good as dead, and thus, a dog (even in a high growth market) while it operated under the brand name Sheba. However, with the change in ownership, it is giving the star and the second operator of the country a run for its money. While it may seem too ambitious saying that it would overtake the leader anytime soon, it is certainly a possibility. Considering the fact that it is setting up BTS towers at a rate faster than its competitors and thus trying to repair its image. So already Banglalink™ developed its network from only 9 to 61 districts covered before the end of the year, which took others years to build, it shows their aggressive stance in acquiring market share. The growth in subscriber base certainly reflects this aggressive positioning. It took Banglalink™ merely 4 months to build a subscriber base of 400,000, while it took nearly five years for its largest competitor to build a subscriber base of 500,000.

Hence, while both AKTEL and Banglalink™ are still question marks in the model they are both giving the star of the market a hard time, and may soon displace it, if it does not do something soon about its packages.

It is difficult to map CityCell using the BCG matrix, mostly because it has a very low relative market share and a very poor growth rate in an industry with impressive growth rate and hence falls in the under-developed category. This may, however, be explained away with the fact that CityCell operates through the use of CDMA technology while the rest of the market is following the GSM technology, with GrameenPhone having just moved into GPRS & EDGE recently. However, with the purchase of PBTCL by SingTel for an amount of nearly \$60 million, CityCell may be in for some expansion and show signs of change in the years to come.

With only 3550,000 subscribers, Teletalk has a relative market share that falls below 0.1 and hence does not fall into any of the quadrants. Moreover, while the growth rate of Teletalk indicates that it may overtake CityCell soon, with the litigation, its under, and expansion plans of CityCell, it is still in question.

With 2,790,000 subscribers Warid is the follower and positioning down in the table. But within short period it is going to be one of the leader by its new marketing positioning attribute and structure.

6.2 MARKET ANALYSIS

Even until a few months ago, customers were usually loyal to their network operator either because they liked the operator's service (usually the case with GP users) or because they had no other choice. However, now a day, customers are able to fit in two SIMS into their mobile and use whichever is less expensive or the best option for what they have to do.

The following sections look at the market characteristics and trends to determine the market situation in the industry.

6.2.1 Market Characteristic:

As mentioned earlier, the market more than doubled in the past year and is continuously growing. However, the requirement of the various customers is not the same. A market analysis of the cellular phone industry in China, divides today's cell phone users into four segments. Table 3b describes the characteristics of these segments in terms of Bangladesh.

Table 12: Market segmentation

	Attitudes/needs	Bangladesh scenario	Strategies
Heavy Users	Hard-working professionals; high quality-conscious when purchasing; they would rather buy expensive quality products & hesitant to shift to gadgets that would take them a long time to adjust to.	In Bangladesh, this segment is very few and hence less focused on than the other segments.	Banglalink™ offers various value added services for this section. For example, call forwarding and holding, VMS, call conferencing, SMSemail & the most extensive international SMS capabilities.
Technology Enthusiasts	Highly educated individuals who are heavy users of the Internet and other innovative technology. They are willing to try out new gadgets as soon as they are in the market and a substantial amount of their income/pocket-money is spent on these items.	This section of the population consists mostly of young boys between the ages of 15 and 40 in Bangladesh. While this segment is still quite small, it is growing bit by bit and companies must consider them when developing a marketing	With GP and AKTEL both offering GPRS, and GP moving onto EDGE technology, Banglalink™ may lose out market share in this segment. However, Banglalink™ has introduced a few VAS for them, such as SMS Adda, which would allow them to create chat rooms

		<p>strategy since they are more prone to change than others are.</p>	<p>for them and their friends to discuss tech-news and Premium SMS services.</p> <p>The company is also extending its product line in terms of handsets to bring in the more popular ones and those capable of carrying out more actions than just make calls.</p>
<p>Fashion Seekers</p>	<p>Enjoying life rather than living frugally.</p> <p>Associating brands with role models such as celebrities.</p> <p>This particular segment would rather purchase a brand that is in and considered cool within his/her circle.</p>	<p>This segment consists of mostly young boys and girls below 30 who are into impressing their friends or colleagues. Thus, they look for products that are showy on the outside.</p>	<p>While Djuice probably captured a whole section of this segment immediately after their launch, it is currently not doing very well.</p> <p>More or less, all the operators are trying to capture this segment since they are willing to spend more on accessories or features that are will increase the</p>

			<p>popularity of the things they own. For example, more or less, all operators have premium SMS services such ring tone, logo or picture download options.</p> <p>Banglalink™ recently introduced several camera phones that are all the rage these days among this group. Habib's <i>Moina Go</i> CD is also for this category considering his first two hit albums among this segment.</p>
Social-Life Lovers	<p>Willing to pay for top brands, but will also wait for price drop;</p> <p>Yield easily to sales promotion. While they are attracted by lower prices, they are more induced by products that would help them</p>	<p>With more and more people owning mobile phones, this segment is growing steadily and makes up a significant portion of the users.</p>	<p>Operators in Bangladesh are now on the verge of a price war, mainly due to this segment. Reduced connection fees, peak & off-peak rates and lower pulse are all for the benefit of this segment.</p>

	<p>stay connected with friends and families.</p>		<p>The Fun Dose service from AKTEL is perfect for this category.</p> <p>It is for this segment, the Banglalink™ first introduced the Tk. 3,400 package. The 1000 free SMS promotion is also for them. Furthermore, we had the Mother's Day promotion & international SMS to UN peacekeepers for them. T-adda is a perfect value added service to help them stay in touch with one another.</p>
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6.2.2 Market Condition:

The very prospective and fast growing telecom industry of Bangladesh is experiencing an intense competitiveness, specially the mobile telecom sector. And the credit goes to Banglalink™, the new private operator and also to TeleTalk, the state-owned cell phone unit of BTTB.

There are many forms of competition in the industry. It can be direct competition from other cellular companies or indirectly from companies offering communication services such as fixed phone lines, the Internet or even the postal service.

Cellular companies compete with each other in terms of the packages they offer, the value addition they can each add to their products or the special offers they confer from time to time.

Even a lay man can feel the intensity of the competitiveness that has been gaining momentum in the prospective market if somebody just goes through newspapers and watch televisions as the telecom operators are expending a huge some of money for putting advertisements there to win over others in media campaign.

Confusing market communication: These advertisements of five cell phone operators have spelled boom for the electronic and print media, but the media blitz at the same time has created confusion among the prospective buyers of the mobile sector because every other day the operators are bringing in new packages with many more attractive offers, though sometimes languages of these ads, specially by the leading operators, are very much tricky and in some cases deceiving as these are never clear cut in language actually what is in the offer.

So, the buyers are in confusion which one is more beneficial for him or her and often get messed up and pick up one without any clear idea. But not

everyone are confused, some specially young people are becoming expert in picking the right one and recommending others to buy the same detailing the actual features of the packages.

Some are actually using two SIMs with most of times one mobile set while one is Banglalink™ for sending messages to abroad and the other one is GP's mobile-to-mobile for regular use for its wide network coverage. Some people use two SIMs one is GP mobile-to-mobile and another one is Aktel post paid with T&T incoming and outgoing facilities and planning to buy a Banglalink™ SIM for SMS as it costs only Tk 2.

Most of the people use two SIMs because mobile phone SIM cards are now quite affordable with much lower prices and many interesting offers and packages from the private operators.

Some people are even more enterprising as they are using two SIMs on a single phone set and cell phone servicing centres at the Eastern Plaza, a shopping mall in the city's Hatirpul area, are offering to incorporate this facility for a charge of Tk 300 to 3,000. And young people are availing this facility for many purposes and some are doing it just for fun and others as necessity.

Bargaining power of consumers is increasing: Telecom shop owners and dealers of the five operators in the capital city are talking about a sales boom after the new operators arrival in the market. A Grameen Phone dealer said, "Sales are quite good and GP's Easy Gold are selling like hotcakes these days as GP has reduced the price of the pre-paid package with T&T incoming and out-going facilities which is now selling for Tk1500 only." But he said GP's new product Djuiice is failing to pull much buyers and are not selling well these days despite attractive offers.

Another GP dealer said, "After the launch of Banglalink™ sales of GP packages have dropped a bit, but still GP is leading with 70 percent of the total sales in this shopping mall."

Djuice is the most recent package launched by GP targeting the younger segment of the market. More than the somewhat lower tariff rate, it is the *Xtra* card that is the charm. Last three months Nov. 05 to Jan. 06, Djuice had given a complete talk time free after 10 p.m to 6 a.m. As a result, Djuice was sold more than 1 million lines. 90% buyers of this package were the younger segment of the society. After end of this offer, the sale of Djuice has drastically dropped to zero. However, after the initial hype created with its launch, sales have practically dropped to zero in the market for Djuice. The problem was mainly with the marketing campaign, which is discussed in a later section.

An Aktel dealer said, "Aktel sales have increased significantly and now buyers purchase sets by availing Banglalink™ package, then buy Aktel SIMs for greater network facilities as Aktel packages usually do not have any handset offer and the arrival of TeleTalk and Banglalink™ has made the market vibrant and sales of handsets and SIMs have increased significantly at present."

A Banglalink™ dealer said that Banglalink™'s inaugural package was a hotcake in the market with much lower prices for the handsets and after that it's distributor Deens Telecom Ltd has launched another Family Package of 3 handsets and 3 connections for Tk 7,600 that was also selling well in the market.

After that Deens Telecom launched another package on Bangla New Year which offered a handset and mobile-to-mobile connection for Tk 1,999 with lottery coupons. Then Banglalink™ offered a SIM card for Tk 200 only with 1000 SMS and a music CD of popular singer Habib free of cost which is attracting many buyers. Moreover Banglalink™'s unique international SMS network, where other operators are lagging behind, is also making a significant contribution to the sales of BL products.

Recently Banglalink™ offered pre-paid M2M at Tk.132 and pre-paid M2M+ and standard at Tk.425, which increased the sales of Banglalink™ rapidly.

The dealers of CityCell are a little bit worried about the sales as the lone CDMA technology is failing to attract much buyers in a market dominated by GSM technology.

Teletalk is preferred for totally free T&T incoming and for the outgoing to T&T land phone at only Tk.1. It is increasing its market at a well average rate by providing the lowest call rate in Bangladesh. But it is still now facing a serious problem of network. So it cannot compete with other operators significantly.

'Price War' in the name of pulse war: Bangladesh's most prospective and emerging telecom sector is growing up steadily for the last couple of years but the near monopoly cell phone market got the whisker of rapid growth at the very beginning of the year 2005 and now lot of things are happening in the mobile market. The market is now gaining momentum and competitive edge and five key factors have contributed to bring about some positive changes in the cell phone market. And these are:

1. Launching of Banglalink™ & crossing more than 1 million mark within only one year
2. Aktel crossing 1 million mark
3. GrameenPhone reaches five million mark
4. Launching of TeleTalk
5. Media campaign with so many competitive packages kicking off the "Pulse War".

Now the all five operators are locked in the 'pulse war' and media blitz through advertisements and bringing in many more new packages with different special offers, value added services which are reducing the subscribers' overall expending on the cell phones and ultimate the game is proceeding towards the 'price war' i.e. direct call charge cut.

Despite the vibrant and cutthroat competition in the market, the big market players like GrameenPhone, which enjoys the largest market shares of subscribers, is taking very few steps towards the price war. Without taking any lead, GP is just following the small market players and doing what the other players have done before. It is doing so because it has a strong network coverage and system.

New player in the market Banglalink™ which is barely one year old company is coming up with many more value added services for the subscribers and contributing a lot in making others to cut prices to make the mobile telephony affordable to the mass people and make the subscribers' base bigger.

So far though none of the company has directly cut enough call tariffs, but the extension of cards' validity time, making pulse even 1 seconds, free sms, bonus minute & balance handset price reduction, fixed line rent cut etc have in reality sparked off the 'price war' which has opened up a new chapter of competitiveness in the cell phone market and forcing operators to bring in new products and value added services every other day to remain in the race and outsmart others to win subscribers' hearts.

Growth prospect & foreign investment boom: With many new packages on offer and the competitiveness among the operators for raising their regular subscribers' base, a mad rush is visible almost every corner of the capital city & also in Chittagong, Shylet, Rajshahi, Bogura, Comilla cities with large billboards on roadsides to moving bus advertisements, advertisements through decoration of Dhaka city specially at the time of last summit of SAARC and all these are making the cell phone market fastest growing sector in South Asia. The present growth and potentials of future growth are attracting the foreign investors and big names in the world's telecom sector to have a stake in the Bangladesh market.

Foreign telecom giants like Norwegian telecom big name Telenor which owns the largest market player GrameenPhone, TM International (Bangladesh) Limited which is a joint venture of Telekom Malaysia Group (TM) and Bangladesh's AK Khan & Company and owns the second largest player Aktel and Egyptian giant Orascom has bought the Sheba Telecom and launched Banglalink™. All these telecom foreign giants have contributed to the growth of Bangladesh telecom market. Following the footprint of these big names another major Asian telecom giant SingTel, which is the city state Singapore's key operator, is eyeing to have a big share of the Bangladesh's booming telecom market. Moreover, currently SingTel is holding talks with Pacific Bangladesh Telecom Limited, the owning company of CityCell, which is the pioneer of mobile telephony in Bangladesh, to have a major stake. In addition, the most new one of Dhabi Group of Abu Dhabi is coming soon.

Therefore, the Bangladesh's thriving mobile market is growing up with a rapid pace and telecom experts are quite hopeful that the present five million subscriber's base will turn into a 38 million market by the end of 2008 which is quite encouraging news for the operators and the subscribers as well. Because the growth of the sector will ensure quality services for subscribers while operators will make lot of gain too by the market expansion for attracting more foreign investment in the sector for future expansion.

7.0 RECOMMENDATIONS AND CONCLUSION

The mobile industry is growing at a phenomenal pace these days. While it took the industry leader more than six years to reach its first million subscribers, its last million it had acquired in a bit more than 2 month period. With an annual growth rate of 132% in the industry itself, it can be said to be the fastest growing industry in the country.

It has kept its promise of making mobiles affordable not only through reducing its own prices, but it has managed to shake the rest of the industry into taking action. The whole industry is now at the height of its competition, with customers quietly reaping the benefits offered them.

In a country where the mobile telephony penetration is below 3%, the best strategic move for any operator would be to concentrate on expanding the subscriber base⁵. For this, packages such as Banglalink™™'s launch offer and its most recent tariff plans are ideal, since like most emerging markets, Bangladesh is also a pre-paid driven market.

However, in a population where majority of the people live below the poverty line it is doubtful as to how far the companies can succeed in increasing percentage penetration. Hence, decreasing call rate and increasing value added services like new and innovative SMS and IVR based products can help to raise the level of ARPU from its current position.

To establish and grow its position in the market, Banglalink™™ can:

- **Add more value added services** to its line-up, such as WAP, Data & Fax, Internet, etc. like its subsidiaries. The young, professional group is slowly also on the rise and heavy users like them would prefer services that would help them stay connected everywhere they go.
- Banglalink™™ would have to be careful in whatever strategies it decides to undertake since people still have not made up their minds about where to place the company and are watching careful for its next move. With the kind

of background OTH has, Banglalink™ can easily leverage OTH's **background** to gain market trust.

- While spontaneous brand recognition may be high, people do not have a good opinion regarding the advertisements and communications of the company. Most of this is because a lot of pressure is placed on the PR & Communication division of the Marketing department to produce. Hence, **further recruitment** should be carried out to work on the development of the brand in a coordinated manner.
- To reduce the total cost of owning, as the CEO promised at the launch of Banglalink's operation, the company should bring out a similar **new package offer** to that of the launch offer. Now that telecom companies are no longer required to bundle their SIMs with handsets they have the upper hand when it comes to negotiating deals.
- Bangladeshi people love **free give-aways**. Anything free, however small, is always appreciated and accepted. This is evident from the number of SMS sent on the Bengali New Year when the company had made SMS free for all. The number of SMS sent had jumped by more than seven times, with one particular subscriber sending out about 216 messages with less than Tk. 2 in his account. The 1000 SMS is a hit and the reasons behind people are keeping two SIMs those days, with Banglalink™ being the second SIM.

At the rate the Banglalink™ is going, in terms of developing unique ideas to make mobile owning affordable and easy (e.g. the ER for mobiles) and in terms of value added services and special offers, it is likely that it would soon topple the number 1 company in the country. However, it would be a tough fight to defeat the number 2.

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Appendix

Age: a) below 20 b) 20-30 c) 30-40 d) 40-50 e) 50 and up
Gender: a) male b) female
Income: a) Below 10000 b) 10000 – 20000 c) 20000 – 30000 d) 30000 – 40000 e) 40000 up
For how long (years) you are using Banglalink? Less than 1 1 2 3 more than 3
Do you have any other mobile? Yes no
If yes, please name the other operator(s):

This questionnaire has been designed for the research purpose only. All data and information will be used for only the research purpose. Thank you to help me to complete the research.

(The scale rates from strongly agree to strongly disagree)
(1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree)

1. I am using banglalink because it is providing best network coverage
5 4 3 2 1
2. I am using banglalink for its additional features in comparison to other operators.
5 4 3 2 1
3. The package price of banglalink for different packages is affordable.
5 4 3 2 1
4. Banglalink hotline is very helpful in meeting my queries and other needs.
5 4 3 2 1
5. Tariff of banglalink is affordable.
5 4 3 2 1
6. Before buying you search for the best mobile operator in the market.
5 4 3 2 1
7. The marketing activity of banglalink is satisfactory.
5 4 3 2 1
8. Which advertisement creates a value in your mind?
a) Din bodoler pala
b) SME
c) Ladies First
d) Desh
e) FNF Package
9. Banglalink's marketing activities and advertisement creates value in your mind.
5 4 3 2 1
10. If another company comes up with the same features, I will still remain loyal towards banglalink.
5 4 3 2 1