

Report On  
A Digitization of the Distribution System of Banglalink

By

Nurina Durba Gain  
15104078

An internship report submitted to the Brac Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration

Brac Business School  
Brac University  
September 2019

© 2019. Brac University  
All rights reserved.

## **Declaration**

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

**Student's Full Name & Signature:**

---

**Student Full Name**

Student ID

**Supervisor's Full Name & Signature:**

---

**Supervisor Full Name**

Designation, Department

Institution

## Letter of Transmittal

Dr. Mamun Habib  
Associate Professor  
Brac Business School  
Brac University  
66 Mohakhali, Dhaka-1212

Subject: Submission of my internship report on ‘Digitization of the Distribution System of Banglalink’.

Dear Sir,

This is my pleasure to submit my internship report on ‘Digitization of the Distribution System of Banglalink’, under your supervision, as a partial requirement for the completion of BUS 400 (internship).

The report presents my learnings and experiences of my three-month internship at Banglalink Digital Communications Ltd. It mainly discusses how Banglalink is utilizing a variety of distribution channels for cost reduction, higher efficiency and revenue.

I am very thankful to you for your guidance and motivation. I have given my best effort to prepare the report with highly relevant and informative findings. However, should there be any shortcomings, I will gladly receive constructive feedback.

Sincerely yours,

---

Nurina Durba Gain  
15104078  
Brac Business School  
Brac University  
Date: September 9<sup>th</sup>, 2019

## **Non-Disclosure Agreement**

This agreement is made and entered into by and between Banglalink Digital Communications

Ltd. and the undersigned student at Brac University .....

## **Acknowledgement**

With great pleasure, I express my deepest gratitude towards my academic advisor — Dr. Md. Mamun Habib, Associate Professor, Brac Business School — for his immense support and guidance throughout the internship period for preparing a quality report. I am also highly grateful to his Teacher’s Assistant, Ikram Hassan Evan, Brac Business School, for his extremely helpful advice, feedback and words of inspiration.

Moreover, the internship opportunity I had with Banglalink Digital Communications Ltd., was indeed highly insightful and educative. I will be forever grateful to the company, for giving me such a great exposure to the professional network, comprising of extremely talented and wonderful people.

I express my warmest gratitude towards Rashed Moslem, Head of Digital Distribution, Banglalink for patiently guiding and mentoring me throughout my internship period, and for his valuable contribution towards my project. I express my heart-felt gratitude towards Rahul Saadat, Digital Ecosystem Manager, for introducing me to various telecom concepts that were very informative for preparing my report; and for giving me helpful advice and full support for my learning.

I am deeply thankful to Shaikh Imtiaz Fahim, Digital Distribution Manager, for mentoring and encouraging me to actively take part in projects that lead to acquiring new knowledge and skills. I also appreciate all the discussions he had with me that allowed me to write an informative report. Special thanks to Sanjida Jahan Afnan, Strategic Assistant, for all the constant advices and encouragement for my career and personal growth.

The experience, skills and knowledge I acquired in Banglalink will help me choose my career path and build a strong career as I work on improving those skills and knowledge.

## **Executive Summary**

The report mainly focuses on the differences between alternate and regular channels, significance of alternate channels and partnerships for implementing multichannel strategies. The first chapter gives an overview of the telecommunications industry and Banglalink, with its digital transformation. The second chapter is about the origin, objectives and limitations of the report, and the literature and methodologies used in the report. The third chapter summarizes the responsibilities of my team and myself along with my internship experience. The following chapter deals with identifying the parties involved in both channels, and the advantages and disadvantages of doing business in those channels for comparison. The next two chapters discuss about the significance of alternate channels and digital enablers respectively. The last chapter concludes the report with recommendations. The main finding of the report is that utilization of multi-channels is essential for Banglalink's digital transformation as well as cost reduction, higher efficiency and revenue.

**Keywords:** digital transformation; telecommunications; alternate channels; regular channels; multi-channels; digital enablers

# Table of Contents

<b>Declaration .....</b>	<b>ii</b>
<b>Letter of Transmittal .....</b>	<b>iii</b>
<b>Non-Disclosure Agreement .....</b>	<b>iv</b>
<b>Acknowledgement .....</b>	<b>iv</b>
<b>Executive Summary .....</b>	<b>vi</b>
<b>Table of Contents .....</b>	<b>viii</b>
<b>List of Figures.....</b>	<b>ix</b>
<b>List of Acronyms .....</b>	<b>x</b>
<b>Glossary .....</b>	<b>xii</b>
<b>Chapter 1 Introduction .....</b>	<b>1</b>
1.1 Industry Overview .....	1
1.2 Company Overview .....	2
<b>Chapter 2 Study of the Report.....</b>	<b>6</b>
2.1 Origin of the Report.....	6
2.2 Objectives of the report.....	6
2.3 Literature Review .....	7
2.4 Scope of the report.....	8
2.5 Limitations of the report .....	8
2.6 Methodologies .....	8
<b>Chapter 3 The Internship .....</b>	<b>9</b>

3.1 My Team .....	9
3.1 My Responsibilities and Experience.....	9
<b>Chapter 4 Comparison between the Traditional and Alternate Channels of Banglalink..</b>	<b>10</b>
4.1 Tradional Distribution Channels: Advantages and Drawbacks .....	10
4.2 Alternate Channels: Opportunities and Challenges .....	12
<b>Chapter 5 Significance of Alternate Channels for Digital Distribution .....</b>	<b>16</b>
5.1 Partnership and Collaboration with bKash for Higher Efficiency .....	16
5.2 Shifting the Traffic to My Banglalink App.....	17
5.3 e-Selfcare: Website Version of My Banglalink App .....	18
5.4 e-Shop: An E-commerce Site.....	18
5.5 Other Alternate Channels: Partnership with Vendors.....	18
<b>Chapter 6 Enablers of Digital Distribution.....</b>	<b>20</b>
6.1 Payment Gateway .....	20
6.2 Strategic Agreement with iPay.....	20
6.3 Payment Platforms.....	20
6.4 Partnership with Delivery Vendors .....	21
6.5 Disbursement of OTF Commissions .....	21
<b>Chapter 7 Recommendations and Conclusion .....</b>	<b>22</b>
<b>References.....</b>	<b>24</b>
<b>Appendix A.....</b>	<b>26</b>

## List of Figures

Figure 1: Banglalink's Customer Base.....	3
Figure 2: Share of Connections by Mobile Operators .....	3
Figure 3: Core Values of Banglalink .....	4
Figure 4: Data Revenue of Banglalink .....	5
Figure 5: The Supply-chain of Banglalink's Traditional Distribution Channels .....	11
Figure 6: The Supply-chain of Banglalink's Alternate Channels.....	12

## List of Acronyms

OTT	Over-the-top
MNO	Mobile Network Operator
ARPU	Average Revenue Per User
IoT	Internet of Things
USSD	Unstructured Supplementary Service Data
ZM	Zonal Manager
TO	Territorial Officer
RSO	Retail Sales Officer
B2C	Business to Customer
ATL	Above The Line
BTL	Below The Line
OTF	On-the-fly
VAS	Value-Added Services
MFS	Mobile Financial Services
DFS	Digital Financial Services

## Glossary

OTT	Over-the-top is any television or film content that is disseminated via a fast internet connection.
VAS	Value-added service is any service other than the non-core telecom services – voice calls and SMS – like data, news, video and so on.
USSD	USSD, also known as “quick codes” or “feature codes”, are communication protocols that are used in GSM mobile phones for communicating with the Internet Service Provider’s computer via texts.
ARPU	Average revenue per user is a measure of average revenue earned per user or unit. It is calculated by dividing the total revenue by number of subscribers. It is particularly used in the telecoms industry for calculating revenue per call, SMS and subscription to digital services.
ATL	Above-the-line, is a form of marketing or advertising, that reaches a broad audience via the mass media such as television, radio, billboard, social media, newspaper et cetera.
BTL	Below-the-line, is a type of marketing or promotion, that is targeted towards a specific group of potential customers. This involves broadcasting SMS, direct emailing, direct telemarketing, Google Ad-words campaigns et cetera.

DFS	Digital financial services give people access to banking services and utility or merchant payment services through a digital platform.
MFS	Mobile financial services enable people to deposit, withdraw, send or receive money via a wireless mobile network.
Top-up	Top-up is a common term used in the telecom industry that refers to replenishment of mobile balance after exhausting it. The word now carries the same meaning as recharge.
Uptake	Uptake, in telecom terms, refer to customer consuming a product or service.

# Chapter 1

## Introduction

### 1.1 Industry Overview

Telecommunications industry along with the mobile industry has long served the market with its voice calls and text messages since 1989. With 85 million unique mobile subscribers, that is 51% penetration rate, Bangladesh ranked fifth in the Asia-Pacific mobile market and ninth in the world in 2017. The SIM connection penetration was 87% with 145 million connections. In contrast, only one in five Bangladeshis was a mobile internet subscriber despite widespread 3G network coverage. Mobile service quality has significantly declined as a result of high price and limited allocation of 3G spectrum in the past auctions. (Country overview, 2018)<sup>1</sup>

However, the future of the industry looks more promising. According to GSMA intelligence<sup>1</sup>, unique mobile subscription and SIM connections are expected to rise to 60% and 102% respectively in 2025, while mobile broadband adoption is predicted to escalate from 29% to 82% as a result of the launch of 4G services in 2018.

There are many challenges facing the Mobile Network Operators (MNO). According to a paper published by EBL (2018)<sup>2</sup>, a big challenge is intense competition in the voice call segment. Voice ARPU (average revenue per user) of the MNOs is highly likely to drop in the coming years due to a spike in over-the-top (OTT) calls and price competition in the industry. On the contrary, data ARPU is predicted to rise as a result of escalating data consumption and new data subscription addition. The MNOs, therefore, are redesigning their business models and diversifying their channel and product portfolio, to include more customer-oriented services and platforms.

The telecommunications industry has enabled digital revolution to spread rapidly across industries. (Spelman, Weinelt & others, 2017)<sup>3</sup> The telecom industry itself, however, has not

been able to cope with the fast pace of digitization, owing to its legacy IT systems, organizational structures and corporate culture. (Fredrich & Meakin, 2016)<sup>4</sup>

Another contemporary challenge, facing the telecom industry is leveraging the multitude of channels. Ignoring this reality, will lead to missing out lucrative opportunities and overlooking competitive threats. Telecoms players can now engage with customers through a variety of channels, from physical shops and call centers to website, apps and social media. They can migrate customers to channels with high potential for revenue. Alternatively, they can create more awareness about their products and services, utilizing multi-channels, to increase their offer success rates. An effective multichannel strategy can boost revenue, cut expenses, improve customer satisfaction and strengthen brand value. (Caylar, Dmitrev & others, 2014)<sup>5</sup>

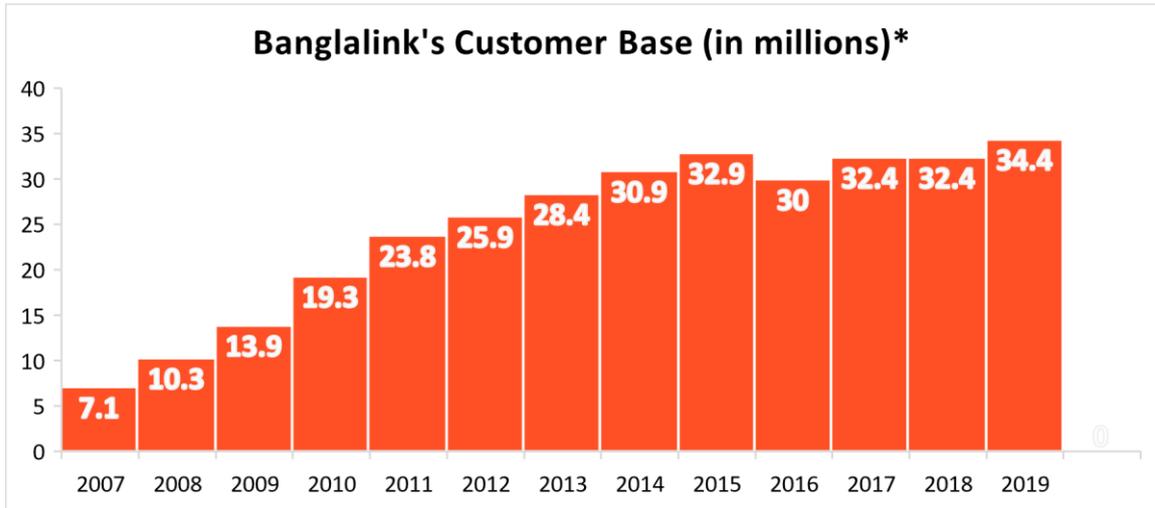
## **1.2 Company overview**

### **Vision**

“To be a pioneer; working at the frontier to unlock new opportunities for customers as they navigate the digital world.”

### **Company Background**

Banglalink is a 100% owned subsidiary of Telecom Ventures Ltd., which is fully owned by Global Telecom Holding. After a business combination between VEON Ltd. and Wind Telecom S.p.A, VEON has been owning 51.9% shares of Global Telecom Holding. Launched in February 2005, with over 1 million subscribers, Banglalink became the 2nd largest operator. In just three years, it had a customer base of 10 million, which grew to 25 million customers by 2012. (Annual Report, 2015)<sup>6</sup> As of March 2019, it has 34.378 million customers. (BTRC, 2019)<sup>7</sup> Banglalink is a forerunner in making telecommunications affordable for the mass population of Bangladesh. With the motto, “Bringing mobile telephony to the masses”, its cost-cutting strategy, had given them initial success. (Banglalink website)<sup>8</sup>



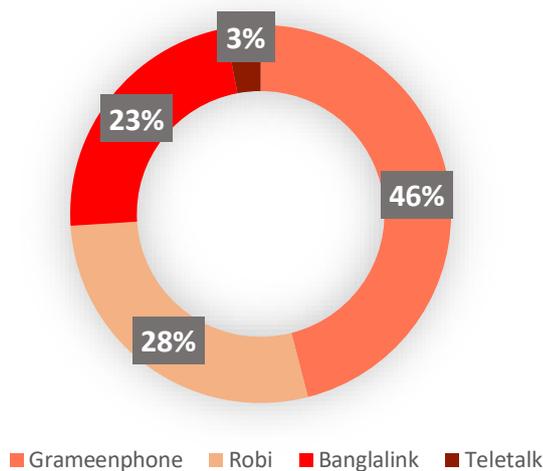
**Figure 1: Banglalink’s Customer Base**

**\*As reported to the Bangladesh Telecommunications Regulatory Commission (BTRC)**

**Position in the Market**

Banglalink is the third largest operator in Bangladesh that held 23% market share at the end of 2017. The figure below depicts the share of connections including cellular Internet of Things (IoT) by mobile operators.

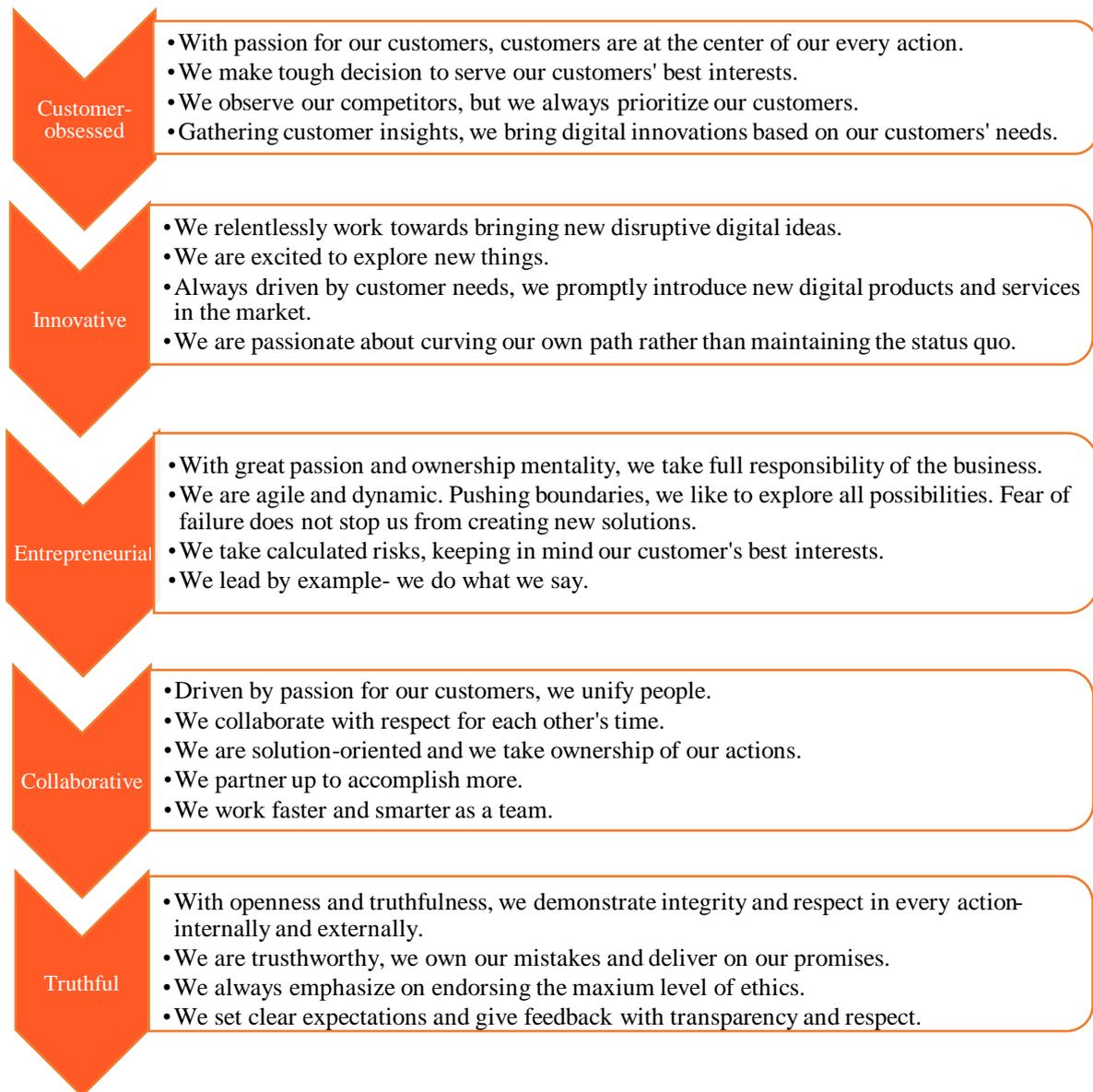
**Market Share**



**Figure 2: Share of Connections by Mobile Operators (Country overview, 2018)<sup>1</sup>**

## Core Values

Banglalink has always emphasized and reflected these five strong core values: customer-obsessed, entrepreneurial, innovative, collaborative and truthful.

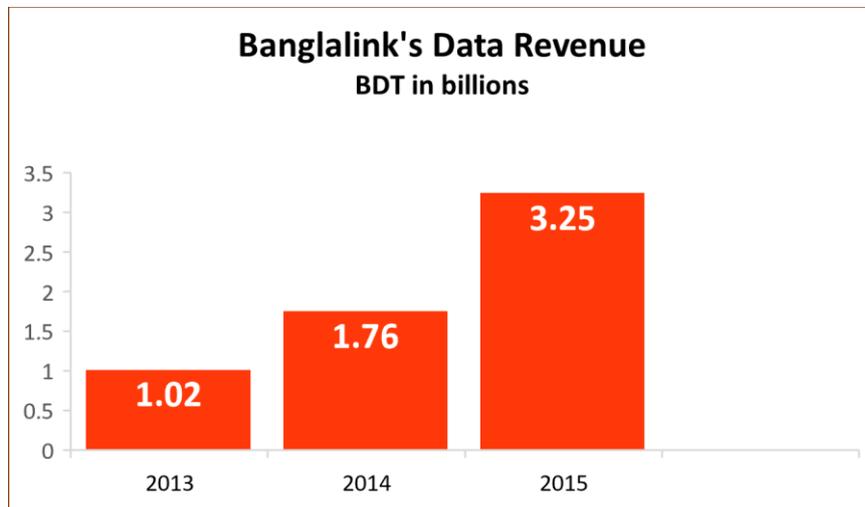


**Figure 3: Core Values of Banglalink (Annual report, 2015)<sup>6</sup>**

## Digital Influence on Banglalink

The global phenomenon of digital transformation has impacted Banglalink greatly. It now wants to work towards the vision of building 'Digital Bangladesh' through active participation in the digital transformation. The emergence of digital players and spread of internet have taken

a toll on its voice revenue, while increasing its data revenue. The launch of 3G services in September 2013 has drove up data service consumption in Bangladesh. As a result, data revenue of Banglalink rose to a striking BDT 3.25 billion in 2015. (Annual Report, 2015)<sup>6</sup>



**Figure 4: Data Revenue of Banglalink (Annual Report 2015)<sup>6</sup>**

Banglalink began its journey with digital transformation in 2016 with the motto “Banglalink going digital”. It has democratized smartphones and has been focusing on accelerating internet subscription ever since. It has created a broad portfolio of digital services like Game On, Cinematic, Vibe, Gaan Mela, Boi Ghor, Najat app and Doktor Bhai, to name a few. Their value-added services (VAS) span across music, sports, and devotional services and app, mental health service and so forth. Solutions for its business clients include dedicated corporate relationship manager, corporate m-Connex, Corporate Amar Tune and so on. It is now working relentlessly to shift the customer traffic from the regular distribution channels to alternate channels. Lastly, Banglalink has sponsored the National Hackathon, and has launched IT Incubator with our ICT division to groom and mentor young entrepreneurs to sustain and grow digital start-ups. (Banglalink website)<sup>8</sup>

## **Chapter 2**

### **Study of the Report**

#### **2.1 Origin of the Report**

The global trend of digital transformation has created a broader portfolio of channels that the telecoms players can utilize. With the advent of MFS (Mobile Financial Services), DFS (Digital Financial Services), payment gateways and digital payment platforms, apps and websites, online transactions and interactions have become inevitable. The telecom industry cannot fully recognize the potential of digitization without incorporating those nascent platforms into their distribution channels. Consequently, telecom industries have begun to create digital channels in collaboration with MFS, DFS and the like to offer their products and services online. This is where the theme of my internship report originated from.

#### **2.2 Objectives of the report**

The primary objectives of the report are:

1. To be able to differentiate between Banglalink's regular and alternate channels, and find out the advantages and disadvantages of using those channels from the company and the customers' perspectives.
2. To understand how the alternate channels are contributing towards the digitization of its distribution process.
3. To understand how partnerships with certain companies are enabling the digital distribution of Banglalink's products and services to take place.

The chapters have been organized based on the objectives for clear understanding of the findings.

## 2.3 Literature Review

The taxes and fees the operators in Bangladesh pay are the highest in Southeast Asia. Spectrum, tax and infrastructure barriers in the country negatively affects affordability and accessibility of telecom services. Bangladesh has one of the lowest mobile internet subscription rates in the region, with most consumers only using the basic voice call and SMS services. (Country overview, 2018)<sup>1</sup>. This is a big challenge for the telecom players, as they want to shift towards multi-channels and digital services and products.

Multichannel networks are the new rules all telecom players must play by. To modernize the sales and distribution system, they need to consider some areas. First, products must be available at self-service points, through which direct interactions with their customers are expected to rise. The non-direct channels should turn into device collection and customer care points beyond their voice and data-based product sales. They have to build product-specific partnerships with reseller, suppliers and retailers. They must learn to bundle and upsell their offers with an increasing number of devices, made by their partners. Finally, they must have data-centric systems to mine sales data from digital channels, which is the future requirement. (Digital, 2018)<sup>10</sup>

According to Caylar, Dmitriev & others (2014)<sup>5</sup>, to form an effective multichannel strategy, telco providers must keep track of each channel's performance in terms of value capture and sales revenue along with the costs. Depending on the future role and value proposition of each channel, they should be prioritizing those channels. They need to project an optimal channel mix for each product or service and forecast channel performance over a three-year period. The operators should adapt their digital channels as well as deploy strategies for online sales growth and adoption of digital self-care. They must identify the right number of brick-and-mortar locations and headcounts. They should be collecting factual data from each channel on customer behavior and perception, discerning barriers to adoption in the most optimal channels.

Lastly, aside from a solid plan for directing customers towards efficient channels, the telecom players should determine the incentives, coordination and IT infrastructure needed for cross-channel integration. Following a multi-channel strategy is tricky and challenging, but it is highly likely to pay off in the long-term. Only prudent planning and execution can bring success.

## **2.4 Scope of the Report**

The report studies the importance of various alternate channels, and strategic partnerships with nascent digital ventures for digitizing the distribution system of Banglalink, and taking advantage of the multichannel networks. It also makes a comparison between alternate and regular channels on the basis of their merits and demerits.

## **2.5 Limitations of the Report**

The theme of the report is fairly new in the telecommunications industry; there were few research papers regarding the topic. Hence, my report provides limited information about the topic. I also failed to collect in-depth insights for my report, owing to the confidential nature of the data. This resulted in providing surface-level information that were publicly available.

## **2.5 Methodologies**

The report is a qualitative research based on primary and secondary research. The primary research involved gathering data through face-to-face and messenger interviews with two managers and one Strategic Assistant of my team. The interview questions were designed to find out the advantages and drawbacks of alternate and regular channels; and the contribution of alternate channels towards digitization. The interview also included discussing about partnerships with emerging digital companies, and leveraging own channels for executing multichannel strategy. The secondary research was done to further strengthen the report with strong insights and predictions from various industry experts.

## **Chapter 3**

### **The Internship**

#### **3.1 My Team**

At Banglalink, I worked with the Digital Distribution Team in the Digital Business Department. My team consisted of five members. Rashed Moslem, the Head of Digital Distribution, delegates the workload among his employees. Sohanur Rahman Sumon, Digital Distribution Senior Manager, builds partnerships with many DFS, MFS, banks and e-commerce platforms. He introduced top-up services in DFS and e-commerce platforms. Fahim Imtiaz Shaikh, Digital Distribution Manager, has many responsibilities including managing e-Shop, advocating digital start-up ecosystem and guiding outsourced website developers to meet company requirements. The responsibilities of Rahul Saadat, Digital Ecosystem Manager, are owning Banglalink digital strategy to introduce relevant features, building right partnerships for securing monetization, preparing API use cases for development of services, among others. Finally, Sanjida Jahan Afnan, Strategic Assistant, assists everyone in the team with the daily operations. The team plays a significant role in formulating and implementing multi-channel strategies and expanding digital business opportunities.

#### **3.2 My Responsibilities and Experience**

As an intern, my responsibilities were helping my team develop use cases and the business canvas model for bringing a new technology in the market, participating in organizing a partnership launching program with Hello Task, a start-up from IT Incubator 2.0, and preparing content for internal communication, writing meeting minutes and lastly data entry in MS Excel. I learned about alternate channels, and the multichannel strategies my team was deploying that involved building partnerships. The internship gave me an opportunity to network with highly talented employees with aspiring leadership qualities.

## Chapter 4

### Comparison between the Traditional and Alternate Channels of Banglalink

This chapter presents the findings and analysis of the advantages and disadvantages of making transactions on traditional and alternate channels. The objective of this chapter is drawing a comparison between the channels.

#### 4.1 Traditional Distribution Channels: Advantages and Drawbacks

According to Md. Shaikh Imtiaz Fahim, Digital Distribution Manager, traditional or regular channels are the legacy channels of Banglalink from where customers buy offers, check balance and recharge. They can dial USSD, also known as quick codes, to check balance and purchase data, voice and bundle packs. They can recharge with scratch cards, or flexi-load from retailers. Flexi-loading is also known as Electronic Vouchers (EV). When a customer visits a retailer, he or she dials USSD, to transfer the requested balance to the customer's number, from digitally stored EVs. Thus the denominations are flexible, and the costs of printing, warehousing and distributing scratch cards are saved.

Banglalink is connected with retailers all across Bangladesh through whom customers make recharges. According to B2C sales team, the traditional channels of Banglalink has three middlemen — distributor, dealer/ RSO and retailer.



**Figure 5: The Supply-chain in Banglalink's Traditional Distribution Channels**

## **Banglalink Warehouse**

Banglalink warehouses store all products and equipment to maintain operations of Banglalink, such as SIMs, devices, network equipment, laptop et cetera.

## **Distribution Warehouse**

Distribution warehouse only stores SIMs and Electronic Vouchers (EV).

## **Distributors**

Distributors are third parties, who keep a bulk amount to distribute to the dealers. Banglalink has 101 distributors. Its zonal managers (ZM), or territorial officers (TO) communicate the targeted amount of top-up balance, number of scratch cards or SIMS to each distributor for sales. The distributors collect the certain amount from Banglalink warehouse, and then store them in distribution warehouse to distribute among retailers.

## **Dealers**

Dealers are third-party retail sales officers (RSO), who bridge the gap between distributors and retailers. Distributors and RSOs mutually agree upon a sales target based on their own sales goals.

## **Retailers**

Retailers are the only ones, who make direct contact with end-users. The RSOs distribute the bulk amount among retailers based on the mutually agreed target.

## **Advantages**

### **No Need for Internet Connection and Smart Phones**

To recharge through retailers, there is no need for internet connection or smart phones.

### **No Need for DFS, MFS, and Debit or Credit Cards**

Customers do not need to have accounts in Digital Financial Services (DFS) and Mobile Financial Services (MFS) platforms, or be Debit or Credit cardholders to recharge. Banglalink does not need to partner with DFS or MFS platforms, or banks.

## **Drawbacks**

### **Inefficiency**

The distribution process becomes slow and inefficient as a result of the involvement of several third parties before the end-users get the delivery. The RSOs have to push retailers to promote the Banglalink offers to customers. This is time-consuming and may even prove ineffective.

### **High Costs**

Banglalink needs to print and distribute posters for promoting their offers through retailers. To get them to upsell Banglalink's offers, it has to provide high commissions to retailers and distributors; the commission it gives to retailers has to be higher than its competitors. It also has to pay TOs, and ZMs salaries. Lastly, printing, warehousing and distributing scratch cards to resellers incur extra costs.

## **4.2 Alternate Channels: Opportunities and Challenges**

According to Shaikh Imitez Fahim, Digital Distribution Manager, alternate channels are the digital channels of Banglalink through which customers can recharge, buy data packs, order SIMs, or devices. They are digital alternatives to the MNO's regular channels. The company has internal and external alternate channels, namely My Banglalink app, e-Shop, e-Selfcare, bKash, DBBL Rocket, Nagad and Easy.com.bd.



## **Figure 6: The Supply-chain of Banglalink's Alternate Channels**

### **Distribution Warehouse**

Banglalink only procures the SIMs or devices from distribution warehouses.

### **Partners/Internal**

The operator has many partners such as bKash, DBBL Rocket, Nagad, Easy.com.bd, to name a few, which work as external alternate channels. e-Shop, My BL App and e-Selfcare, on the other hand, are Banglalink's internal alternate channels.

### **Opportunities**

#### **Higher Efficiency**

One of the biggest advantages of alternate channels is higher efficiency; there is only one third-party middleman in the distribution process. There is also no need to push the middleman to recommend Banglalink offers, as there is a partnership agreement. Through the internal alternate channels, customers can directly interact with the operator, leading to higher efficiency and control.

#### **Cross-Promotion**

Both the partner and Banglalink conduct cross-promotional activities that include ATL, BTL and digital marketing. In this way, its offers, brand name and value proposition get extra exposure. Partnership with renowned DFS, MFS or e-commerce platforms enhances its brand value.

#### **Cost-effectiveness**

The commission that the operator pays its partners in alternate channels is also lower than that in regular channels, making it more cost-effective. It spares Banglalink the cost of printing and distributing promotional posters and scratch cards among retailers.

## **Cashless**

Any financial transaction on alternate channels is cashless. It makes Banglalink progressive in terms of efficiency, digitization and future trend.

## **Convenience and Customer Satisfaction**

Customers can recharge or buy data through alternate channels in the convenience of their homes. Moreover, as customers have direct interaction with the operator, or a reliable partner of the operator, ensuring customer satisfaction is easier. Banglalink can utilize the alternate channels to promote reliability of the service, by maintaining consistency of the quality of service and products across channels. This will lead to high customer satisfaction and enhanced brand value.

## **Challenges**

### **Lengthy and Difficult Process**

Identifying the right partners, onboarding partners and conducting meetings to discuss collaboration and promotional campaign activities can prove time-consuming and challenging. Making the right strategic approach is crucial for building successful partnerships; a wrong strategic decision may lead to conflicts and waste of time and resources. Lastly, Banglalink has to partner with many companies in the same industry to gain bargaining power over its partners. Hence, the process of partnership building is always ongoing.

### **Miscommunications and Mismatch of Data**

Miscommunications between the company and partners sometimes lead to conflicts and delays. Sometimes there are mismatches between the campaign reports of Banglalink and its partners, owing to recording the starting and ending hours differently. Effective and consistent communication is crucial for running campaigns smoothly, and building and maintaining long-term partnerships.

### **Smartphones and Internet Connection**

To use alternate channels, particularly the apps, there are no alternatives to having smartphones and mobile internet connection. This is a big obstacle as the unique mobile internet penetration rate is only 21%, which is 35 million subscribers, as of 2017. It is predicted to rise to 41%, 73 million subscribers, by 2025. Mobile broadband connection was only 21% in 2017. The primary reason behind low mobile internet penetration is affordability and poverty. (Country Overview, 2018)<sup>1</sup>

### **DFS, MFS and Debit or Credit Cards**

Customers need to have an account in a DFS or MFS platform or be a Debit or Credit cardholder to recharge through alternate channels.

### **Consumer Mindset and Habit**

Customers in Bangladesh, including smartphone owners, are still not accustomed to recharging, or buying data packs and devices from digital platforms. It will take a long time before customers feel comfortable and safe to use digital platforms in their day-to-day lives.

## **Chapter 5**

### **Significance of the Alternate Channels for Digital Distribution**

This chapter describes partnerships with several service providers and leveraging internal alternate channels, as part of Banglalink's multi-channel strategy, that is made and executed by the digital distribution team. The strategy involves building strategic partnerships with many e-commerce, DFS and MFS companies, and constantly upgrading their own alternate channels to acquire and retain new customers.

#### **5.1 Partnership and Collaboration with bKash for Higher Efficiency**

##### **Recharge and Data Pack Campaigns**

bKash is an MFS provider, with over 60% market share, that Banglalink has collaborated with to launch campaigns. According to Rahul Saadat, Digital Ecosystem Manager, there are two ongoing campaigns with bKash that were launched to direct customers towards the alternate channel. The operator is providing a data pack offer of TK. 54 and a recharge offer of TK. 52.

Only Banglalink customers will get 3 GB data pack with 4 Days validity, if they recharge TK 54. from their bKash app. This campaign has been specifically launched to habituate Banglalink customers to download and use the bKash app to recharge.

On the other hand, all Banglalink prepaid customers can get a special call rate of 54paise/minute with 15 days' validity by recharging Tk. 52 from bKash. bKash and Banglalink are both promoting the campaigns by placing banners on their website and app. As a result, Tk. 54 and Tk. 52 recharges from both bKash app and retailers have significantly accelerated, as per the campaign reports.

The objective behind such campaigns is cross-promotion and cross-selling, in some cases, as with the Tk. 54 campaign, it is also offering additional benefits to incentivize the customers to

recharge from an alternate channel. Continuation of such campaigns can prove effective in retaining customers on bKash.

### **bKash Auto-recharge**

Banglalink has recently launched bKash auto-recharge, a highly convenient top-up service, exclusively for its prepaid customers, with bKash accounts. They can now auto-recharge their mobile balance, from Tk.20 to Tk.1000, from their bKash wallet, when their balance is below Tk.10. This new service is a great step towards accustoming the customers to recharge digitally.

### **Achieving Higher Efficiency**

As mentioned in the previous chapter, partnering with such an alternate channel as bKash reduces costs. The on-the-fly (OTF) commissions that bKash has been receiving during the campaign are lower than the commissions given on regular channels. The Tk. 52 and Tk. 54 campaigns did not require pushing retailers, making the process more efficient for both Banglalink and bKash.

## **5.2 Shifting the Traffic to My Banglalink App**

### **Functionalities of the My BL App**

My Banglalink app is a digital platform, where customers can avail all the services of the operator, starting from recharging to purchasing voice and data packs and bundles. Customers can also see their balance and active packages with validity. Usage history is another useful feature for customers to keep track of all their incoming and outgoing calls and SMS, internet usage, recharge amounts, subscriptions and roaming.

Moreover, customers can see their nearest service points, submit their complaints and even check their complaint status through the app's customer care option. Finally, a click on the options under 'Discover' section takes users to relevant webpages; from where they can learn detailed information to use other services of the operator.

## **Incentives for using the My BL App**

According to Sanjida Jahan Afnan, Strategic Assistant, there are special offers only on the app that is aimed to encourage customers to use the My BL app. For example, customers get 25 MB daily for logging on to their My BL account. Subscribers can now also get higher data volumes by purchasing four data packs – Tk. 36, Tk. 76, Tk. 249 and Tk. 129 packs – on the app than on regular channels. For example, the data volume customers get at Tk. 36 from the app is 1.5 GB, whereas it is only 1 GB on regular channel at the same rate. The company is now conducting both ATL and BTL promotions for these packs.

Recently, SMS broadcasting for all offers has been changed to include the line ‘To get \_\_ offer, download My BL app.’ in Bangla. Thus, the operator has been coming up with many incentives to drive the traffic on My BL app. As a result, recharge and data pack purchases from the app has been seeing steady growth, as their uptake report showed. As the app is the operator’s own channel, it has great potential for cost reduction, and boosting revenue and efficiency.

## **5.3 e-Selfcare: Website Version of My Banglalink App**

e-Selfcare is a section in the website. It serves the customers the same way as My Banglalink app does. The four data packs that are offering higher data volumes than regular channel are also available on e-Selfcare. However, the traffic in e-Selfcare is not steadily growing, as promotions have been done, focusing on the My BL app.

## **5.4 e-Shop: An E-commerce Site**

e-Shop, the e-commerce site of Banglalink, was primarily launched in 2017 to provide SIMs, branded smart devices with exclusive bundle offers and all the services online including top-up service, free SIM replacement and getting a new connection. The current objective of the platform is to increase SIM sales and deliver SIMs nationwide.

## **5.5 Other Alternate Channels: Partnership with Vendors**

## **iPay**

iPay is an online payment platform that works as a distribution channel for the telecom company with lower commission rate than retailers. Thus, it is generating additional revenue with higher efficiency for the company. It connects users' bank accounts to the system and gives them access to funds. (Digital Financial, 2015)<sup>9</sup>

## **Rocket**

Available in 182 branches, Rocket is an MFS of DBBL that pioneered the service of providing bank facilities through mobile phones. Banglalink has partnered with Rocket to onboard its users with Rocket accounts on the My BL app and e-Selfcare. (Digital Financial, 2015)<sup>9</sup>

## **Daraz, QCash and Easy.com.bd**

Banglalink has introduced top-up services on Daraz, the biggest e-commerce platform in Bangladesh, for the convenience of customers. It has also launched top-up services on QCash and Easy.com.bd.

Banglalink has partnered with many DFS, MFS, e-commerce and online payment platforms, banks and card companies to diversify their alternate channels. It has given customers the freedom to choose their preferred platform. It tracks uptake of top-up services, data and bundle packs across all channels to identify the most efficient channels with high potential for value capture. The digital distribution team collaborates with the Digital Analytics manager to constantly improve their insights into customer behavior and perception on each channel. They select channels and offers based on their customer insights.

## Chapter 6

### Enablers of the Digital Distribution

This chapter is about the digital platforms and methods that are enabling Banglalink to navigate in the digital world and implement its multichannel strategies. The information given here has been collected from the interviews with Rahul Saadat and Shaikh Imtiaz Fahim.

#### 6.1 Payment Gateway

Banglalink has connected with a payment gateway, SSLCOMMERZ, that enables them to receive payments securely and remotely from customers on alternate channels. Linked with many banks and card companies, such as MasterCard, VISA and DBBL Nexus, SSLCOMMERZ is a secure and efficient payment gateway for online shops.

#### 6.2 Strategic Agreement with iPay

Banglalink's strategic agreement with iPay Systems Limited marks a significant move towards enabling the digitization of its channels and services. iPay has provided brilliant digital payment solutions for Banglalink's digital touch points — Banglalink website, e-Shop and My BL app. iPay's solutions have made the payment process very convenient.

#### 6.3 Payment Platforms

Banglalink has built partnerships with banks, card companies, MFS and DFS. These are the companies that it has partnered with:

**Debit/Credit Cards** — VISA, MasterCard, American Express and DBBL Nexus.

**Mobile Banking** — bKash, Rocket, Islami Bank MCASH, MYCash, AB Direct, t-cash, wallet by ONE Bank and Tap' n Pay.

**Internet Banking/e-Wallet** — Citytouch, Islami Bank Bangladesh, AB Direct and Upay.

Customers can select from a range of payment methods. This allows different customer segments to avail Banglalink's products and services through the payment method of their choice. These partnerships are playing significant roles in facilitating transactions over alternate channels.

#### **6.4 Partnership with Delivery Vendors**

Banglalink has partnered with e-Courier and Paperfly, two renowned delivery service providers, for delivering SIMs at the doorstep of its customers. They are vital enablers of digital distribution. When customers order SIMs through e-Shop, the order request is forwarded to the delivery vendors. They then contact the buyer and deliver the package to at his or her doorstep.

#### **6.5 Disbursement of OTF Commissions**

OTF is an efficient method of disbursing real-time commissions and bonuses to partners, where a certain percentage of commission for every recharge is automatically added to the partner's account. Banglalink has been disbursing a certain percentage of OTF commissions to bKash for each recharge from the mobile banking platform. This has eased the process of commission disbursement and has further encouraged the telecom operator and its partners to collaborate for online recharge.

## Chapter 7

### Recommendations and Conclusion

Banglalink has been working tirelessly to turn the vision ‘Digital Bangladesh’ into a reality through its extended digital channel and services portfolio. It should continue its effort to build successful partnerships, and offer enticing incentives in order to migrate customers to the most efficient alternate channels. Adopting an effective multichannel strategy will lower the company’s costs, improve efficiency and boost revenue.

Banglalink is well-aware about the market demands of DFS, MFS and other platforms. Partnerships with bKash, Rocket and Daraz are indicators of its strategic approach to partnerships. Depending on market demand and efficiency, it should be focusing on a few particular channels for choosing the most optimal channel mix.

To cope with the fast pace of digitization, the telecoms player has to constantly upgrade its IT infrastructure and capabilities to support ongoing digital innovation. Furthermore, the analytics team should be able to understand the dynamics of analytics, and make necessary upgrades to the digital analytics tools and software, for efficient data extraction and analysis. The data mining tools should be updated for collecting databases with higher efficiency. The team then has to select the right database to extract data for useful customer insights from each channel, discerning and eliminating barriers to adoption along the way.

A partnership should be customer-oriented; and it should create a win-win situation for both parties in terms of cross-promotion, customer acquisition and retention. After carefully selecting a partner, the MNO and the partner should be setting clear goals and expectations for each campaign. They should also engage in effective two-way communications for running campaigns smoothly, while tackling conflicts and misunderstanding promptly. Banglalink and its partners have to give conscious and collaborated efforts to build long-term partnerships.

Lastly, the operator should build strong digital literacy and generational diversity in the workforce to accommodate innovation. (Spelman, Weinelt & others, 2017)<sup>3</sup> Profound knowledge about digital marketing, digital analytics, VAS and digital services are highly important for navigating in the digital world. There should be employees, who have deep knowledge about how ever-changing customer expectations and how the digital media, MFS, DFS and e-commerce platforms work. The MNO should be utilizing graphic designing, web and app development and content management skills of the younger generations. For a smooth transition from legacy telecom systems to agile and versatile systems, Banglalink must sustain its digital and innovative culture.

## References

- [1] Country overview: Bangladesh mobile industry driving growth and enabling digital inclusion. (2018) *GSMA*. Retrieved from:  
<https://www.gsmaintelligence.com/research/?file=a163eddca009553979bcdfb8fd5f2ef0&download>
- [2] Haque, M. A. (2018). Bangladesh telecommunication industry: a comprehensive review. *EBL Securities Ltd*. Retrieved from:  
[http://www.eblsecurities.com/AM\\_Resources/AM\\_ResearchReports/SectorReport/Bangladesh%20Telecommunication%20Industry-A%20Comprehensive%20Review%202019.pdf](http://www.eblsecurities.com/AM_Resources/AM_ResearchReports/SectorReport/Bangladesh%20Telecommunication%20Industry-A%20Comprehensive%20Review%202019.pdf)
- [3] Spelman, M., Weinelt, B. & others. (January, 2017). Digital transformation initiative, telecommunications industry. *World Economic Forum*. Retrieved from:  
<http://reports.weforum.org/digital-transformation/wp-content/blogs.dir/94/mp/files/pages/files/dti-telecommunications-industry-white-paper.pdf>
- [5] Caylar, P. L., Dmitrev, M. & others. (2014). Change the channel: a new multi-touch point portfolio. *McKinsey & Company*. Retrieved from:  
[https://www.mckinsey.com/~media/mckinsey/dotcom/client\\_service/Telecoms/PDFs/February%202015%20-%20Recall%20papers/Change\\_the\\_channel\\_2014-08.ashx](https://www.mckinsey.com/~media/mckinsey/dotcom/client_service/Telecoms/PDFs/February%202015%20-%20Recall%20papers/Change_the_channel_2014-08.ashx)
- [6] Annual Report. (2015) *Banglalink*. Retrieved from:  
[https://www.banglalink.net/sites/default/files/cms-resource/files-media-center/annual\\_report\\_2015.pdf](https://www.banglalink.net/sites/default/files/cms-resource/files-media-center/annual_report_2015.pdf)

- [7] Mobile phone subscribers. *BTRC*. Retrieved from:  
<http://www.btrc.gov.bd/content/mobile-phone-subscribers-bangladesh-march-2019>
- [8] Banglalink website. Retrieved from: <https://www.banglalink.net/en/personal/digital-services>
- [9] Digital financial services: the next step. (January 15, 2019). *Lightcastle Partners*. Retrieved from: <https://www.lightcastlebd.com/insights/2019/01/15/digital-financial-services-the-next-step>
- [10] Digital transformation: a brave new world sales and distribution. (2018). *Mahindra Comviva*. Retrieved from:  
<https://www.comviva.com/wp-content/uploads/2018/06/Digital-Transformation-SnD-June-2018.pdf>

## **Appendix A.**

### **Interview Questions**

#### **Interview with Shaikh Imtiaz Fahim, Digital Distribution Manager**

1. What are the differences between regular channels and alternate channels? What are the opportunities and challenges of those channels?
2. How is building partnerships with digital ventures, enabling the digital transformation?
3. What is the difference between Banglalink warehouse and distribution house?
4. What is e-Shop? What is its objective?

#### **Interview with Rahul Saadat, Digital Ecosystem Manager**

1. What are the ongoing campaigns with bKash? How are the campaigns performing?
2. What other companies has Banglalink partnered with to implement their multichannel strategy?

#### **Interview with Sanjida Jahan Afnan, Strategic Assistant**

1. What is My BL app? What is its objective?
2. What initiatives has Banglalink taken to grow customer traffic on My BL app? How successful those initiatives have been?
3. How significant are My BL app and e-Selfcare in digital distribution?