

211
Internship Report

On

Strategic Case Analysis on –

Grameenphone Ltd.



Internship Report
On
**Strategic Case Analysis on –
Grameenphone Ltd.**

Prepared for

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Date of submission: April 29, 2010

East West University



April 29, 2010
The Supervisor
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Subject: Submission of Internship Report.

Sir,

Conveying the utmost complement to your position and honor that I would like to approach you with the following fact for your propitious deliberation that I am vary happy and grateful at this moment of submission of my Internship Report on "Strategic Case analysis on Grameenphone Ltd" in partial fulfillment of the requirement for BBA program. I will complete my 3 months long internship at Grameenphone Ltd. under supervision from February 02, 2010 to April 30, 2010.

I have used all the data and information in this report that was found most relevant and correct per best of my judgment. It will be worthwhile to mention this field work has immensely helped me to gather knowledge that might have been required long time for me to acquire. I sincerely hope this report will standard of our judgment. I will be always available for any inquiry or clarification regarding the report.

Thanking you.

Sincerely,

A handwritten signature in black ink that reads "Azharul Islam". The signature is written in a cursive style and is positioned above a horizontal line.

Azharul Islam
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Executive Summary

Grameenphone the leading multinational company in telecommunication service sectors occupying around 50% of the market share and having more than 23 million subscriber bases.

The strongest side of Grameenphone is its customer's service and its relationship with their subscriber. Almost each part of the country connected and it turned out to be a big hit. The big profit maximizing company also captured most of the leading market share and generating revenues from its several divisions. The biggest strength of Grameenphone is its widest network coverage. Grameenphone has a dual purpose - to receive an economic return on its investments and to contribute for the economic development of Bangladesh where telecommunication can play a vital role. It had a great desire to reach one phone in each village to contribute significant better life through out the villages. Their dream became true and they have started operating in the rural areas.

The company has been a pioneer in introducing new products and services to the market. Grameenphone's basic strategy is to coverage both the urban and rural areas. In contrast to the "island" strategy followed by some companies, which involves connecting isolated islands of urban coverage through transmission links, Grameenphone builds continuous coverage and may vary from area to area depending on market conditions, the basic strategy of cell - to - cell coverage is applied throughout Grameenphone network.

Grameenphone has done re-branding by introducing Telenor Logo in 2006, but keeping the name "Grameenphone" intact. The general people of Bangladesh viewed Grameenphone as a nationalistic company, as its previous logo, theme all used to matches the country's nationalistic profile. As they did so, they got positive and negative response from its different group of stakeholders.

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Introduction

Origin of the report:

This internship report is prepared for **Mr. S I Nusrat A Chaudhury, Associate Professor, Business Administration**, Head of Career Counseling Center of East West University, as a requirement to complete the B.B.A program. The standard procedure for the long, formal report is followed here as per the instruction of the course instructor.

Scope of the study:

This report renders a close analytical look at the strategic task analysis on Grameenphone Ltd. It sheds light on the scope of rivalry among competitors, entry/exit barriers of relevant industries, industry profitability, economies of scale, Strength of the each competitive force, threat of substitute products, bargaining power of suppliers and buyers, company situation analysis, sort out the companies strong and factors and key success factors for competitive success.

Methodology

We know that research method is 2 types, Qualitative and Quantitative research method. I Used for my report Qualitative research method. Qualitative research method applied for getting any result or making decision.

1. Primary Data:

The data and the information collected from the analysis and the Grameen

Phone employees themselves through the Interview.

2. Secondary Data:

In this report I also used secondary Information. Information was also taken from previous reports and also from the Internet.

Identification of specific sources of information:

Sources of information lie in primary and secondary data; from primary data, information is collected as follows

- a. Communication**
 - 1. Interviews
- b. Observation**
 - 1. Human
 - 2. Mechanical

Secondary data can be collected as internally and externally, sources may include as follows:

- a. GP Inside (Website)
- b. Internal Employee
- c. Previous record
- d. Recent previous trends of Information web access.

Limitations:

The major limitation factor for this report was primarily the reluctance and strict adherence to confidentiality maintenance attitude shown by the officials of Grameenphone. Furthermore, some information was withheld to retain confidentiality of the companies.

Chapter: 1

Profile of the Organization

1.1 Introduction:

Grameenphone Ltd., the largest telecommunications service provider in Bangladesh, received its operating license in November 1996 and started its service from March 26, 1997, the Independence Day of Bangladesh. Now, after 12 years of successful operations, Grameenphone is the largest mobile phone service provider in Bangladesh, with nearly 23 million subscribers as of December 2009. Grameenphone provides services to rural and urban customers across Bangladesh, where mobile telephone is acknowledged as a significant driver of socio-economic development, both for individuals and the nation.

1.2 History of the Organization:

The company has so far invested more than BDT 10,700 crore (USD 1.6 billion) to build the network infrastructure since its inception in 1997. It has invested over BDT 3,100 crore (USD 450 million) during the first three quarters of 2007 while BDT 2,100 crore (USD 310 million) was invested in

2006 alone. Grameenphone is also one of the largest taxpayers in the country, having contributed nearly BDT 7,000 crore in direct and indirect taxes to the Government Exchequer over the years. Of this amount, over BDT 2000 crore was paid in 2006 alone.

Since its inception in March 1997, Grameenphone has built the largest cellular network in the country with over 10,000 base stations in more than 5,700 locations. Presently, nearly **98 percent** of the country's population is within the coverage area of the Grameenphone network.

Grameenphone was also the first operator to introduce the pre-paid service in September 1999. It established the first 24-hour Call Center, introduced value-added services such as VMS, SMS, fax and data transmission services, international roaming service, WAP, SMS-based push-pull services, EDGE, personal ring back tone and many other products and services.

The entire Grameenphone network is also EDGE/GPRS enabled, allowing access to high-speed Internet and data services from anywhere within the coverage area. There are currently nearly 3 million EDGE/GPRS users in the Grameenphone network.

Grameenphone nearly doubled its subscriber base during the initial years while the growth was much faster during the later years. It ended the inaugural year with 18,000 customers, 30,000 by the end of 1998, 60,000 in 1999, 193,000 in 2000, 471,000 in 2001, 775,000 in 2002, 1.16 million in 2003, 2.4 million in 2004, 5.5 million in 2005, 11.3 million in 2006, and it ended 2007 with 16.5 million customers.

From the very beginning, Grameenphone placed emphasis on providing good after-sales services. In recent years, the focus has been to provide after-sales within a short distance from where the customers live. There are now more than 600 GP Service Desks across the country covering nearly all upazilas of 61 districts. In addition, there are 72 Grameenphone Centers in all the divisional cities and they remain open from 8am-7pm every day including all holidays. GP has generated direct and indirect employment for a large number of people over the years. The company presently has more than 5,000 full and temporary employees. Another 100,000 people are directly dependent on Grameenphone for their livelihood, working for the Grameenphone dealers, retailers, scratch card outlets, suppliers, vendors, contractors and others.

In addition, the Village Phone Program, also started in 1997, provides a good income-earning opportunity to more than 210,000 mostly women Village Phone operators living in rural areas. The Village Phone Program is a unique initiative to provide universal access to telecommunications service in remote, rural areas. Administered by Grameen Telecom Corporation, it enables rural people who normally cannot afford to own a telephone to avail the service while providing the VP operators an opportunity to earn a living.

The Village Phone initiative was given the "GSM in the Community" award at the global GSM Congress held in Cannes, France in February 2000. Grameenphone was also adjudged the Best Joint Venture Enterprise of the Year at the Bangladesh Business Awards in 2002. Grameenphone was presented with the GSM Association's Global Mobile Award for 'Best use of Mobile for Social and Economic Development' at the 3GSM World Congress held in Singapore, in October 2006, for its Community

Information Center (CIC) project, and for its Health Line Service project at the 3GSM World Congress held in Barcelona, Spain, in February 2007.

Grameenphone considers its employees to be one of its most important assets. GP has an extensive employee benefit scheme in place including Gratuity, Provident Fund, Group Insurance, Family Health Insurance, Transportation Facility, Day Care Centre, Children's Education Support, Higher Education Support for employees, in-house medical support and other initiatives.

1.3 Our Vision:

"We are here to HELP"

We exist to help our customers get the full benefit of communications services in their daily lives. We want to make it easy for customers to get what they want, when they want it.

Our Values:

MAKE IT EASY

We are practical. Everything we produce should be easy to understand and use, because we never forget we are trying to make our customers' lives easier.

BE INSPIRING

We are creative. We bring energy and imagination to our work. We want to be a partner in the development of our community. We are passionate about our business, customers and our country.

KEEP PROMISES

Everything we set out to do should work. If it does not, we are there to put things right. We are about delivery, not over promising - actions not words.

BE RESPECTFUL

We acknowledge and respect the local culture. We are respectful and professional in regard to all our interactions, both internally and externally. We are open, helpful and friendly.

1.4 Grameenphone Corporate Governance:

In the fast-paced world of telecommunications, vibrant and dynamic Corporate Governance practices are an essential ingredient to success. Grameenphone believes in the continued improvement of corporate governance. This in turn has led the Company to commit considerable resources and implement internationally accepted Corporate Standards in its day-to-day operations.

Being a public limited company, the Board of Directors of Grameenphone have a pivotal role to play in meeting all stakeholders' interests. The Board of Directors and the Management Team of Grameenphone are committed to maintaining effective Corporate Governance through a culture of accountability, transparency, well-understood policies and procedures. The Board of Directors and the Management Team also persevere to maintain compliance of all laws of Bangladesh and all internally documented regulations, policies and procedures.

Grameenphone is a truly transparent company that operates at the highest levels of integrity and accountability on a global standard.

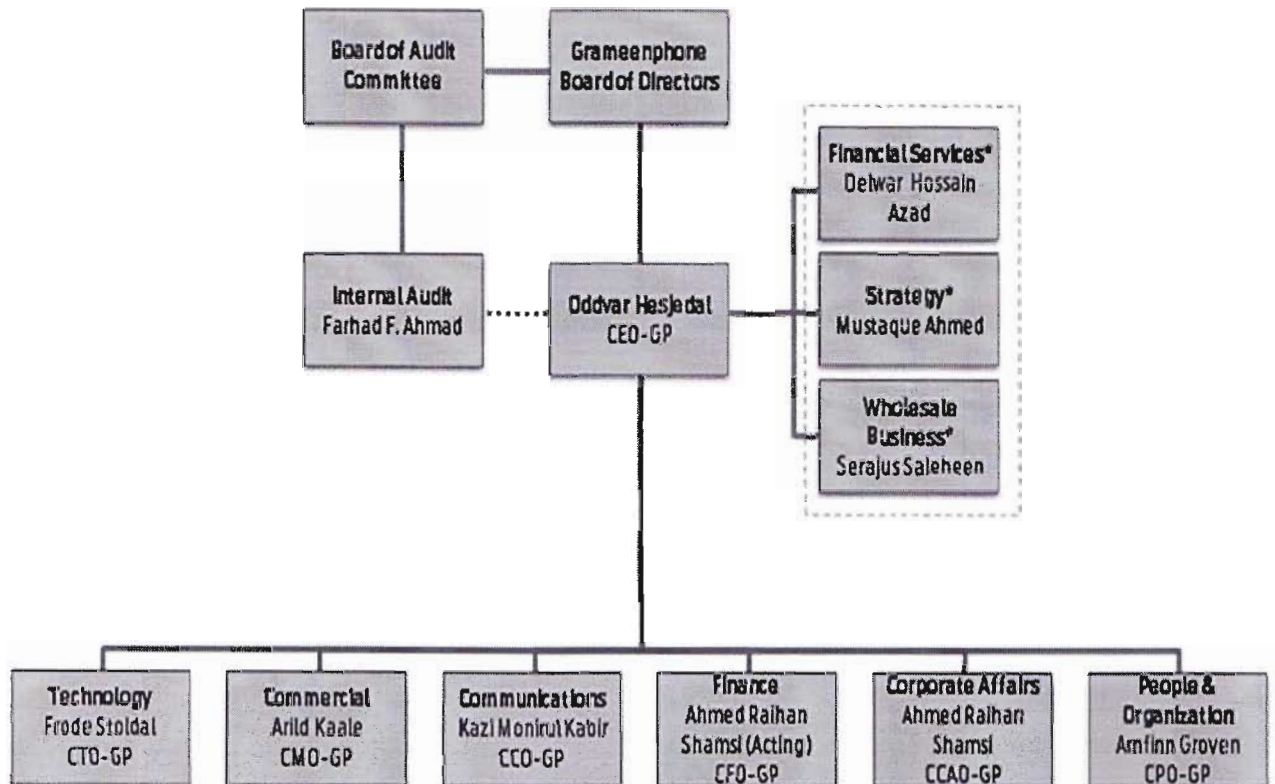
1.5 Grameenphone Organogram & Management:

GrameenPhone has total 5000 employees, Major divisions of GP are: Technology, Commercial, Communications, Finance, Corporate affairs, People & Organization.



The Top level management structure of GrameenPhone is shown below:

GP Organogram & Management



1.6 Shareholders:

The shareholders of Grameenphone contribute their unique, in-depth experience in both telecommunications and development. The international shareholder brings technological and business management expertise while the local shareholder provides a presence throughout Bangladesh and a deep understanding of its economy. Both are dedicated

to Bangladesh and its struggle for economic progress and have a deep commitment to Grameenphone and its mission to provide affordable telephony to the entire population of Bangladesh.

1.6.1 Telenor Mobile Communications AS

Telenor AS is the leading Telecommunications Company of Norway listed on the Oslo Stock Exchange. It owns 55.8% shares of Grameenphone Ltd. Telenor, a more than 150 year-old organization, has played a pioneering role in the development of cellular communications. Manual mobile telephony services were introduced in Norway in 1966, as a forerunner to the automatic NMT system, which appeared in 1981. Its digital successor, GSM, was introduced in 1993, and third generation mobile network, UMTS, was launched for commercial use in 2004.

Telenor's strong international expansion in recent years has been based on leading-edge expertise, acquired in the Norwegian and Nordic markets, which are among the most highly developed technology markets in the world. It has substantial international operations in mobile telephony, satellite operations and pay Television services. In addition to Norway and Bangladesh, Telenor owns mobile telephony companies in Sweden, Denmark, Hungary, Russia, Ukraine, Montenegro, Thailand, Malaysia, Pakistan, Serbia and India with more than 164 million mobile subscriptions worldwide as of 31st December 2008.

Telenor uses the expertise it has gained in its home and international markets for the development of emerging markets like Bangladesh.

As part of the conversion of Grameenphone from a private limited to a public limited company, Telenor Mobile Communications AS transferred

10 shares each on 31st May 2007 to its three (3) affiliate organizations namely Nye Telenor Mobile Communications II AS, Norway; Telenor Asia Pte. Ltd., Singapore and Nye Telenor Mobile Communications III As, Norway.

1.6.2 Grameen Telecom (GT)

Grameen Telecom, which owns 34.2% shares of Grameenphone Ltd., is a not-for-profit company in Bangladesh, working in close collaboration with Grameen Bank, winner of the Nobel Peace Prize in 2006 along with its founder Professor Muhammad Yunus. The internationally reputed bank for the poor has the most extensive rural banking network and expertise in microfinance. It understands the economic needs of the rural population, in particular the women from the poorest households. GT's mandate is to provide easy access to GSM cellular services in rural Bangladesh and creating new opportunities for income generation through self-employment by providing villagers, mostly to the poor rural women with access to modern information and communication-based technologies. GT is also one of the three National distributors of Nokia brand handsets in Bangladesh and also the authorized service provider of Nokia Care network, providing after sales services to the Nokia customers.

With the help of Grameen Bank, Grameen Telecom, with its field network, administers the Village Phone Program, through which Grameenphone provides its services to the fast growing rural customers. Grameen Telecom trains the operators, supplies them with handsets and handles all service-related issues. GT has been acclaimed for the innovative Village Phone Program. GT & its chairman Nobel peace prize laureate Professor

Muhammad Yunus have received several awards which include: First ITU World information Society Award in 2005; Petersburg Prize for Use of the IT to improve Poor People's Lives" in 2004; GSM Association Award for "GSM in Community Service" in 2000.

As part of the conversion of Grameenphone from a private limited to a public limited company, Grameen Telecom transferred one share each on 31st May, 2007 to its two affiliate organizations namely Grameen Kalyan and Grameen Shakti.

1.6.3 General Retail and Institutional investors:

Grameenphone (GP) Ltd. received formal consent from the Securities and Exchange Commission (SEC) of Bangladesh on its Initial Public Offer (IPO) application on July 02, 2009. Among the conditions set by the SEC for the approval are that GP would have to convert the face value of the offered shares from BDT 1 per share to BDT 10 per share. Grameenphone shareholders have further decided to revise the total offer size, including IPO and Pre-IPO, from 8.95 per cent to 10 percent of its total share capital. Citigroup Global Markets Bangladesh Private Limited will continue to be the Private Placement Agent, Issue Manager and Lead Underwriter for our Pre-IPO and IPO.

Formal approval for the listing of Grameenphone shares was granted at two simple ceremonies, organized separately at the Dhaka Stock Exchange and Chittagong Stock Exchange offices respectively, earlier today, 16 November 2009.

The Grameenphone issue was formally declared open for trading at the conclusion of the signing of the Listing Agreement, which gave the go

ahead for the Grameenphone shares to begin trading in the Dhaka and Chittagong stock exchanges on the same day.

Following the formal approval for Grameenphone's initial public offering (IPO) by The Securities and Exchange Commission (SEC) of Bangladesh earlier in August, the subscription process opened on 4 October 2009 and continued till 8 October 2009 to overwhelming response. The offering was subscribed by more than three times.

The subsequent IPO Lottery was concluded at the Bangabandhu International Convention Center (BICC) on 28 October 2009, amidst huge, unprecedented participation from investors and the interested general public.

In total 316,496 new Grameenphone shareholders have been added through the IPO and a pre-placement offer (PPO) process.

1.7 Business Highlights:

Grameenphone witnessed a jolt in subscription growth in the last quarter of 2009 with start-up campaigns pushing the total number of subscriptions over the 23Mn subscription base. The number of subscriptions increased by 1.3 million during the quarter compared to 0.2Mn in the same quarter of 2008. GP's subscription base reached at 23.3Mn with 44.4% market share at the end of 2009.

Pointing out the surge in GP's subscription growth on introduction of reduced start-up price, the Grameenphone CEO Oddvar Hesjedal said that

“the SIM tax continues to be a significant bane for the industry and a barrier for tele-penetration in the country” as subscriptions spiked each time the company opted to subsidize the tax.

The revenue for the fourth quarter of 2009 increased by 2.6% to BDT 1,675 crore compared to the underlying revenue of the same quarter of 2008 which excluded onetime recognition of arrear interconnection revenue. This growth was mainly led by higher subscription base and tariff revision. Total revenue for this quarter was also increased by 1.3% from the third quarter of 2009.

“Despite a global recession, Grameenphone has had a good quarter in terms of subscription growth and its financial consolidation,” added the CEO. However, there is concern that with new entrants coming into the market there is possibility of greater competition ahead.

However, Average Revenue per User (ARPU) in this quarter decreased from BDT 268 to BDT 244 in comparison with the last quarter of 2008 mainly due to reduced interconnect rate from 26 March 2009 as defined by regulator and intake of new subscription from the financially constrained segment. EBITDA margin in this quarter stood at 52.6% compared to 59.6% of the last quarter of 2008 and 57% of the third quarter of 2009 mainly due to higher subscription acquisition costs. However, lower capital expenditure during the quarter has been in line with traffic demand.

Adjusted for non-routine items the net profit after tax for this quarter stood at BDT 235 crore.

Grameenphone has been listed in Bangladesh capital market after completing the largest initial public offering (IPO) ever in the country’s

history. Trading of Grameenphone shares commenced in both Dhaka and Chittagong Stock Exchanges on 16 November 2009. The share of BDT 10 each was offered with premium at BDT 70 and on 30 December 2009 the trading price closed at BDT 187.5 in the Dhaka Stock Exchange.

Grameenphone's shareholding structure after the IPO stood at 55.8% for Telenor, 34.2% for Grameen Telecom, and 10% to general retail and institutional investors.



1. 1.7.2 GP, Huawei win "Green Mobile Award" at GSMA Mobile

Grameenphone Ltd., jointly with Huawei Technologies Ltd., has won the "Green Mobile Award" at the GSMA Mobile Awards 2009. The award was announced during the GSMA Mobile Congress 2009, held in Hong Kong 18 and 19 November 2009.

The 'Green Mobile Award' Asia is provided by the GSM Association for the best Climate and Environmental initiative for organizations in the Asian mobile industry, as well as organizations outside of the industry that utilize the mobile platform to communicate, innovate or drive eco-friendly programs, services and initiatives.

The winning entry by Huawei and Grameenphone resulted from their partnership in 2008, called "Building a Greener Mobile Network," to transform a legacy mobile network in Bangladesh into an environmentally friendly network.

Grameenphone's environmental roadmap aimed to promote a low-carbon society, and GP's first priority was to take responsibility for the excess of CO₂ emissions generated by its own operations. In this regard, Grameenphone has setup a program called "Grameenphone Climate Change Program" within its corporate structure to combat climate impacts. The program aims to reduce carbon emission by 30-40% within 2015 from business as usual situation considering 2008 as baseline.

2. 1.7.3 Grameenphone crosses 23 million subscribers

Grameenphone Ltd. has crossed the 23 million active subscriber mark last week, which indicated resurgence in subscriber growth for the Company.

Earlier in October this year the Company had announced 22 million subscribers with the acquisition of nearly a million new subscriptions in the third quarter of 2009, driven primarily by a startup price campaign, on the occasion of Eid festival during and after the Holy month of Ramadan.

This new additional million subscribers follows on the re-introduction of the subsidized BDT 150 start-up price, in November 2009.

Commenting on the resurgence and latest growth, Grameenphone CEO, Oddvar Hesjedal said that he was happy to see such a milestone closing for Grameenphone in 2009 with a subscriber base of 23 million. "As a company with now over 23 million subscriptions we are no doubt the preferred operator in the market," he said, "but this new addition of 1 million subscribers clearly demonstrates the stranglehold to growth of telepenetration that the BDT 800 SIM tax has on the country because of the growth we see when the SIM tax is removed from the connection cost."

As of November 2009 there were 50.5 million mobile subscribers in the country and Grameenphone, with 23 million subscribers, holds 45.5 per cent of the market share.

3. 1.8 Grameenphone's products and services:

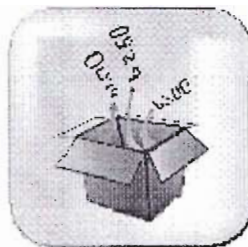
4. 1.8.1 Consumer:

5. 1.8.1.1 Bring SMILE into your life!

Our new SMILE prepaid has been designed to keep you smiling. It brings you great rewards and benefits, amazing rates, and exciting new features. And this is just the beginning of a happy story.



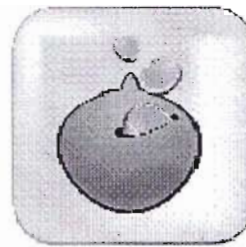
Great Start-up Offer



Low Rates



Great Rewards



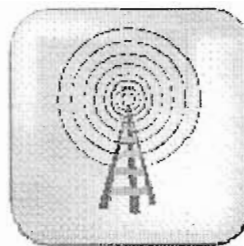
Amazing Savings



Great F&F Rates



Great Convenience



Other Facilities

1.8.1.2 xplore Postpaid



xplore the joy of doing more.

With the new xplore postpaid, discover the pleasure of doing much more. Packed with a treasure of new features and facilities it keeps you in touch with your loved ones and gives you access to unlimited information and entertainment. xplore postpaid sets you free!

6. 1.8.1.3 Grameenphone Internet



Internet is the most convenient medium of information, through which people can enhance their knowledge, spread the same from one corner of the globe to whichever place they wish with a single click.

Communication solutions developed by Grameenphone across all the media have always focused one single thing – to help people stay close to their dear ones and to enlighten their lives through free and flawless access to information. Grameenphone internet is another step towards fulfilling this goal. With this step, Grameenphone promises to enlighten the lives of 20 million people by providing easier and faster access to information than ever before.

Grameenphone so far brought Internet to people in the following ways:

- 1) Desktop and Laptop browsing: by using the mobile as modem or by internet modem
- 2) Mobile screen browsing: WAP/internet browsing on the mobile

3) CIC: More than 550 CICs all over the country for those who do not have access to PC or other facilities.

8. Grameenphone internet packages:

You can easily connect to high speed internet by availing any of the internet packages offered by Grameenphone. Grameenphone has Six different internet packages considering the needs of wide variety of subscribers. Choose any of the packages below that suits your need:

Package 1 (P1) is a pay-as-you-go offer. It is available for both prepaid and postpaid subscribers. For every kilobyte (KB) of data browsed, subscribers are charged Tk. 0.02 (excluding VAT).

To subscribe to Package 1 (P1), type P1 and SMS to 5000

Package 2 (P2) is available for postpaid subscribers only. Existing P2 prepaid subscribers will continue to enjoy this service unless they cancel the service willingly or fail to renew the service on time due to insufficient balance. Once P2 is deactivated from any existing P2 prepaid subscriber after 31st July 2009 due to insufficient balance or cancellation by the user, it will not be available for that user anymore

For P2 (24x7 monthly Browsing) monthly charge is BDT 850 (excluding VAT). To subscribe to Package 2 (P2), type P2 and SMS to 5000"

Package 3 (P3) is for postpaid subscribers. Subscribers can enjoy the service from 12:00AM-8:00AM and monthly charge is BDT 300 (excluding

VAT). From 8:01AM-11:59PM, subscriber can enjoy pay-as-you-go offer like P1.

To subscribe to Package 3 (P3), type P3 and SMS to 5000

Package 4 (P4) is for prepaid subscribers. Subscribers can enjoy the service from 12:00AM - 11:59PM (within a day) with 150MB data usage limit in a day and daily charge is BDT 60 (excluding VAT). From 12:00 AM of the next day, pay-as-you-go (P1) charges will be applicable.

To subscribe to Package 4 (P4), type P4 and SMS to 5000

Package 5 (P5) is an internet offer of 3 GB per month @ BDT 700+VAT. The package has a life time of 30 days (from the date of activation). After expiration of the specified volume or the life time of the package whichever finishes first, P1 (BDT 0.02/KB) charge will be applicable.

To subscribe to Package 5 (P5), type P5 and SMS to 5000

Package 6(P6) is an internet offer of 1 GB per month@ BDT 300+VAT. The package has a life time of 30 days (from the date of activation). After expiration of the specified volume or the life time of the package whichever finishes first, P1 (BDT 0.02/KB) charge will be applicable.

To subscribe to Package 6 (P6), type P6 and SMS to 5000

Subscriber can activate Grameenphone INTERNET service on his/her cell phone by sending the activation SMS (mentioned above). Subscriber will receive three (3) handset settings (Internet, WAP, MMS) from Grameenphone. Please save all three settings and if necessary, write 1234 as PIN.

*SMS charge applicable for the activation message.

*Subscribers have to pay content download fee separately.

Tariff Structure

	P1	P2	P3	P4	P5	P6
Subscribers	All	Postpaid	Postpaid	Prepaid	All	All
Tariff	None	BDT 850/Month	BDT 300/Month	BDT 60/Day	BDT 700/Month	BDT 300/Month
Browsing Charge	BDT 0.02/KB	Nil	Nil	Nil	Nil	Nil
Content Download	As per content	As per content	As per content	As per content	As per content	As per content

*VAT applicable

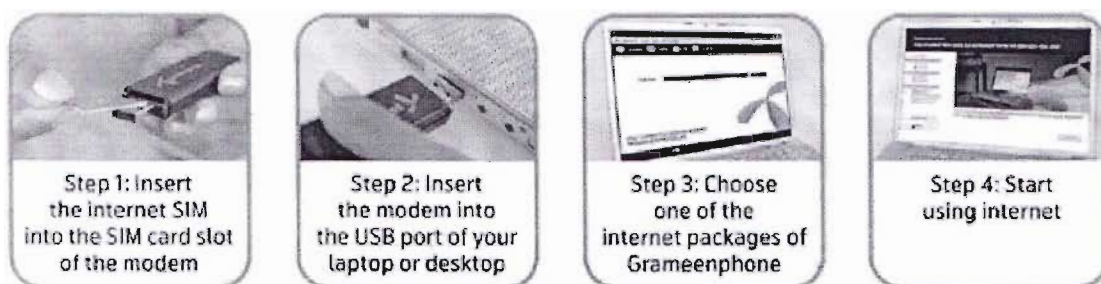
9. Internet SIM

Internet SIM is a SIM card that allows you to use internet and avail data services. Using this SIM you can send or receive SMS but can not avail any voice service.

How to use this Internet SIM

You need an EDGE/GPRS modem of any brand to use this SIM. If you use this SIM with Grameenphone Internet Modem, there will be no hassle as it is pre-configured.

Follow the following steps to use this internet SIM



* Step-3 is applicable for initial installation only. You do not have to choose an internet package every time you browse the internet.

Choose any of the packages below that suits your need:

Prepaid

- P1 (Pay as You Go)
- P4 (Internet for a Day)
- P5 (3GB for one month)
- P6 (1GB for one month)

Postpaid

- P1 (Pay as You Go)
- P2 (24x7 Monthly Browsing)
- P3 (Nighttime Browsing)
- P5 (3GB for one month)
- P6 (1GB for one month)

To subscribe, SMS the name of your chosen internet package (P1, P2, P3, P4, P5 or P6) to 5000. After activation, you will get a confirmation message and then you are ready to go!

Please call 121 to know more about Grameenphone internet packages and lot more.

For Grameenphone Customer Service, please email to:

Email: insta.service@grameenphone.com

Value Added Services

You can use your mobile phone for many other purposes than making voice calls. With GrameenPhone's VAS, you can use your mobile phone to:

- Send and receive text messages, picture messages, voice messages
- Download ring tones, logos, wallpapers
- Obtain news updates, cricket score updates
- Browse the Internet and also send and receive e-mails
- Transfer data and send fax
- Participate in competitions and vote for your opinions

You will be able to use all these services whenever you need them, wherever you are. All you need is to have a GP mobile phone to get these services.

- Messaging Services
- Information Alerts
- Data Transfer
- Fax
- Entertainment Services
- Browsing the Internet
- Send and receive e-mails
- Download Contents
- Customize Your Handset
- Participate in Competitions
- Vote your Opinions

Roaming



10. **What is International Roaming?**

International Roaming (IR) is a service that allows subscribers of one mobile network to use his/her own phone (number & handset) in foreign operators' networks while traveling outside home country.

* Depends on Inter-operator agreement and handset compatibility

11. **About GP International Roaming:**

In March 1999, Grameenphone introduced this premium service for the first time in Bangladesh and now provides International Roaming service to its own subscribers traveling abroad as well as to foreign operators' subscribers traveling in Bangladesh. For the first time in Bangladesh in July 2006, Grameenphone launched Roaming Services (both GSM and EDGE/GPRS) with CAMEL Phase II for Pre paid In-bound subscribers.

Grameenphone has unique 'One to One' relationship with all its International Roaming partner operators. As of May 2009, Grameenphone has 357 GSM partner operators in 120 countries in 6 continents and 137 EDGE/GPRS partner operators in 55 countries.

12. GP International Roaming Services:

With GP International Roaming, you will be able to:

- Use All Voice & SMS Based Services (GSM Roaming Services - Voice & SMS)
- Browse Internet, Check Email, Send MMS, Download Contents & many more (EDGE/GPRS Roaming Services - Internet, Email, MMS)

Are you a GP Subscriber Going Outside Bangladesh?

Are you Foreign Operator's Subscriber Coming to Bangladesh?

You can also avail International MMS through our International Roaming service.

- **Call 121 for International Roaming Tariff**

1.9. Customer Service



Our Customer managers are people just like your near and dear ones. They are caring brothers, caring mothers, caring sisters, caring fathers in their own families. Who better to serve with care than the ones closest to you?

Our new Customer Service campaign is a tribute to close relationships and the care it entails. It is a celebration of the magic of the closeness that Grameenphone facilitates through its superior service. You, our valued subscriber, are a member of the family we care for everyday. Remember, customer service is always beside you with the people closest to your heart. Stay Close.

As a valued subscriber of GP, you might require contacting us for any after

[Customer Service Hotline](#)



sales service, service related queries and complaints. Kindly

click on the following links for further details.

Complaint Management 

Frequently Asked Questions **FAQ**

Online Customer Service 

Customer Service Point 

Feedback/Query Form 



Chapter: 2

Industry and Competitive analysis

2.1. Industry & Competitive Analysis

The factors determining “Industries Dominant Economic Feature” are as follows

2.1.1 Structure

The Bangladesh telecom sector can be broadly classified into two categories of market players:

The first is the BTTB, which is a government establishment under the Ministry of Posts and Telecommunication. BTTB operates urban fixed line services as well as national and international trunk services. BTTB has also launched its own cellular services, called Teletalk, with an initial capacity of 250,000-subscribers, covering the entire country.

The second are private sector participants who offer mobile, paging and radio trunking all over the country and Public Switch Telecom Network (PSTN) services in rural areas.

2.1.2 Size of Market

With 55% of the population living below the poverty level, telephone demand in Bangladesh is not expected to reach anywhere near 100% penetration. The main driver of the calculation of addressable market size is the cut off level of monthly household income for buying a mobile phone.

On a conservative basis, it can be estimated that, based on our cut off level of monthly household income to purchase a mobile phone, 8.57 million is the addressable market size of the mobile market in the country.

The existing total number of mobile phone subscribers is about 18.55 Million as of February 2007. The subscriber base growing every year for all operators. There is still great opportunity for this industry to grow

2.1.3 Scope of Rivalry among Competitors

When any organization expands their business then there is more scope of rivalry. When Banglalink entered in the industry the rivalry became very strong and it forced the prices to go down for other operators. After Banglalink, Teletalk, another operator came in and now Warid Telecom is entered the market, which will no doubt affect the business environment significantly in the next few years. The another thing is companies offering more and more business strategy to sell their product so subscriber has more attraction on those offer, so there is more chance for rivalry among competitors.

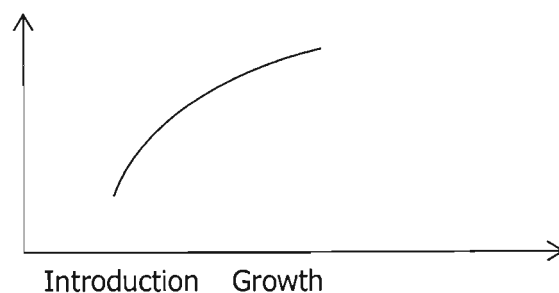
2.1.4 Growth Rate of the Market

Mobile communication in Bangladesh is turning to be more socially pervasive than predicted. It has become a substitute for BTTB lines. Mobile phones provide better communication, security, business enhancement and development and have become an integral part of the social arena. Recently, use of mobile phones by the young generation seems to have also grown due to its affordability, interesting features and for security purposes.

There are currently four operators holding licenses to operate cellular telecom networks and they are direct competitors. Of these, Pacific Bangladesh Telecom Limited holds a license to operate a fixed and mobile country-wise cellular network. The license was issued in 1989. BanglaLink, Grameenphone and TMIB hold licenses to operate only digital mobile cellular networks countrywide. These three licenses were awarded during November 1996, and are identical to each other. Warid Telecom got their license on 2007 and doing their activities to the market.

2.1.5 Stage in Lifecycle

The cellular phone industry in the country is in the growth stage. This implies, the companies have a great opportunity to earn significant revenues in the future years.



Number of rivals and their relative size

GP currently has 5 rivals:

2.2. Competitors-

2.2.1 City Cell



1989: Bangladesh Telecom Limited (BTL) was awarded a license to operate cellular, paging, and other wireless communication networks.

Apr-90: Hutchison Bangladesh Telecom Limited (HBTL) was incorporated in Bangladesh as a joint venture between BTL and Hutchison Telecommunications (Bangladesh) Limited.

Apr-93: Agreement with BTTB regarding PSTN links.

Aug-93: 1st cellular operation in the South Asian sub-continent.

CityCell (Pacific Bangladesh Telecom Limited) is Bangladesh's pioneering mobile communications company and the only CDMA network operator in the country. CityCell is a customer-driven organization whose mission

is to deliver the latest in advanced telecommunication services to Bangladesh. CityCell is focused on innovation and creating new ways for customers to stay in touch and to do business. CityCell's is offering a wide range of competitive prepaid and postpaid mobile packages as well as Value Added Services such as SMS and information based services.

The company offers a full array of fixed and mobile services for consumers and businesses that are focused on the unique needs of the Bangladeshi community. CityCell's growth strategy is to integrate superior customer service, highest standard technology and choice of packages at affordable rates. The company operates a 24-hour call centre with over 86 well trained operators to respond to customer queries. CityCell's customer services are open 7 days a week to ensure customers can access CityCell at any convenient time.

In the **CityCell**, the company operates a 24-hour call centre with over **86 well-trained** operators to respond to customer queries. So we can say that the **CityCell** is a very structured and well-formed organization because in here a huge number of employees are working for its customers to provide them the optimum level of service. The number of **CityCell** mobile user is more than three lac. Since they can provide the service as customer's perception that's why they can achieve a huge number of customer minds.

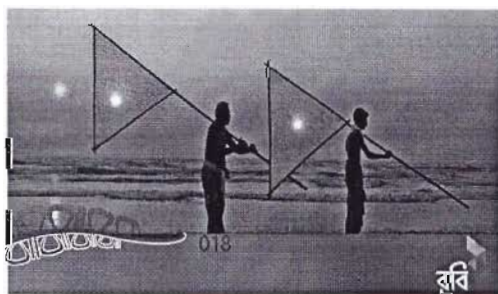
CityCell is looking forward in introducing CDMA 1x technology in 2004 to provide innovative multimedia features, including Multimedia Messaging Service (MMS) and many more data based mobile features currently not available in Bangladesh.

The CityCell CDMA will reshape the communications landscape in Bangladesh by helping to raise teledensity and thus growing the country. CDMA's advanced voice services as well as data services that are completely new to Bangladesh – and in fact still are to a lot of other developed countries worldwide – will enable CityCell to deliver affordable prices and efficient services to customers now and into the future.

By bringing CDMA 1x technology in Bangladesh, CityCell is delivering the digital revolution to the doorsteps of the country's people. CityCell is focused on innovation and creating new ways for customers to stay in touch and to do business.

2.2.2

Robi



Robi is the dynamic and leading end-to-end countrywide GSM mobile communication solutions of TM International (Bangladesh) Limited. It is a joint venture company between Telekom Malaysia Berhad and A.K. Khan

& Co. Limited which was established in the year 1996 and services launched in 1997 under the brand name **Robi**.

Robi is proud to be associated as part of the Telecom Malaysia Group (TM), which is strong financially, and internationally renowned for its successful ventures like MTN, the market leader the telecommunication industry in Sri Lanka. It has a global presence in 11 countries with staff strength of 30,000 Groupwide. TM has recently made a couple of major acquisitions in India and Indonesia in the effort to stamp its presence internationally. In Indonesia, TM has acquired 27.3 per cent interest of PT Excelcomindo Pratama, the third largest mobile operator and in India, 47.7 per cent stake in Idea Cellular. TM hopes to extend its regional and global presence with these new acquisitions.

Since the commencement of its operation, **Robi** has been a force to be reckoned with in the telecommunication industry of Bangladesh, being one of the fastest growing mobile communication companies offering comprehensive GSM mobile solutions to more than two million subscribers. Today, **Robi** boast the widest International Roaming service in the market connecting 315 operators across 170 countries.

In addition, **Robi** is the first mobile operator to connect Tetulia and Teknaf, the northern and southern most points of Bangladesh. **Robi** was also the first to provide seamless coverage along the Dhaka-Chittagong highway. With a network covering all 61 (allowable) districts of Bangladesh, coupled with the first Intelligent Network (IN) Prepaid Platform in the country, **Robi** is geared to provide a wide range of products and services to customers all over Bangladesh. At the heart of all

of **Robi**'s success today, is a young dynamic workforce comprising of over 600 highly motivated and skilled professionals.

Today, **Robi** is recognized as a leading brand in Bangladesh and this is driven by our persistent pursuit of quality and technology, putting it clearly ahead of the rest. The future with **Robi** is promised to be exciting as we strive to employ the best resources and latest technology in offering many more innovative and exciting products and services.

2.2.3. BANGLALINK



Banglalink aims to understand peoples' needs best and develop appropriate communication services to improve peoples' life and make it simple. All their work is aimed towards meeting their vision. All members of the Banglalink family are highly passionate individuals, fully committed to achieving the vision that they have set ourselves. Their customers' needs matter most to us- making their life simple and improving it is all we want.

All the Banglalink family members have one thing in common- a passion to serve. We want to go that extra mile, so that you can have the best possible service. The biggest barrier today for people is the cost of handsets. They will strive to lower the total cost of owning a mobile. They are here to help make a difference in people's lives by providing affordable and reliable connectivity solutions. They will strive to connect people and link their lives by listening to them and by understanding their needs. They are here to help us speak our language.

Their Vision:

"Banglalink understands people's needs best and will create and deliver appropriate communication services to improve people's life and make it easier"

2.2.4. TeleTalk



Government owned TeleTalk limited starts its journey as the 5th mobile phone operator in the telecom arena of Bangladesh, creating huge

enthusiasm and jubilation among the masses. With unbeatable pricing and options, TeleTalk has become the buzz word. All application forms have been distributed within days of the launch. Subscribers are currently awaiting their SIM card collection. In the first phase of the TeleTalk project, 2 hundred thousand lines are planned to be circulated. Whole country shall be treated as one zone.

2.2.5. Warid Telecom



The Dhahi Group is a multinational company based in the UAE, which owns and operates a wide range of business concerns that are spread across 3 different continents. It has a diversified business interest in the institutions that have enjoyed commercial success as a result of its strong financial resources and extensive management expertise. The Abu Dhabi Group's major investments are in the following sectors:

- Telecommunications
- Hospitality services

- Property development
- Oil exploration and supplies
- Banking and financial services
- Automobile industries.

Warid Telecom takes pride in being backed by the Abu Dhabi Group, one of the largest groups in the Middle East and in Pakistan.

Warid Telecom is currently operational in Bangladesh and Pakistan, while it is also setting pace to initiate its operation in Uganda & Congo. Within the markets Warid is already operating, it has quickly developed a large customer base and established itself as one of the leaders of telecom service sector.

In Bangladesh, Warid Telecom commenced its operations under a landmark MOU agreed upon by the Dhabi Group and the Government of Bangladesh worth USD 1 billion, out of which USD 750 million was exclusively committed for investment in the telecommunication sector of the country. Succeeding the MOU signing, the BTRC license for telecom service provision was issued to Warid Telecom, followed by the signing of interconnectivity agreement with all the existing telecom companies of Bangladesh.

In May 10th, 2007, Warid Telecom launched its commercial operations in Bangladesh with a network encompassing 26 districts. By November 2007, the network had been expanded to cover 61 districts and being used by 2 million customers.

Based on the NGN (Next-Generation) network, Warid Telecom's operational activities in Bangladesh aim to achieve a new and modern corporate identity, which is congruent with the dynamic changes taking place in the telecom industry today. With a reflection of a new strategy, our aim is to be perceived not only as a telecommunication operator of voice services, but also as a universal provider of comprehensive communications services for both residential and business customers.

The subscriber base of over 2 million users in our first year of operation alone serves as a testament to Warid telecom's customer-driven business mandate. These achievements have only been possible due to Warid's uncompromising commitment to provide maximum network coverage and clear connectivity at the most affordable price.

2.3.1. Ease of entry/exit Barrier

Entry barrier is high and Exit barrier is moderately high.

The major barrier to entry is the Government restriction on issuing new licenses for cellular phone operations. Huge capital requirement is also another barrier for many companies to enter the cellular market.

Although there is no Government restrictions on exiting the industry, given the huge capital investment involved, it is not difficult to exit the

industry. However, a company can sell-off its business, like Sheba Telecom sold to Orascom and exited the industry.

2.3.1.1. Technology/Innovation

The requirement to be updated with the latest technologies and providing subscribers with the facilities is extremely important in the industry. Company like, Grameenphone has been very successful in implementing latest technologies for the benefit of the subscribers and thus has been the most successful company in the industry.

The scope and importance of gaining a competitive advantage through technological advancement is one of the keys to succeed in the industry.

2.3.1.2. Product/Service Differentiation

The service provided by the operators is identical, that is, to enable people to make voice calls. However, different service providers thrive to provide better quality, more coverage, lower price, more value-added services or all of these. Subscribers have been able to choose from any of the service-providers based on their preferences and companies satisfying more people have gained more market share.

2.3.1.3. Type of Distribution Channel

The service provision is done through own cables / towers by the operators. The product sell is done through huge network of outsource sales-outlets. Recently GP has introduced its own distribution outlet to gain more control over the market. Previously GP has centralized distribution center, now they have regional distribution centers, which are called "GPDC".

2.3.1.4. Industry Profitability

The industry of cellular mobile phones in Bangladesh is extremely profitable as the industry is in growth stage. The estimated total profit of the industry is USD 230 million.

2.3.1.5. Economics of scale

The operators existing over 5 years have been able to achieve economies of scale. Companies like GP has been using fiber optic cable of Railways, which is very cost effective and City-cell building up towers according to cost-benefit analysis.

2.3.1.6. Demand Drivers

Business demand in the cellular industry has been driven by fundamental market shifts in Bangladesh. These are:

2.3.1.7. Non-availability of Land Lines

Presently there are approx. 1,000,000 landlines available throughout the country. This represents a 0.73% concentration. This is insufficient to meet the telecom demand of the country. In Bangladesh existing mobile technology is providing the customers with the basic telecom services fixed line operators have failed to provide. Hence, potential customers' think of cellular phones as an alternative to fixed line ones. In addition, since, total mobile phone number in the country is almost double of the total fixed lines, it is no longer necessary to have land line connectivity with the mobile phones.

2.3.1.8. Procurement Cost

The initial procurement cost of a cellular connection starts from BDT 3,500, whereas the minimum procurement cost for a land-line is around BDT 8,000 - 10,000, combined with a 12-18 months waiting period.

2.3.1.9. Large area coverage

Area coverage has proved to be a crucial demand driver for cellular operators. Since the monopoly was lifted and the cellular operators commenced their operation in the market, the network coverage of

mobiles has expanded dramatically. Currently both GP & TMIB covers 61 out of 64 districts of Bangladesh.

Cellular operators, therefore, have created a parallel network to that of fixed lines in Bangladesh. Since the cellular subscriber base is almost double to that of the BTTB lines, it is, therefore, no more essential to have BTTB connectivity.

2.3.2.1. Strength of the each competitive force in the market

According to renowned marketing specialist Michael E. Porter, there are five primary competitive forces that represent the state of competition, which have been discussed below in the context of cellular phone industry of Bangladesh.

2.3.2.2. Potential Entry of New Competitors

Economies of Scale: Few of the existing competitors have been close to achieving economies of scale. A new competitor must invest huge amount in networks and also promotion and be prepared to take the initial loss. Not many companies in the world can sustain such losses and thus difficult for them to enter.

Resources: The existing firms have partnerships with the cheapest suppliers, possess huge network setups, technology, HR and market expertise, which new entrants will find difficult to acquire.

Learning and Experience Curve Effects: As a huge network setup is already done by the existing competitors, the airtime cost of calling is very low for them. In the cellular industry, the initial investment in huge and the cost of maintaining the call services is extremely low. As a result, new entrants will have high cost in the initial stages and will lag behind in the learning and experience curve effects.

Brand Images and Customer Loyalty: The scope of gaining a competitive advantage through building a strong brand image and loyal customer base is high in the industry. However, a new entrant would be able to capture new customer base through price-cut and better quality network service.

Brand Switching: Benefits of existing operators include unwillingness of subscribers to change a particular company and have a changed mobile number. People want to stay with a constant number and the 'want' is stronger as the time of using the number increases.

Capital Requirements: One of the largest barriers for entrance into cellular industry is the huge initial investment required especially for network establishment and promotional activities. A new entrant has estimated to invest around USD 200 million in 2005 itself. Such high investments are not feasible for a lot of companies around the world.

Regulations: New entrants must obtain license from Bangladesh Government. The Government has its own restrictions regarding making the market overcrowded and also may charge huge sum for new licenses.

2.3.2.3. Threat of Substitute Products

The main substitute for cellular phones is fixed (LAN) line phones. Although the fixed line phones are very attractively priced (low airtime charge), the satisfaction of using LAN phones is far below cellular phones. Cellular phones allow users to make and receive calls from anywhere (in the network) and provides numerous value added services, that LAN phoned cannot provide. As a result, cellular companies face little or no threats from substitute products.

2.3.2.4. Bargaining Power of Suppliers

The level bargaining power of suppliers can be analyzed from the discussion below:

- The mobile operators can choose from a wide variety of mobile phones manufactured by different companies. There are also a number of companies competing to setup physical infrastructures for networks for the mobile companies.

- It is difficult for the mobile companies to integrate vertically backwards as the manufacturing of mobile phones is a very different business than offering cellular services.
- The supply sources of mobile phones can be from anywhere of the Globe.
- The sites of base stations are not fixed and can be roamed around to a cheaper place for setup.
- The network backbone (fiber optic cable) has been leased for a long time and the terms would be difficult for the supplier (Bangladesh Railway) to change.

With regards to the above discussion, it is evident that overall bargaining power of suppliers is low.

2.3.2.5. Bargaining Power of Buyers

With the industry competition rising, the bargaining power of buyers has increased. The buyers can now choose from a wide range of services from various cellular service providers. Even at an extreme situation, they can even switch to fixed line phones and give up mobile phones.

2.3.2.6. Rivalry among Existing Firms

The rivalry among the existing firms is very intense. Earlier, the companies used to maintain a curtail (decided on the lowest price to offer), which has

been completely destroyed by the new entrants BanglaLink and Teletalk. Now the firms are continuously competing with each other to obtain superior position in the market place and also to retain their market share.

2.3.3.1. Drivers of Change in the industry and their impact

The competitive structure and the business environment of the cellular industry might change from the following factors:

2.3.3.2. Internet

Use of Internet to communicate would change people's use of mobile phones. People are sending more text and picture messages, sending e-mail, browsing through the mobile sets etc. has changed the overall structure of service to change. The operators are pressurized to compete by provide different Internet linked services.

2.3.3.3. Globalization

Increased globalization has forced the operators to provide international roaming and international SMS services to its customers.

2.3.3.4. Changes in who buys the product and how they use it

There have been significant changes in users of mobile phones. From the initial high-end users, mobile phones reached the rural and remote places. From usage as a fashion symbol, it has become a necessity for business and personal communication services.

2.3.3.5. Technological change

Use of state-of-the-art technologies in distribution, supply chain management, network expansion, value-added-services has dramatically changed the competition and service providence.

2.3.3.6. Marketing innovation

Analysis of both local and international telecom market information regarding customer behavior movement, industry life cycle, competition, available value-added-services, new features have given operators given valuable know-how regarding marketing products to customers.

2.3.3.7. Diffusion of technical know how across more companies and more countries

Many new telecommunication companies followed expertise and business practices of other rivals and gained significant competitive advantage in new businesses and geographic areas.

2.3.3.8. Changes in cost and efficiency

With industry moving into growth stage, difference in costs tends to be low and companies move towards economies of scale. As the industry

moves through the life cycle, companies would be covering all geographic areas and provide many value-added services. The more matured the industry will become, the less cost the companies need to incur in providing higher valued services.

2.3.3.9. Growing buyer preferences for differentiated products instead of a commodity product

In the embryonic stage, buyers were happy with basic call options. Such requirements have changed to demand for numerous value added services and companies that would most successful in satisfying these needs, would gain competitive advantage over others.

2.3.3.10. Regulatory influences and government policy changes

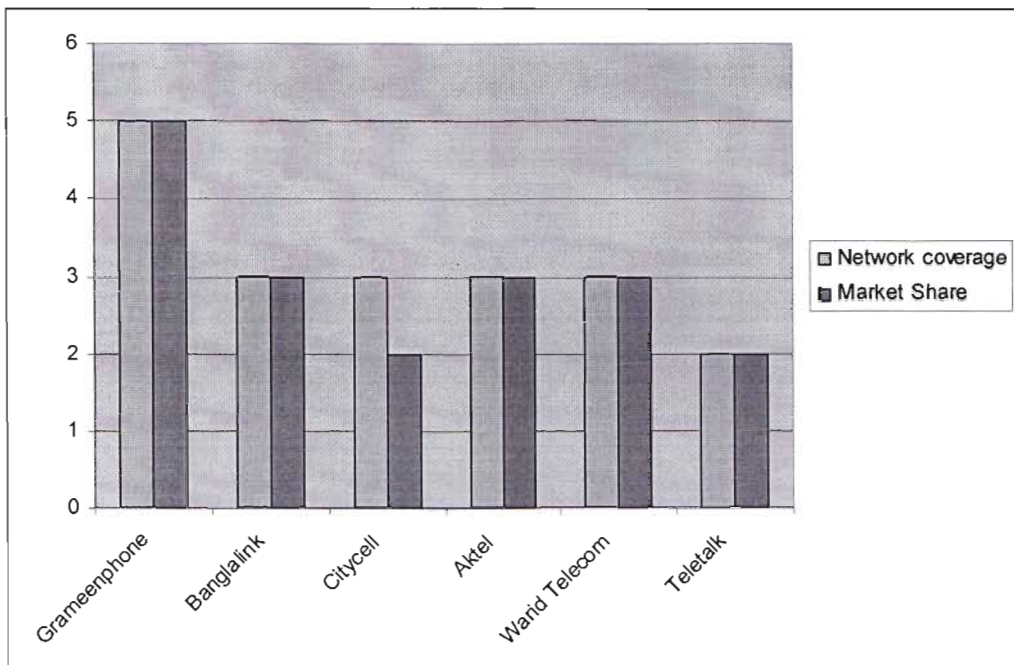
Governmental influences including inclusion of tax for sale of SIM cards, profits, taxes, excess profit taxes has impacted the cellular industry in a significant way. Government's policy to enter the cellular industry through Teletalk has also increased a competition in the industry.

Also, regulation regarding issue of licenses, establishment of towers, tariff and charges impact the competition and the business environment. Recently the government is trying to increase the percentage of the revenue sharing by the mobile operators, which will have a great impact on the mobile operators.



2.4. Company's relative strong and weak position

In order to identify which companies are in the strongest / weakest positions, it is necessary to analyze strategic group map:



High	Moderate	Low
5	3	2

Figure 5: Strategic Group Map

2.5. Strategic Moves by the rival companies

Rivals are likely to make the following moves in next 1 year:

Citycell

Invest heavily in CDMA technology as they sold 40% stake to Singtel, a Singapore based mobile giant. They would be reducing price, cover more geographic areas and acquire new customers. They would also be upgrading their systems for more quality of communications.

Robi

Aktel would be investing a probable figure of over USD 100 million to increase network capacity and acquire new customers.

BanglaLink

BanglaLink would focus more on value-added-services including, international roaming facility throughout the world, SMS and Internet facilities and more price-cuts. They would also improve their network quality.

Warid

Warid might focus on their new promotional offers including more than 3 FnF numbers and low call rate. They might go for focusing on Internet Services and some other value added services.

TeleTalk

Teletalk would be coverage the entire geographic area of Bangladesh and charge lower to the subscribers.

2.6. Key Success factors for competitive success

KSFs determine the factors that determine the competitive success for a company. The following discussion will help to understand the key success factors for the cellular phone industry:

Technology related KSFs are:

- Intensity of network coverage to cover more geographic areas
- Continuous maintenance to avoid bottleneck and traffic problems
- Introduction of value-added-services

Manufacturing related KSFs are:

- Low-cost service through economies of scale
- Ability to customize services according to customer needs
- Ability to serve error-free airtime

Distribution related KSFs are:

- Short delivery time
- Cost of delivery low
- Accurately fill customer orders
- Self-owned outlets
- Strong network throughout target market

Marketing related KSFs are:

- Strong promotional activities through the most effective media
- Provide continuous customer service
- Conduct effective market survey to understand customer feedback and competitor position
- Build strong brand image

Skills-related KSFs:

- Technical knowledge on cellular networks
- Experience and talent of workforce

Organisational capability related KSFs

- Ability to have the right strategy
- Ability to change / respond to business environment changes

Other KSFs

- Enforce safe and healthy workplace
- Promote teamwork
- Ensure high ethical standard throughout the organization

2.7. Industry Attractiveness and prospects of above average profitability

The industry is extremely attractive given the actual tele-density and expected tele-density of the country. As discussed earlier, the industry is at a growth stage and the estimated untapped market is huge. The prospect of above average profitability is available, given the companies ability to meet most of the consumers' demand.

However, operators need to be careful regarding competitors' moves, their pricing strategies and entrance of new technologies.



Chapter: 3

Company Situation analysis

3.1. Company Situation Analysis

3.1.1. How well is the company's present strategy working

Grameenphone's sales have increased from USD 246 mio to BDT 341 mio, contributing to net profit (before tax) of USD 98 mio from USD 170 mio. They are the largest operator in Bangladesh, with over 62% market share. Grameenphone ranks no. 1 in terms of revenue earning.

GP started its operations with 'cost differentiation' strategy and provided connections at a cheaper price and lower airtime rates than Citycell, the then leading operator. However, as the company grew, they slowly shifted to 'customer segmentation' strategy. Currently, GP is providing the widest range of services with the broadest and quality network coverage. Although the price of GP connections and airtime charge is relatively

higher than the rivals, their better service has attracted most of the customers.

The progress made by GP with its strategy, has been discussed below:

- GP's growth rate in terms of subscriber and connections, are growing at an increasing rate.
- New customer acquisition has been extremely successful for GP. However, in recent times they had a huge problem regarding retaining customers, as many of their customers switched to other brands. Of late, there has been some strategic thinking in the GP headquarters regarding retention, although an effective strategy is yet to bring to light.
- The profit margin of the company has decreased from 36% in 2003 to 32% in 2004. The reasons are increased competitive rivalry, new entrants, industry life cycle shifting from embryonic stage to growth stage.
- The overall financial health (as will be seen in the financial performance part of the report) of the company is improving.

The image and reputation of the company has grown enormously. Projects like village program and rural network coverage has gained wide

acceptance. GP was the first operator to crush the monopoly business of Citycell and make cell phone affordable for general public. It has earned the reputation of providing the best quality service in the country. However, criticisms regarding the current price/tariff structure of GP cannot be ignored.

- GP has able to strike the first deal with Bangladesh Railway to use their fiber optic cable. As a result, they have been able to spread across the country in a very short span of time. They have built the largest IT team for any organization in Bangladesh to support and troubleshoot any network problems.

They have been leaders in product innovation, as they were able to introduce services like mobile-to-mobile where BTTB connections were unavailable, pre-paid services etc. most of the product currently offered by other operators are more or less similar to these products. What are the company's resource strength and weakness and its external opportunities and threats

While internal factors responsible for a company's overall success or failure can be understood from strengths and weaknesses analysis and the external factors responsible for a company's overall success or failure can be understood from opportunities and threats analysis. These factors are discussed below:

Strengths	Weaknesses
<ul style="list-style-type: none"> ➤ The Highest number of subscribers: In Bangladesh GP has the highest number of subscriber which already crossed eight million. So it is strength for the company to get more subscribers. ➤ The Service itself: GrameenPhone believes in service, a service that leads to good business and good development. So for GrameenPhone, the service itself is the strength for the company. ➤ Pioneer in GSM technology in Bangladesh: Grameen Phone is the first mobile company in Bangladesh which introduces the GSM technology. So that is really a very good advantage for GrameenPhone. ➤ SMS facilities: Here the most beneficial work that Grameen Phone is doing which is a SMS service. People can send SMS through one mobile to another which is provided by Grameen Phone services. ➤ Flexi load facility: Grameen Phone is providing to its customers the flexi load facility and by this a customer can easily recharge his/her account from Tk.50 to Tk.10000. ➤ EDGE facility: Grameen Phone is providing EDGE facility to its subscriber. Through WAP a subscriber can easily get into the internet and surf different sites and also can download different ring tones, games, music, wallpapers and lots of funny things. This is a very good facility for the Grameen Phone subscriber. 	<ul style="list-style-type: none"> ➤ Call rate is high: Grameen Phone is a very well known company but the call rate of Grameen Phone is little bit higher than any other mobile companies. That's why some of the subscribers switch to other company from Grameen Phone. ➤ Less promotional activities: Since there are many telecommunication companies existed in the Bangladesh but still Grameen Phone is not providing that many promotional activities. If they will provide some more promotional activities then they can easily get some more subscribers. ➤ EDGE service is slow: Grameen Phone is providing EDGE services to its subscribers. But the speed of that EDGE service is very slow. Sometimes subscriber could not get connection to the WAP. ➤ Connection charge is high: Compare to other telecommunication companies the connection charge for Grameen Phone is little bit high. That's why most of the subscriber switches to other companies. ➤ Different departments not working together: GrameenPhone has some different departments which totally work indifferently.

<ul style="list-style-type: none"> ➤ MMS facilities: Many mobile companies do not yet introduce their customer with MMS but Grameen Phone has already introduces their subscriber with MMS. Using this MMS a subscriber can easily send picture message from one mobile to another. Eligible Human Resource and Infrastructure Installation all over the country through Bangladesh Railway and Grameen Bank 	<ul style="list-style-type: none"> ➤ Poor interconnection with BTTB: GrameenPhone has poor interconnection with BTTB because of their internal process. ➤ Sometimes a tendency to be arrogant: Sometimes GrameenPhone thinks that they are the only one who is leading the market. But this type of tendency should omitted by the GrameenPhone. ➤ Line disconnection's without any information: Sometimes GP connection is disconnected automatically without any information. But the result may be some subscribers switch to some other brand. ➤ No long term Distribution/Channel Strategy
<p>Opportunities</p>	<p>Threats</p>
<ul style="list-style-type: none"> ➤ Economic Growth of Bangladesh: After launching of GP, the economic growth of Bangladesh is increasing day by day. ➤ Future growth is high: In this telecommunication sector the future growth of Grameen Phone is high. And they are giving more and more opportunities to their subscriber. ➤ The growth level is high: The growth rate of Grameen Phone is too much high and everyday it is increasing the number of subscribers. 	<ul style="list-style-type: none"> ➤ High Competitive Market: There is intense competition form the competitors. Competitors are trying to increase their market share by acquiring more and more consumer. The main competitors of Grameen Phone are City Cell's, Bangla Link and Aktel. ➤ High rate of entrants: Since this is a very profitable sector for doing business, that's why more and more telecommunication companies existed in the market. The one most common is RangsTel and another upcoming company is Warrired telecom.

<ul style="list-style-type: none"> ➤ The growth level is high: The growth rate of Grameen Phone is too much high and everyday it is increasing the number of subscribers. ➤ New and better interconnect Agreement: After introduce of Business Solution, GP has already make corporate agreement with different valuable company. ➤ Declining prices for both the handsets and SIM card: Since the price of both hand sets and SIM card is declining so the number of GP customers will increase in future. ➤ Growth in other operator will give more connection: Since there are many mobile operator is introducing day by day so GP has to increase their network and other activities. ➤ Possible to increase another sub-brand: Since GP already introduce their customer with one sub-brand which is djuice for young generation so it is also possible to add another sub-brand for the old age people. Since most of the old age people of our country is retired so for they the call rate should be cheap. 	<ul style="list-style-type: none"> ➤ More Rigid Government Regulation: The new imposed tariffs creating threats to mobile service provider. For the imposed tariffs on SIM the price of the SIM increased and there are some regulation which is creating some problem for the mobile operator. ➤ High level of customer dissatisfaction: Sometimes the connection of GP is disconnecting automatically so then the subscribers of GP's are totally dissatisfy. While subscribers are facing this sort of problems then sometime they switch to other mobile operators. ➤ Change of government might lead to competitors having more clout: Sometimes changing of government might create some problem for the mobile operators. One of them may be the changing government might support some individual mobile operator and they will only get all the benefits from the government. ➤ BTTB has limited capacity for interconnection: Since BTTB has only limited capacity for interconnection so GP has only can setup fixed number of network. So in future if GP could not expand their network then the connection failure might be high.
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3.1.2. Are the company's prices and costs competitive?

For a company to competitively successful, its costs must be in line with those of close rivals. While some cost disparity is justified so long as the products or services of closely competing companies are sufficiently differentiated, a high cost firm's market position becomes increasingly vulnerable the more its costs exceed those of close rivals. Consumers look for value for a product and they are willing to pay a premium for a better value. In this regard, Grameenphone has been able to provide high quality of GSM cellular service at affordable prices. If we compare the prices and costs of other mobile operators in Bangladesh then in that case Grameenphone is certainly at an advantageous position and has the upper hand in the industry. However, given the low per capita income of the country, it should also be considered that a large population would definitely be looking for cheap products rather than value-added expensive products.



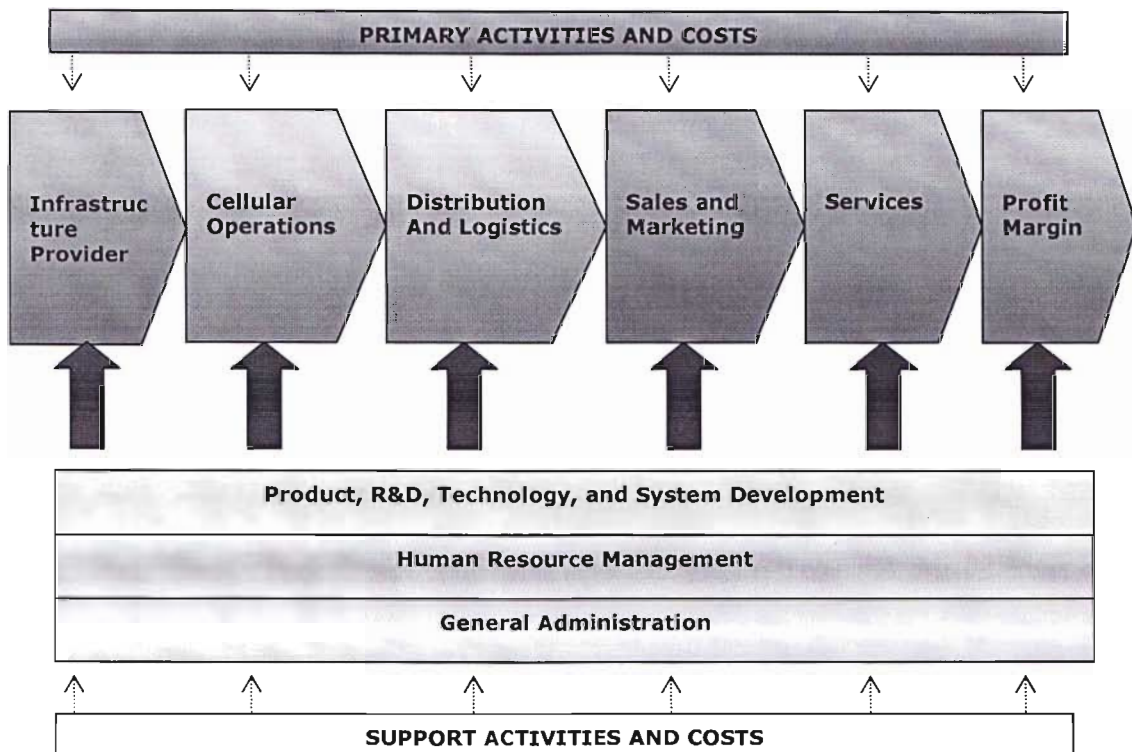


Fig: Strategic Cost Analysis and Value Chain

3.1.3. How strong is the company's competitive position relative to its rivals

Systematically assessing whether a company's overall competitive position is strong or weak compared to its close rivals in an essential step in company situation analysis. Competitive strength assessment in weighted rating scale is an effective tool for judging company's position. Let us first discuss the competitive strengths and weaknesses, before moving on to weighted competitive strength assessment.

Competitive Strengths:

The key competitive strengths of GP can be illustrated as below:

- Strongest brand image for providing the widest network coverage and quality service.
- Most reputed for introducing mobile-to-mobile service (when BTTB connection was absent) and village phone.
- A large percentage of loyal customer base.
- Effective market positioning in key target markets.
- Extremely diversified and organized distribution network.
- Round the clock customer service.
- Talented and motivated workforce.
- Proving corporate responsibility through beautification and awareness programs.
- Ability to inject huge amount of capital when required (for network expansion they are investing an estimated USD 200 mio in 2005)
- State-of-the-art technological infrastructure to provide services to the widest number of subscribers.
- Corporate agreements with most of the large organizations.
- Cost advantage through use of fiber optic network of Bangladesh Railway.

Competitive Weaknesses:

GP has lower number of weaknesses, which enabled them to be the industry leader. Some of the key competitive weaknesses of GP has been discussed below:

- Network problems in certain areas of the country where rivals may takeover market share.
- Complex tariff structure.
- Lack of adequate responsiveness to combat new entrants (BTTB and BanglaLink grabbed a large portion of GP subscribers).
- More connectivity of the rivals with fixed networks than GP.

3.1.4. What strategic issues does the company face?

Some of the key strategic issues for GP are:

- How to compete with increased price war so as to respond towards the pressure of cost reduction while maintaining product and service quality?
- How to defend the leadership position when pressures from new entrants are intense, strategic shift of competitors positions (investment of Singtel in Citycell) and the rivals making strategic moves to expand coverage and launching various value added services?
- How to improve the network quality?
- How to create better integration and coordination between the functional units/departments so that the company vision, mission, objectives and strategies are met?
- How to introduce new innovative services at the industry growth stage?
- How to decrease costs by reshaping the value chain as the company enters the growth stage of the industry life cycle?
- How to retain the current growth rate of the company in the future?
- How to integrate new technologies into their services to keep the services differentiated?
- How to lower the cost of infrastructure while increasing productivity?
- How to retain the customers switching to competitors services?

- Should the company invest and spend more on promotional campaigns or reduce cost to offer lower tariffs to customers?

Chapter: 4

Strategic Task Analysis



4.1. Strategic Task Analysis

4.1.1 Their Mission



"We're here to help" is the renewed mission statement of GrameenPhone.

To provide the best quality, widest network coverage, diversified services and most reliable telecommunication service in Bangladesh to help the economic growth of the country.

4.1.2. Their Vision



Grameenphone Ltd. aims at providing reliable, widespread, convenient mobile and cost effective telephone services to the people in Bangladesh irrespective of where they live. Such services will also help Bangladesh keep pace with other countries including those in South Africa region and reduce her existing disparity in telecom services between urban and rural areas.

4.1.3. Objectives

Short Range Objectives

By studying the company, I have come across the following short term objectives of the company:

- To retain customers, especially large and profitable ones
- To maintain 40% growth over 2064 revenue of USD 220 mio in 2005.
- To have network coverage in hill districts

Long Range Objectives

The long range objectives of the company are:

- To maintain market leadership position

- To maintain current growth rate of the company
- To manage highest profit margin, while being competitively priced
- To achieve cost leadership
- To cover the entire geographic area of Bangladesh

Financial Objective

The financial objectives of GP are:

- To ensure sustainable growth in ROE through revenue growth of the company
- To increase shareholders value through increase in profit margin and balance sheet growth
- Maintain previous track record in sound health of performance indicators

Strategic Objectives

The strategic objectives of GP are:

- To ensure company growth through 'product differentiation' strategy
- To allocate resources in areas of highest potential for growth
- To maintain the leading position in the market through widest network coverage
- To provide superior service than the rivals
- To achieve cost advantage over the rivals

- To have a superior brand image over the rivals
- To have a better distribution network than the rivals
- To have a satisfied and loyal customer base than the competition

4.1.4. Strategies

Corporate Strategy

Corporate strategy is the overall managerial game plan for a company. However, due to limited scope of this report, the parent company of GP (Telenor) has not been analyzed to find the corporate strategy. However, from a broad perspective two of GPs corporate strategy has been included below:

- GrameenPhone focuses on the telecommunications services and does not intent to diversify to other businesses at this moment
- GrameenPhone adopts rapid growth strategy, which helped them to capture a huge market share

Business Strategy

Business strategy refers to the managerial game plan for a single business. The business level strategy for GP is:

- The company directs its resources for network expansion to cover the entire geography of Bangladesh

- Respond to changes in the rapidly changing telecommunications industry to maintain the leadership position
- Provide superior value-added-service, widest network coverage and product variety in the market
- Focus on the strength of the company to retain the commanding position in the market place.
- To maintain the best brand image in the telecommunications industry of Bangladesh

Functional Level Strategy

Functional strategy refers to the managerial game plan for a particular functional activity. GP focuses on efficiency, innovation, quality and responsiveness in all its functions. Following are the strategies of different functions/departments of GrameenPhone:

- To build and maintain the best network system in the industry through the *Technical Department*
- To have up-to-date market information, close relationship with the clients and state-of-the-art distribution network through the *Marketing and Sales Department*
- To provide superior customer service through the *Customer Relations Division*
- To support administrative works to provide best services through the *Administration Department*

- To ensure efficient recruitment, selection, transfer, promotion, training, and performance appraisal of employees through the *Human Resources Department*
- To ensure understanding of the financial position, budgetary actions and liquidity situation through the *Finance Department*
- To effectively prepare financial reports and maintain smooth payment systems through the *Account Department*
- To have state-of-the-art IT backbone to provide the best service through the *Information Technology Department*

Operating Strategy

Operating strategy refers to manage frontline organizational units within a business. GP has a number of operating strategy within each function, some of which are illustrated below:

- To meet any sort of demand from customers at any time and under any circumstances
- To ensure that distribution networks have optimum inventory stock to have 100% on time delivery rate
- To ensure activation of any new connections within 72 hours
- To effectively communicate product features and the company as a whole through quality advertisement campaigns
- To ensure adequate handsets are acquired before a new package is launched

- To remove any possibilities of network bottlenecks and ensure smooth flow of data through the network

4.2.1. Marketing Performance

The marketing performance of GP has been explained below using the 4Ps of marketing:

4.2.2. Product

GrameenPhone has an extensive variety of products and services directed towards different segments of the market. These products are:

- Post Paid
 - Explore Package 1
 - Explore Package 2
- Prepaid
 - Smile
 - Smile PSTN
- DJUICE
 - Value Added Service
 - Voice Mail
 - SMS
 -
- EDGE
- SMS Push Pull
- News Service
- SMS Banking
- Event base SMS

4.2.3. Price

Price is a sensitive issue in mobile industry. As the rivalry is intensifying, price war is making customers available to different price options to choose from. As discussed earlier, although GP started of its services with low cost strategy, it has moved on to product differentiation strategy. GP products are priced relatively higher than the rivals, as they believe that they need a value for their premium service.

4.2.5. Place

GP currently covers the largest population of the country. As of Dec 06, GP covered 61 districts and 352 Upazilas, divided under five regions - Dhaka, Chittagong, Sylhet, Khulna and Rajshahi and has a network of 717 base stations (as of December 2004). In addition, they have 24 hours customer service center open for all clients and subscribers. GP also has a very well connected numerous distribution centers throughout the country to sell GP products through the country.

4.2.6. Promotion

GP performs a number of promotional activities mainly through 'customer oriented promotional techniques' rather than 'trade oriented promotional techniques'. These promotional activities are discussed below:

Outdoor Advertising

GrameenPhone uses outdoor ads like billboards, Shop signs, side light boxes, posters, stickers, TV commercials etc. they also use mobile billboards like painting buses, taxis etc.

In-store Media

GP also ads through many shopping stores including different electronics shops through banners, signs etc.

Transit Advertising

GP advertises in platforms, bus terminals etc.

4.2.7. Event Marketing

GP sponsors various events, including prestigious events like SAARC Women's Association, Dhaka India Women Association etc. to promote GPs image and reputation.

It has also participated in many cricket events like Asia Cup '00', ICC cricket week and Cricket Development Program to create foster stronger brand image.

Chapter: 5

Problem Analysis



Problem Analysis

The strategic, financial and operational problems of GP have been chronologically discussed below:

5.1. Strategic Problems of GP

The strategic problems of GP are as below:

5.1.1. Absence of Strategic Intent:

A main problem in GP's strategic approach is that they don't have any strategic Intent as such. Their Vision is "we are here to help", their business belief is "good development is good business". But there isn't any strategic intent. After 10 years of operation, they should have a strategic intent for future.

5.1.2. Lack of Customer Focus

GP has been faced with a serious problem in recent times regarding retention of its existing customers. A huge customer base has already switched to other operators and there is always chance for further switch of subscribers. The reasons can be summarized as below:

- **Poor competitor analysis:** As competitors are aggressively coming into the market and offering very low priced & tariff products, GP does not have adequate information on what impact such new offers have on subscribers.
- **Not meeting expectations from customers where GP claims they are the best:** GP can not meet the customer's expectation being the no. 1 in the industry. GP claims to be the best in everything, i.e. product offering, customer service, but they fail to deliver from their part, thus they can not meet customer's expectations. As a result of this many of their customer switch to GP's competitors
- **Lack of Appropriate Strategy:** An appropriate strategy for a higher retention ratio is particularly absent in the company.

5.1.3. Lack of Understanding of Competitors' Moves

GP has been poor in understanding and anticipating competitors moves. Some example in this regard is as follows:

- GP failed correctly analyze the impact of newly offered BTTB mobile connections. As they assumed that subscribers will not respond due to poor reputation of the company, the response was enormous and a lot of GP users switched to BTTB
- As GP left their nationalistic theme in communication, they couldn't realize that Banglalink will pick up that theme. Banglalink got lot of mileage and emotional support from general people as they captured this theme, especially during International Mother Language Day, Independence day

5.2.1. Operational Problems of GP

The operational problems of GP are as below:

5.2.2. Poor Quality Network

Quality of airtime is the most important facility for any cellular phone operator, which includes easy and smooth communication, no breakdowns and traffics etc. network capacity to provide such service depends on the ratio of subscribers to the transmission base stations. The more the customers, the more capacity needs to be increased for based

stations. However, GP has not been able to maintain a good ratio of increase in subscriber base and base station, causing a lot of traffics. Currently GP's subscriber base is around 12 million, which is creating a lot of pressure on the current network traffic.

GrameenPhone's network problem is more during the peak hours and at night, when they offer any promotional airtime. Moreover in most of the villages where village phones have poor network coverage, as the base stations are city-based and frequency in the villages are very thin. As a result, signals fluctuate, causing disconnected calls leading to customer dissatisfaction.

5.2.3. Lack of Structured Social Investments:

Grameenphone has been involved in many social activities, but they are not structured in their approach. People know that GP is socially responsible, but do not know why, what is their actual contribution in the community. They do not have any structured approach towards social investment that they are making, therefore their stakeholder do not have any point of reference. Moreover they were not able to communicate their achievements/contribution in a proper manner to the right stakeholders.

5.3. Most serious problem

After analyzing the situation, we can conclude that there is lack in understanding in the stakeholder's management, especially at the government relation front. The most serious problem may therefore be:

Not being proactive and having a structured approach in communicating to stakeholders

As we know for any business to run smoothly it is very important to be in line with the stakeholders, especially the regulatory bodies related to the industry. Grameenphone has been operating in this industry for more than 10 years now, they have contributed in the development of the economy in many ways, but unfortunately these were never communicated to the right stakeholder's thus many of them think GP as a "monopolistic and arrogant" company. GP has lacked the vision of managing their stakeholders in time. Therefore it is high time for them to concentrate in to this problem.

This problem itself is creating some misconception among the stakeholders, which is having a negative impact on GP's corporate image;

People think that, GP is

Perception:

- Big and very profitable company
- Arrogant and monopolistic

- Partly foreign owned thus they are taking money out of the country
- Too big to control
- Their profit and social investment is not proportionate.



Chapter: 6

Alternate strategies

6.1. Alternate Strategies

Based on the problem identified above, the proposed alternatives for GP are as low:

(1) Having a strategic Intent in their strategy

As we know that for any good organization strategy, a “strategic Intent” is a must. Any ambitious almost invariably begin with a strategic intent that are out of proportion to their immediate capabilities and market positions. But they are undeterred by a grandiose objective that may take a sustained effort for of 10 years or more to achieve.

(2) Restructure the Functions to increase Coordination and Effectiveness

A workforce cannot be effective and efficient before being coordinated as work as a team. The problem is even intense in a large and reputed organization such as the GrameenPhone. In order to overcome this

problem GP should put more emphasis on building cross-functional teams. These cross functional teams will integrate the ideas of different units and also foster cross functional activities.

In addition, GP needs to build an efficient market intelligence team to understand and analysis the market correctly and timely. The market intelligence team will provide important and sensitive information regarding the following:

- Changes in consumer behaviour
- Probable next moves by competitors
- Buyers responses to particular products and promotions
- State of brand image of the company

GP also needs to look into the HR issues through either an integrated team or the Human Resources Department to reduce the employee turnover ratio.

Advantages

The advantages of this strategy are:

- Increased value-addition through cross departmental integration
- Understanding of the market through market intelligence
- Lower employee turnover ratio
- Understanding of the right strategy to adopt given the market demands and changes

Disadvantages

The disadvantages of this alternative are:

- Increased cost of HR management
- More control of top management to role out cross-functional movements, causing some employees to be dissatisfied
- Increased cost of market intelligence analysis and studies

(3) Additional Resource investment for Network Quality Improvement

GP needs to improve in their network quality. GP has covered a large number of geographic areas compared to other player in the industry. But now they need to improve on network quality, these days customers of GP is facing serious problem while making calls, the network remain busy, especially at the peak hour, call-drop rate has increased. For all these they would loose customer loyalty and moreover they can not keep their promise of being the best customer service provider.

Advantages

The advantages of this alternative are:

- Customer retention
- Good quality service
- Acquisition of new customers

Disadvantages

The disadvantages of this alternative are:

- Investment requirement of huge resources

(4) Focus on Customer Relations

GP seriously needs to think of Customer Relationship Management (CRM). It has long been used by large companies to understand customer behaviour, their needs and focus on building a strong long lasting relationship with them. It also calls for responding to customer queries in the gentlest manner. Customers' do complain that, the call centre operators are not friendly and incapable of providing right answers.

GP needs to create a database of its most valuable customers and also other regular clients. Such database can be used to retrieve information regarding each customer and satisfy their needs accordingly. Until and unless, GP can achieve superiority in customer relations, its venture will not remain successful in any market.

Advantages

The advantages of this alternative are:

- better customer service leading to satisfied customers

- efficient call centre development to respond to customer queries
- Make corporate deals easier
- Guide for appropriate promotional activities
- Fund and capture new, untapped customers

Disadvantages

The disadvantages of this alternative are:

- Increase cost of database maintenance
- May be extremely complex to maintain and manage such a huge pool of customers

(5) Having a workforce dedicated for stakeholder management

The most serious problem that GP is facing now is that they are not being proactive and having a structured approach in communicating to stakeholders. Therefore many of their right activities are not communicated towards the stakeholders, especially at the government front. For any business to succeed, it has to gain its stakeholder's support. They have to have 'stakeholder dialogue session', 'stakeholder engagement programs', more frequently, where they will interact with their stakeholders.

Chapter: 7

Recommendation

7.1. Recommendation

To solve the most serious problem discussed earlier, the recommended solution out of the alternatives identified is as follows:

They have to have 'stakeholder dialogue session', 'stakeholder engagement programs', more frequently, where they will interact with their stakeholders and communicate about their activities. For this they have to have a Government Relations/Community Relations Team and also a social communication strategy to execute social communications properly.

The above recommendation would solve the following issues of GP:

- Price-competitiveness
- Competition analysis
- Customer behaviour analysis
- Customer satisfaction

- Customer awareness of products and features
- Quality service



7.2. Implementation

What	Who	When	How
Implementation of a Government Relation and Corporate Social Responsibility team.	CEO – Erik Aas & Delegates: Director, HR Director, Marketing and Sales	Within next 3 months	-Finance Department needs to do cost-benefit analysis -Marketing and Sales needs to provide competitors price list -marketing and Sales needs to develop effective promotional plan -IT needs to find ways to reduce cost of value added services -All functions needs to be communicated to reduce cost
Increasing efficiency of the Customer Relations Department	CEO – Erik Aas & Delegates: Director, Information Director, Customer Relations Director, Marketing and Sales Director, HR	Within next 6 months	-IT needs to buy and install the customer database -Update customer information by Marketing and Sales -HR to recruit better marketing people in the call centre -HR also to train proper communication skills to frontline staffs -Market Intelligence to provide information on demand trends and changes of customer base -marketing and Sales needs to find new corporate clients

			-Finance to provide estimated costs
Developing Effective social communication strategy	Director, Marketing and Sales	Within next 5 months	<p>-Finance need to work with the CEO to monitor cost and develop budget</p> <p>-Market Intelligence to provide information of the market demand and also status of customer know-how of products and services</p> <p>-Marketing and Sales to monitor customer response to the promotions</p>
Increase network quality	Director, Technical Director, Finance Director, Information Director, Marketing and Sales	Within 1 year	<p>-Finance to coordinate with IT to estimate costs</p> <p>-IT to train the engineers working on the installation of Base Station</p> <p>-IT support to constantly work on faults of network</p> <p>-Marketing and Sales to promote the new coverage areas</p>

7.3. Contingency Plan

If the recommendation above does not work for GP, they can do the following to retain their market share:

Look for Weaker Companies in the Industry for Acquisition

GP can explore possibilities of acquiring other companies in the industry. Such initiative would help to acquire new customers and geographies. In addition, it would help them to reduce one competitor from the industry. GP would also be able to acquire new business ideas, new technologies and HR through the new acquisition.

Among the companies operating in the market, exploration of acquiring ideas of Aktel would be most appropriate. Acquiring other companies would be more difficult as, BanglaLink has just entered the market and investing in a big way to acquire market share, a large share of Citycell has just been bought by Singtel and Teletalk being a SOE (State Owned Enterprise).

Diversify in Related Services

The best way to continue growth is to diversify and the easiest way to diversify is to go for related businesses. GP can start selling mobile phones and accessories, provide Radio linked Internet services etc.