

Report On  
Digital Transformation in the Value-Added Services of Banglalink:  
From Classical Services to Diverse Digital Services

By

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

BRAC Business School  
Brac University  
August 2019

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## **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.

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15104005

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

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**Dr. Md. Mamun Habib, PhD**  
Associate Professor, BRAC Business School  
BRAC University

## Letter of Transmittal

Dr. Md. Mamun Habib, PhD

Associate Professor,

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

**Subject: Submission of internship report on “Digital transformation in Banglalink: From a limited portfolio of traditional services to a diverse portfolio of digital services”.**

Dear Sir,

With due respect, I would like to declare that I have completed my internship report on the topic: “Digital transformation in Banglalink: From a limited portfolio of traditional services to a diverse portfolio of digital services” as a part of BUS400 course which is a requirement for the completion of the BBA program. The report is mainly on the functions of the organization I worked in for three months, where I tried to incorporate as much information as possible based on the wonderful experience I gained working in their digital products department.

I have tried my best to complete the report as per the requirements of the university. Your instructions as a supervisor have been invaluable in terms of making this report to the point and as compact and comprehensive as possible. I shall be highly honored if you are kind enough to accept this report and provide remarks on the overall report considering my effort.

Sincerely yours,

---

Daniel Mahbub

15104005

BRAC Business School

BRAC University

Date: August 25, 2019

## **Acknowledgement**

It is a great pleasure to express my utmost gratitude to the Almighty to begin with for allowing me to finish the report in due time. It was a daunting task on hand to complete the report while doing the internship at the same time, so without the help and cooperation from some people it would have been an even more difficult task to accomplish.

First of all, I would like to express my sincere gratitude towards Dr. Md. Mamun Habib sir, my internship advisor, who has been a tremendous mentor throughout these three months, specially considering the fact that he was diagnosed of dengue. Special thanks to Mr. Ikram Evan, the teaching assistant of Dr. Mamun Habib sir, who had provided tremendous support even during sir's illness. Secondly, I am extremely grateful to Banglalink Digital Communications Ltd for allowing me to be an intern for the summer session and providing me with such great environment to work in. The diverse culture there along with the experience of being treated like an employee was a tremendous experience for an intern. I am especially thankful to my team, that is the Digital Products team for putting their trust in me and allowing me work on multiple tasks regarding their digital services which involved conducting User Acceptance Tests (UAT) on about all their digital services, processing and clearing different value-added service agreements, directly dealing with vendors and communicating with them to solve various service issues etc. Learning all of these has been possible due to my line manager, Md. Hasib Kamal, Digital Products Manager, who has been a constant support and provided tremendous encouragement to do each and every task which in the long run helped me learn even further and contribute even more. Without his continuous support the experience and this report would not be the same.

Last but not the least, I would like to show my sincere gratefulness and respect towards BRAC Business School and BRAC University along with all the faculty members who have contributed towards who I have become over the last four years during my stay in the university. I would like to carry all the lessons I had learned from each and every respectable individual throughout all my life and portray myself as a worthy graduate of BRAC Business School no matter which corner of the world I go to.

## **Executive Summary**

This report provides a view on the telecommunications industry, Banglalink Digital Communications Ltd to be specific and analyses the current trend and changes to determine the transforming nature of the value-added services of this industry. The report begins with a brief description of the industry and organization in general to build a platform for this study. The next chapter tries to provide a view on the overall internship experience working in Banglalink with a view to bridging the gap between the organization description and the overall working experience. This experience of working contributes to the next chapter of the study that illustrates the main project of the report that is to focus on other studies related to this report, portraying the methodologies as well as limitations and the overall analysis and findings regarding the topic based on some expert views and surveys. The key point which this study tries to find out, that is to understand the transformation of this industry has been understood from the overall outcome, that the telecommunications industry indeed is moving towards digital VAS in a very fast pace which is bound to have a major impact in the Telecommunications industry in Bangladesh as well. Consequently, towards the ending of this report, it is recommended to be aware of the dynamics of the industry and take necessary steps to accommodate the future changes by ensuring a solid infrastructure for the industry, which can ensure a smooth transition from the majority of classical value-added services to a digital value-added service ecosystem.

**Keywords:** Telecommunications; value-added service; internship; analysis; digital; transformation.

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## List of Acronyms

BTRC	Bangladesh Telecommunication Regulatory Commission
UAT	User Acceptance Test
OTP	One Time Password
OTT	Over the Top
IoT	Internet of things
ARPU	Average Revenue Per User
DCB	Direct Carrier Billing
LTV	Life Time Value
VAS	Value Added Service

## **Glossary**

UAT	User acceptance test that is conducted to test services either to prove viability or to determine issues in a service that is currently running or proposed to launch.
VAS	Value-added services are generally defined as services that are not part of the core services which means services apart from voice and SMS services.

# **Chapter 1**

## **Industry and Organizational Overview**

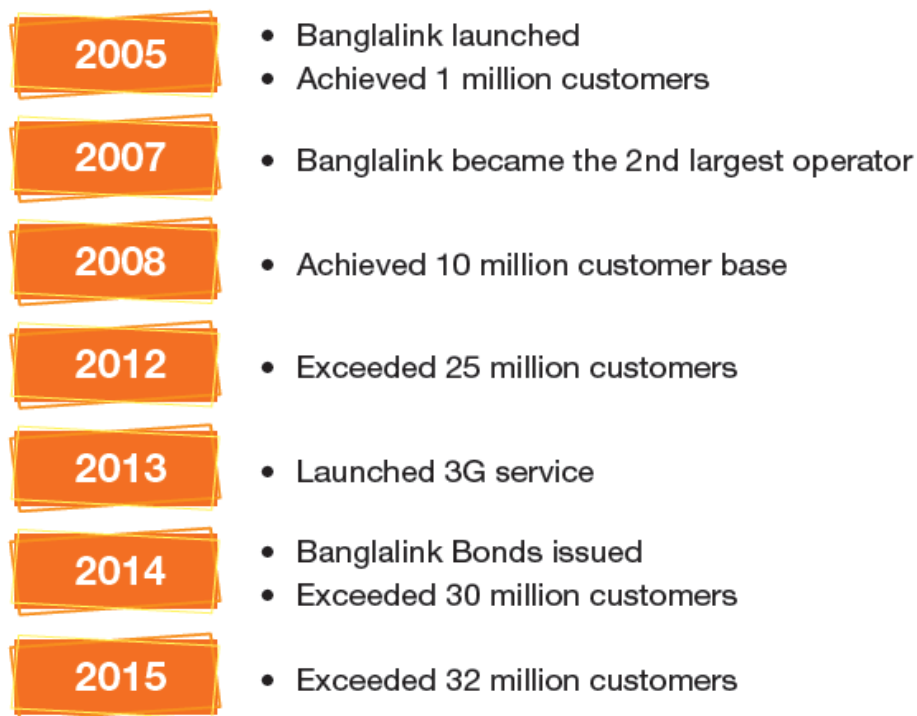
### **1.1 Introduction**

Telecommunications industry is one of the major players in the economy of any country, specially in Bangladesh where the need and usage of telecommunications media is increasing gradually as the country is slowly inching towards becoming a middle-income country. Being one of the most populous countries of the world, this industry has slowly turned out to be a major profit generating industries having tons of foreign investments. Towards the end of 2017, Bangladesh became one of the fifth largest mobile markets in the Asia pacific region and ninth largest in the world, with around 90 million individual mobile subscribers. It is estimated that over the next decade, this industry will go through drastic changes due to the changing nature of the industry which is slowly being forced to shift its concentration of core products.

According to “Newzoo’s Global Mobile Market Report” in 2018, the smartphone penetration in Bangladesh was 16.1%, whereas in 2017 the rate was about 5.2%, which shows how fast smartphone growth has been in our country in the recent years. This major change in the usage of smartphones is causing the telecommunications industry to change as well in terms of the products they sell. Previously the only subscriptions for the telecom companies were based on SMS and voice data subscriptions, which due to the rapid growth of smartphones have been shifting towards being more digital to compete with the global market in order to provide the same level of service to their consumers compared to the more developed countries. That is why in 2019, telecommunications industry is not only about selling traditional SMS and voice data services, it has become much more reliant on revenues generated from other value-added services which have become extremely relevant because of the mass penetration of smartphones.

## 1.2 Profile of the Organization: Banglalink Digital Communications Ltd.

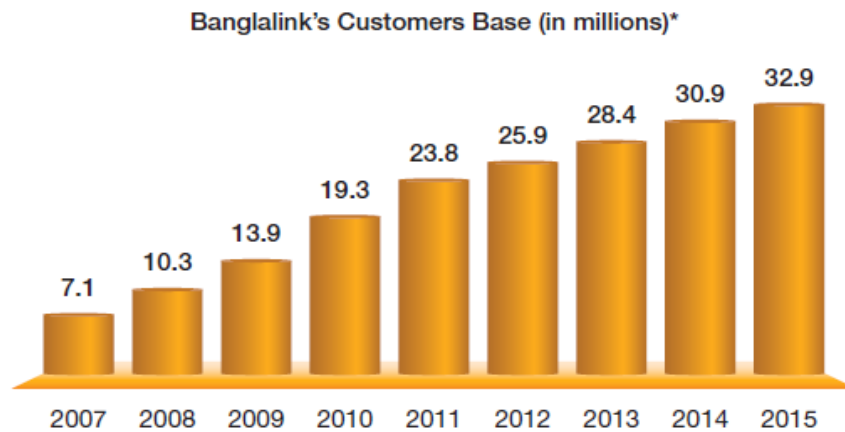
Though this report is an overall analysis of the telecommunications industry, the assumptions and research have been made based on Banglalink, due to having being attached to its operations for a period of three months of internship program. As far as Banglalink is concerned, it is the third largest cellular service provider in Bangladesh having about 33.6 million subscribers that comprises of approximately 24% of the total market share. Since the time of its launch, Banglalink has come a long way, gradually achieving all the landmarks in its way that ended up in launching 4G connectivity in 2018.



*Figure 1 History of Banglalink*

Banglalink Digital Communications Limited is a completely possessed organization of Telecom Ventures Ltd. which is a 100% possessed backup of Global Telecom Holding. VEON claims 51.9% portions of Global Telecom Holding following a business blend in April 2011, between VEON Ltd. also, Wind Telecom S.p.A. VEON is a NASDAQ and Euronext Amsterdam-recorded worldwide supplier of availability, with the aspiration to lead the

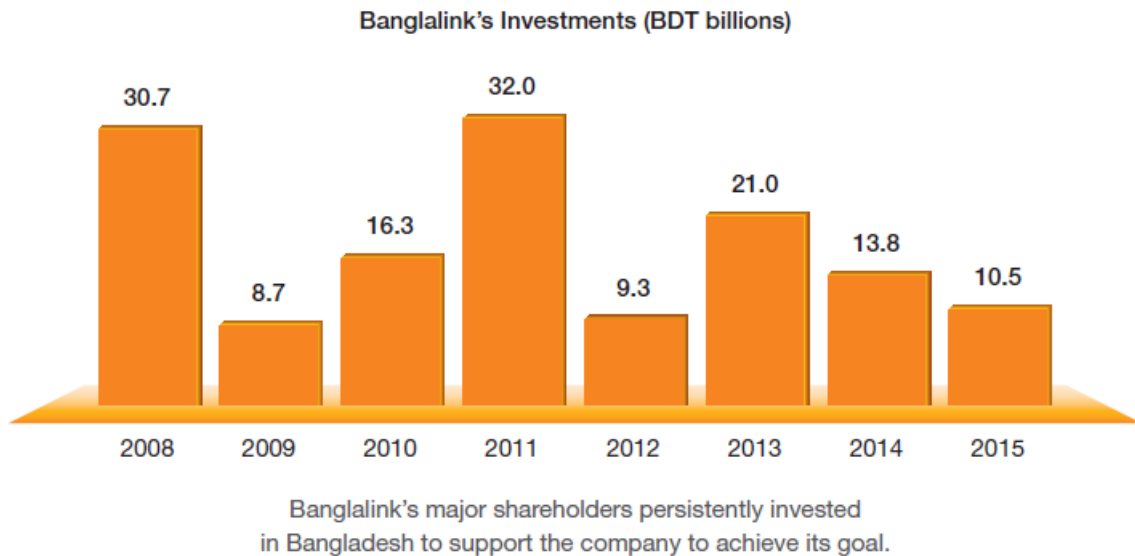
individual web upset for the 235 million+ clients it as of now serves, and numerous others in the years to come. It offers administrations to clients in 13 markets including Russia, Italy, Algeria, Pakistan, Uzbekistan, Kazakhstan, Ukraine, Bangladesh, Kyrgyzstan, Tajikistan, Armenia, Georgia, and Laos. VEON works under the "Straight shot", "Kyivstar", "WIND", "Jazz", "banglalink", and "Djezzy" brands.



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

*Figure 2 Banglalink Customer Evolution*

Banglalink has been a customer-oriented organization from the very beginning. It has focused towards providing value for money services that contributed in its surge in the number of customer base all these years. This large increase in the customer base has allowed investors to heavily invest in the company, specially considering its rapid growth and movement towards 3G and 4G technology.



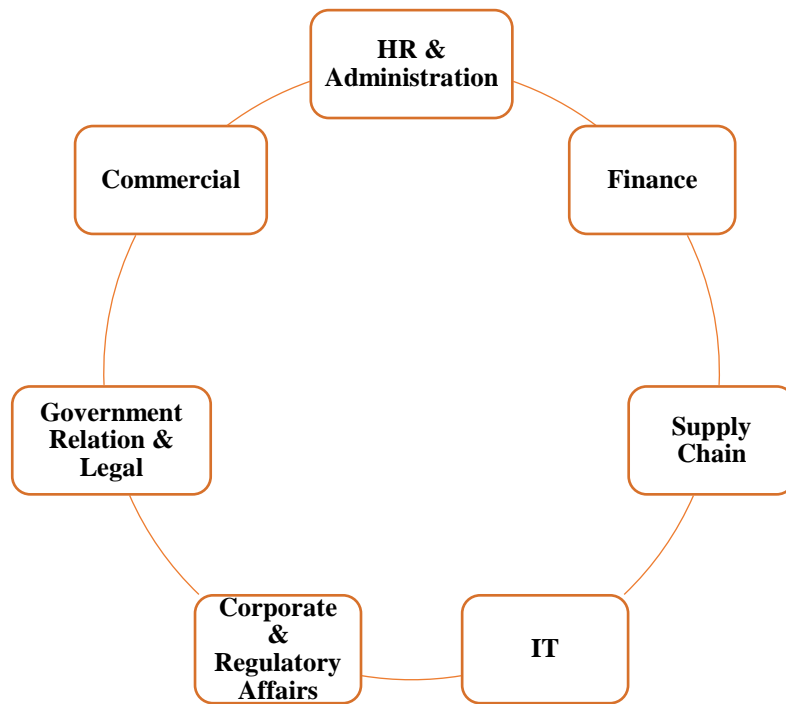
*Figure 3 History of Investments*

From the above figure, it is understandable why Banglalink quickly went to having 10 million subscribers base due to heavy investments from shareholders in 2008. Their investments peaked in 2011 having about 32 million BDT invested in the company directly by the shareholders. However, the company and industry's slow growth from there resulted in gradual decrease in the overall investments.

### **1.3 Organization and Management Team Structure**

As the third largest telecommunications company, Banglalink definitely lives up to its expectations as far as the overall organizational structure is concerned. It has a world class system in the division of departments where the whole company is heavily decentralized to ensure close monitoring of all the departments. As an example, the marketing department is not simply classified as "Marketing" only, rather it has been divided into multiple number of small teams that includes B2B, BTL, ATL, Digital Services, Digital Marketing, High Value Segment etc. This level of decentralization allows the company to run each operation from its core like it is an individual business for itself. Though the whole organization has been divided

into uncountable teams, they have to report directly to their central departments which is shown below:



*Figure 4 Organization Structure*

Banglalink also believes in a flat organization structure so that the company can work as a team even though they are highly decentralized. The company believes that an easy access to the CXOs will allow the company to implement a shared vision with all the employees and have an effective and communicative culture. Supporting this culture, their management team is equally cooperative so that the company and each employee as an individual achieves their goal.



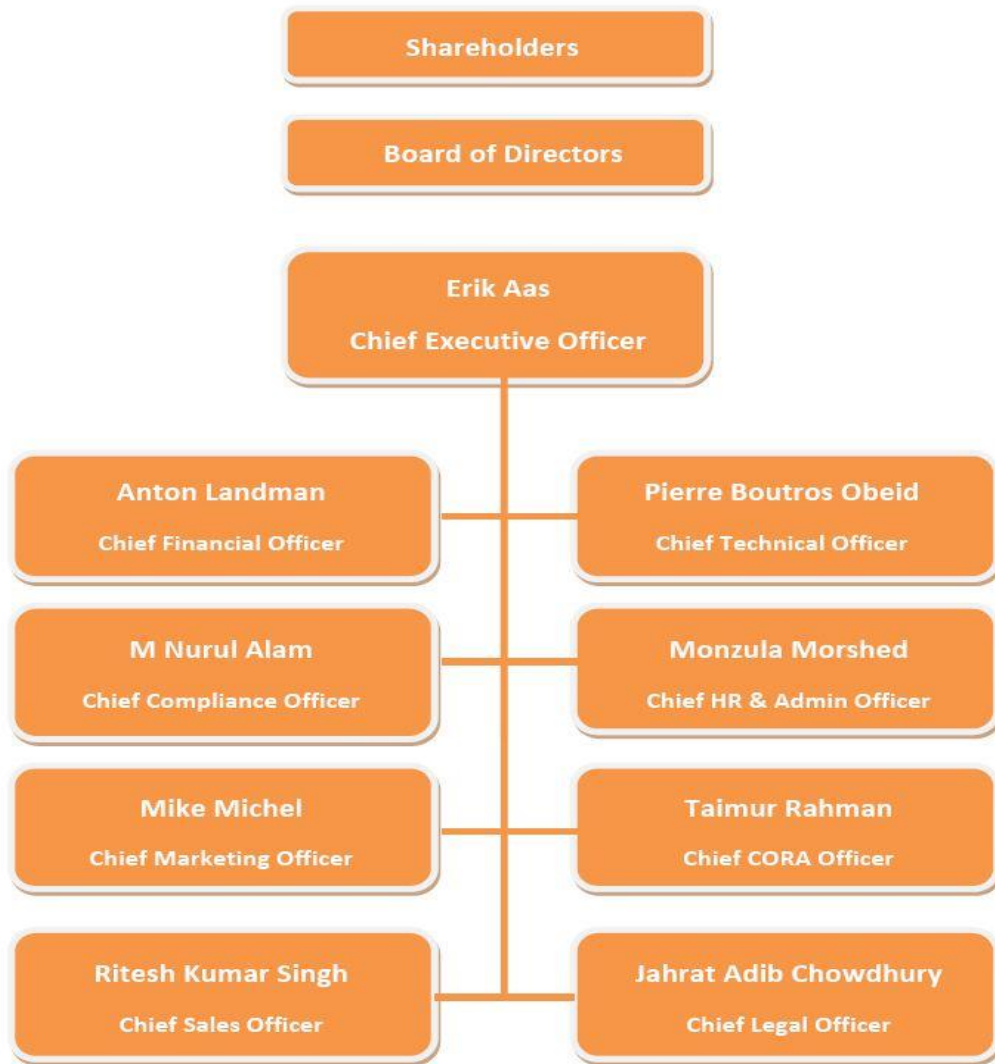


Figure 5 Hierarchy

As of 2019, Eric Aas is the chief executive officer of Banglalink followed by the other CXOs. However, in recent times there has been a change in this structure as Banglalink has been trying to downsize for quite some time. Mr. Mike Michel and Mr. Ritesh Kumar Singh is no longer working for Banglalink which made Mr. Pierre remain the chief technology officer as well as the acting chief commercial officer, which is the merged role of the CMO and CSO.

## 1.4 Vision

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

## 1.5 Mission

“Bringing mobile telephony to the masses”.

## 1.6 Core Values



Figure 6 Core values

## 1.7 Corporate Social Responsibilities

Banglalink has done several projects and operations apart from their core operations as a part of their social responsibility. Some of them have been mentioned below:

**Incubator** In order to support innovative ventures which has helped about 16 different startups in different sectors.

**Learn from the Start-ups** to educate and encourage potential entrepreneurs in order to equip them with the right mindset and business tools

**SDG Hackathon** Designed to empower youth to come up with digital solutions to solve socio economic issues.

**White Paper: Digital Entrepreneurship Ecosystem** Commissioned by VEON to analyze factors in different countries including smartphone penetration, ICT talent, customer base, education, investment availability etc.

**Digi geek Meetup** A platform to educate, inspire and engage aspiring young digital entrepreneurs to improve networking and knowledge.

**Digital Literacy** To educate general mass on the ever-increasing importance of digital media and to contribute towards making digital Bangladesh

**Disaster Relief & Emergency Response** To support people affected by natural calamities and to raise awareness among the people in need.

**Zero Rating of Government site** Allowed free access to Banglalink subscribers to have free access to government websites in order to contribute towards making the country more digital.

**RMG Sector Activities** To provide knowledge and support to the garments workers so that they can contribute more, get encouragement and be knowledgeable on the industry.

## **Chapter 2**

### **Internship Experience**

#### **2.1 The Job at a Glance**

This report has been possible only because of the experience I gained working at Banglalink as an intern. So, before going into detail this part of the report was made to provide basic understanding of the functions of the department and team I had to work in as well as my responsibilities. First of all, after completing the recruitment process of Banglalink, I was selected in their digital products team. Simply put, digital products in Banglalink is a team under the commercial department who were mainly responsible for the value-added services and coming up with new and innovative digital products (music and video streaming, sports etc. WAP services) by partnering with different vendors.

The team I was assigned in was a team of five members, ranging from senior executive to the head of the team. Though it is one team, all the members have their projects to work on and they constantly have to be on their feet to launch and bring new services in the market. As an example, during the ICC Cricket World Cup 2019, the team had been extremely busy launching their new WAP and app based service “Game On” that would provide live streaming sports services, and launching this one was no easy task as it required a lot of effort specially to get permission from the copyright holders and the government to provide live streaming services in their platform.

#### **2.2 Responsibilities as an Intern**

It is an extreme delight to express that I was assigned a very crucial role in the team. Even though I was an intern, my line manager tried to understand my capabilities and put his trust in me to carry out many important functions. Though there was not much work load to begin with,

it started picking its pace slowly. During the first two weeks, I had to spend time understanding all their different services and how they worked individually. After I started understanding their basic functions, I had to work in processing and clearing some of their agreements with vendors where I needed to communicate with them and the legal team to get them cleared. However, processing those agreements with vendors, I came to know how the services and the vendors are related. The vendors were able to be partners of Banglalink only if they agreed to the policies of Banglalink like revenue sharing, contractual date, terms and conditions and most importantly the licenses needed as per the requirements of BTRC. Some of my other works include following up with all the vendors regarding getting licenses and trying to keep them on their feet.

However, the main KPI of my internship was conducting UAT or User Acceptance Tests. UAT is basically a service test that is done to understand if the current services are running up to the mark or if a proposed service is ready enough to be launched. Couple of weeks after joining the internship, a new intern joined the team and that is when the work for UAT started. Two of us interns had to conduct the tests on existing 300 services along with a few new services that came with their proposals during this time. Our line manager gave us detail instructions on how to conduct the UAT as well as the criteria based on which we had to conduct the tests and record all those data in an excel sheet and report to our manager. The most difficult task was to follow up and keep all the vendors on their feet. However, during this work, we started having clear idea on how each individual service works and criteria needed to be fulfilled to be partnered with Banglalink.

Table 1 UAT Sample

Criteria	Banglalink mobile tv	Game on	Najat
BROWSING WAP			
Any unwanted content			
1st consent taken			
2nd consent taken			
Consent page (amount and auto renewal mention)			
Subscription text received			
Subscription confirmation text- as per our format			
Charging - ok			
For wap subscription msg clickable			
Unsubscription though- wap			
Unsubscription though- sms			

The table above shows a basic sample of the criteria that need to be checked in order to conduct the service tests. Beside the criteria, there are three services of Banglalink shown as a sample, which need to be checked individually and keep record according to that. All the 300 services have different kinds of problems that might be interfering with the revenue or customer satisfaction of Banglalink, that is why we needed to check them and keep track.

Table 2 Service List Sample

S L	Service Name	Short code	CP Name	URL
1	Banglalink mobile tv	7055	Sun Communication	<a href="http://banglalinkmobiletv.com">http://banglalinkmobiletv.com</a>
2	Media Club	16369	DFN MEDIA	<a href="wap.dfclub.mobi">wap.dfclub.mobi</a>
3	Gossip Club	16369	DFN MEDIA	<a href="wap.dfclub.mobi/gossip">wap.dfclub.mobi/gossip</a>
4	Gaan Zone	16455	SMARTGO	<a href="http://gaanzone.com">http://gaanzone.com</a>
5	Smart Zone	16455	SMARTGO	<a href="http://gaanzone.com/smartzone">http://gaanzone.com/smartzone</a>
6	Priyo Zone	16455	SMARTGO	<a href="http://gaanzone.com/priyozone">http://gaanzone.com/priyozone</a>
7	Jibondhara WAP	16475	Jibondhara	<a href="wap.jibondhara.com">wap.jibondhara.com</a>
8	WAP Portal Service	16350	Solvers	<a href="http://bfunbd.com">http://bfunbd.com</a>
9	Buzz Club	16441	Mobi Buzz	<a href="http://buzzclubbd.com/buzzclub">http://buzzclubbd.com/buzzclub</a>
10	Daily Islam	16441	Mobi Buzz	<a href="http://buzzclubbd.com/islamic">http://buzzclubbd.com/islamic</a>

This table is a sample of 10 different services and their vendors. As all the services were associated with a vendor, it was important to keep a good relationship with them while communicating all the issues with them regarding services.

Apart from the UAT of the existing services, there were new partners coming up with new services from time to time. One such example is “Prothom Alo IVR (Interactive Voice Response) service”. As an intern, I also got the chance to arrange and participate in meetings with them and sometimes I could conduct the testing by myself on the new service when I became experienced enough. Therefore, the experiences I got from working in this team is something beyond my expectation and would definitely help me in the long run.

### **2.3 Observations and Key Takeaway**

Though my key role as an intern was discussed in the previous section, I believe that the things I received as a person from working there goes beyond. First of all, before joining Banglalink, I was a bit skeptical about this industry, as there were not a lot of information publicly available on this industry regarding how they operate apart from the fact that they sell SIM and voice data-oriented services. However, after joining here, my eyes were completely opened and I became baffled about how diverse this industry is. If I only talk about the team I worked in, I could never imagine how crucial value-added services were for Banglalink. Specially in a time where everything is going digital; these side operations are slowly becoming a part of their core operations. Furthermore, Banglalink is also conducting a lot of research and investing a lot in newer concepts like internet of things (IoT), artificial intelligence (A.I), cloud computing etc. which could not be even imagined as operations of the telecommunications industry.

Furthermore, working in this digital products team, I came to know a lot about different vendors who are actually very big names in the industry that the people outside this industry do not

know about. Dealing with them, I came to know about how they work as individual companies which might help me in future, if I have to work in this industry.

Last but not the least, the flat organization culture of Banglalink has created an immense networking opportunity to me as an intern. I not only had close networking with the team head, but also had the opportunity to talk to the director of digital services and even the CFO and CCO. Talking to them has helped me understand how they think and also received a few tips from them regarding career. On top of these, I could work there for three months being treated just like a permanent employee which I should say is the best opportunity one could get to get acquainted with the organizational culture. Therefore, I am extremely grateful to Banglalink for providing me with such an opportunity to work in such a prestigious organization which could take me very far.



## **Chapter 3**

### **Study of the Report**

#### **3.1 Origin of the Report**

The idea of the report came from the changing dynamics in the telecommunications industry. As far as any industry is concerned, things are bound to change at a certain point of time. The recent changes and technological advancements suggest that the time for telecom industry to change is very near. The upcoming industrial revolution 4.0 also suggests that people are slowly moving away from being reliant solely on the voice and SMS data services provided by the operators. Mass penetration of internet and smartphones show that the need for these basic demands are slowly being met by internet and platforms like Facebook, WhatsApp, Viber etc. Therefore, in order to survive, the telecommunications industry also has to adopt new means, which is already being implemented gradually by the major players in the market. As a consequence, this industry is moving towards becoming more digital than ever before and the value-added services are the best options to digitalize and expand business in newer areas. This is the source from where the idea of this report came.

#### **3.2 Objective of the Report**

The main objective of the report is to understand and determine-

1. Whether the industry is truly moving towards being digitalized or not from the perspective of Banglalink
2. How the value-added services are gradually becoming more and more important for the industry and their future prospects
3. The possibility of the digital services to outperform the classical services in near future

4. The future of the company and the industry based on analysis with regards to experts and public surveys

These are the core objectives based on which the next chapters in this report has been organized in order to determine the desired results and outcomes.

### **3.3 Literature Review**

The telecommunications industry in Bangladesh since the very beginning has been operating through its voice and SMS services business. According to GSMA Intelligence report (2017), Bangladesh generates one of the lowest subscribers ARPU (Average Revenue Per User) in the world, at about \$2.9, that is much lower compared to the average of the Asia Pacific region or the rest of the world. In addition to this, Bangladesh was one of the last countries to implement technologies like 3G and 4G. However, where Bangladesh will move forward from here totally depends on how the country adapts to the changes coming in near future. The same report expects that over the next ten years, due to the advancements in technologies and higher network coverage, Bangladesh can capitalize on the affordability of these technologies and transition to broadband technologies within 2025. At the same time, 3G connections are expected to surpass the 2G connections within 2020, which will allow the country to accelerate on its growth in being digital even further. However, affordability still remains the biggest concern at present which is hoped to be solved within 2025, when the 4G connections are expected to be half of the total number of connections.

According to an article in Ken Research (2019), cloud value added services have grown tremendously all around the globe in terms of telecommunications and networking. As cloud VAS can be facilitated only by smartphones and internet, the future holds a big revenue stream for those who are planning to shift to this technology. The cloud mobile value-added service revenues were predicted to be around USD 68 billion in 2017 which is anticipated to reach

around USD 220 billion by 2023. This tremendous figure which is more than 3 times the number of 2017 suggests that cloud VAS which means digital VAS in general has enormous growth prospects in future, specially within the next 5 years.

Through further analysis it is seen that the future of the digital VAS is not gloomy at all. In an article, the VP of Huawei carrier software (Singh, n.d.) talks about the concern of a CXO of a Malaysian telecom company who raised his concern about the decrease in VAS revenues as the customers were moving towards apps on smartphones. Mr. Singh thinks that it is high time the telecom companies started reinventing themselves by being digital service providers (DSP) to tackle the increasing number of customers moving towards digital platforms. According to him, this trend will only continue in near future so a change in their concentration will allow the telecom companies to have a much bigger role in the digital world. Consequently, in order to move from a CSP to a DSP, telecoms need to focus more on-

- Innovating diversified digital services
- Building digital ecosystem for the future
- Implement digital operations across all services
- Improving overall user experience

A brief review of all these different articles and studies suggest that even though Bangladesh is lagging behind in terms of digitalization in the telco industry, the future prospects are very high because of the highly changing dynamics and is suitable towards digitalization.

### **3.4 Scope and Limitation of the Study**

The study seeks to understand the transformation of the industry from a basic level. Due to the lack of information and the early stage of digitalization in Bangladesh, the study focuses more on what is coming in future rather than what is implemented at present. One limitation to the

study is the lack of data and information received from the company. Though it is based on Banglalink, it focuses more on the qualitative data gathered from the office along with the public survey focused on a certain demography of people. Furthermore, there was lack of data publicly available which made it difficult to rely on a secondary source. Moreover, this report is an internship report based on the knowledge I have at this stage with limited functions. Further research is needed in future to get accurate information on the industry. This report was also tried to be made within a very short time so more time investment is needed to get a proper report on the study.

### **3.5 Methodology**

This study is mainly a qualitative research based on information received from surveys in the form of online questionnaires and face-to-face interviews. Interview was conducted on three experts of the industry who work in Banglalink in the value-added services team. The interview was conducted to understand the trend of the VAS since the beginning of the company, as not a lot of information on this industry of our country is reliably found on the internet. The interview focuses more on discussions regarding the current ongoing trends of VAS and projections of future.

As far as the survey is concerned, it was conducted on 51 people from different backgrounds and ages having more or less the similar ratio of male and female. However, as the questions were based on the usage of digital VAS and regarding topics that require future projections or knowledge regarding some of the trendy digital media popular around the world, it was tried to ensure that the demography for the surveys had at least some idea on the topics and recent trends so that the demography could easily relate the questions to their life and the results could be as accurate as possible based on the topic this study is about. Therefore, it is understandable that this study is mainly based on primary qualitative data having only a few quantitative

information about the trends and the usage pattern of people. However, some secondary data was used to enrich the report in terms of the overall idea of the concept, our final observations are definitely based on the interviews and surveys.

## **Chapter 4**

### **Data Analysis and Findings of the Report**

The data analysis is divided into information found from two different sources- information from the interview and information from the survey. Finally, the key findings of the report are illustrated based the cumulative information from all these resources.

#### **4.1 Analysis from the Interview**

The interview was mainly conducted on three experts from Banglalink Digital Products team. They have been working in the organization for a long time with long term skills and experience on the industry. According to the senior manager of digital products Mr. Foej Ahmad, almost 90% revenues come from voice data and SMS services, where only 6-7% revenue come from value added services at present. He thinks this situation is very normal considering the trend of telecommunications in our country which has been highly reliant on traditional services. However, Mr. Ahmad implies that this situation is not going to last longer, which is suggested by the declining revenues in their core services. On the other hand, revenues from the digital services have increased by around 10% compared to the previous year. This growth is only expected to increase over the years and according to him digital services with overtake the traditional services within next 3-5 years in Bangladesh.

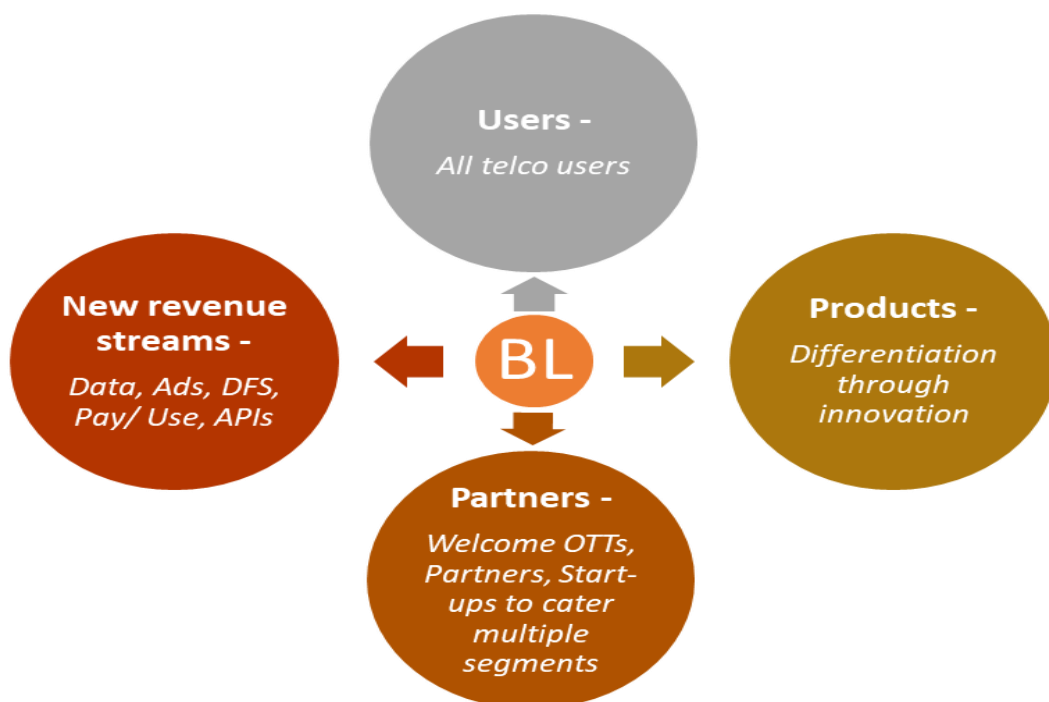
Mr. Hasib Kamal, the manager of digital products has done a bit of research himself regarding the transformation of the VAS recently. According to him, with over 33% mobile internet growth in last 7 years, consumers have already shown their behavior towards the rapid growth of OTTs (Over the Top) at the same time. Today OTTs are challenging telecoms in their own core space of business. The need for internet speed is a direct result of all these OTTs like YT, Netflix, Amazon, various Messenger Services etc. Consequently, telcos are left with no alternative but to invest heavily in new technologies. Under this industry dynamics, instead of

depending on core business, telecoms need to become technology enablers for the OTTs to ensure sustainable new revenue streams. Hence, Banglalink as a customer-first operator should take stand in favor of the OTT players in order to sustain and grow in this digital arena.

The growing telecoms should leverage on the popularity of the OTTs and build a digital eco-system that will welcome and support new OTTs, build competition and create innovative use cases for revenue opportunities. Future technology investments should concentrate on supporting this digital eco-system along with network and customer experience.

The target is to-

- Ease digital learning, discovery, access and pay
- Launch innovative own/ partner OTTs that users want
- Increase Life Time Value (LTV) through enhanced CX



Resulting in a new eco-system to create a framework for value

- Creating new sources of revenue
- Enhancing the speed of new technology adoption
- Rationalizing cost structure

It is time to move from a closed eco-system to an open eco-system where Banglalink will become a hub for digital services and OTTs.

Apart from enabling OTTs Mr. Kamal also enforces on the projected and soon to come technologies like:

**Own OTP solutions** that will allow cellular companies like Banglalink to host their own OTP platforms so that they can provide OTP solutions to other companies which will allow them to generate more revenues.

**Direct Carrier Billing (DCB)** Without the implementation of DCB, telcos at present cannot charge higher than a certain amount for their value-added services which restricts them from bringing big platforms like Netflix that requires higher subscription charge. So, the DCB solutions coming in the near future will allow them to bring big platforms and having partnership with them will generally result in more profitability.

These analysis from the experts definitely suggest that the industry is slowly moving towards digitalization as far as VAS is concerned.

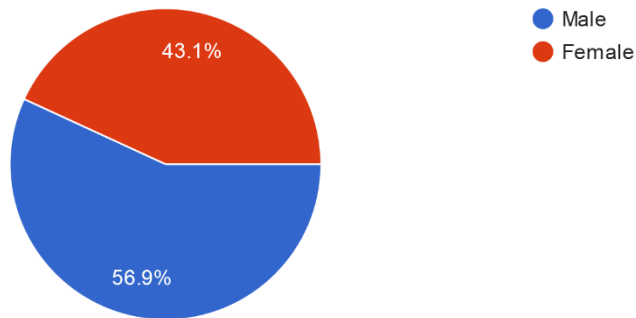
## **4.2 Analysis from the Survey**

The survey was conducted to understand the psychology of the general people in terms of usability and viability of both the traditional and digital value-added services.



## 1. Gender.

51 responses

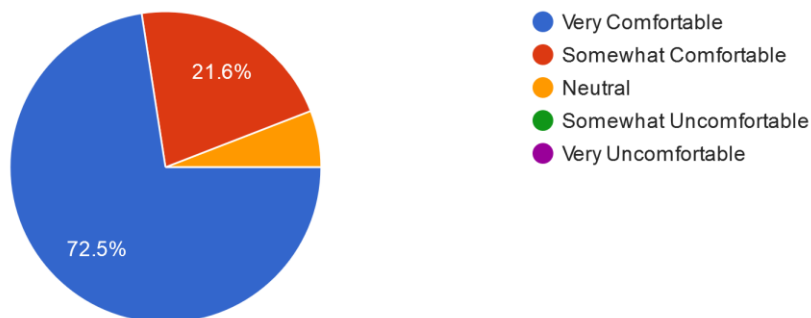


The survey was conducted on almost the same ratio of male and female, where the male percentage was 56.9% whereas the female sample was around 43.1%. This allowed the survey to be unbiased towards gender to get an overall view.

The next part of the survey was to understand the usage pattern of customers with regards to internet. This would show us how much people are investing on internet to give us a brief overview on if this demography would be suitable to adapt to digital services.

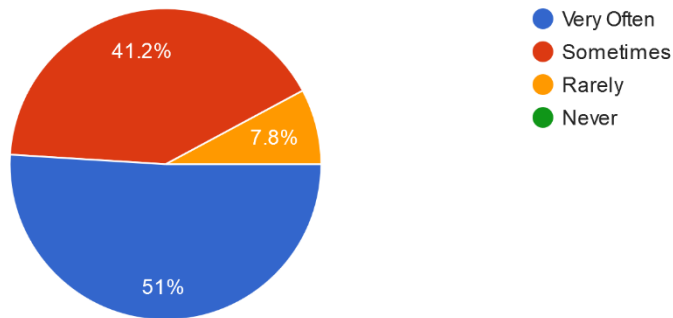
## 2. How much comfortable are you using internet?

51 responses



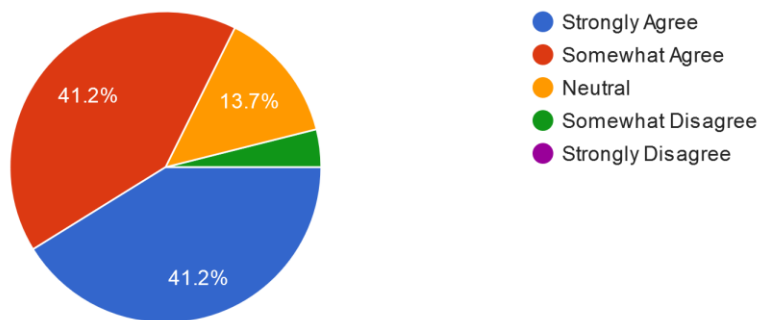
### 3. How often do you buy mobile data on your phone?

51 responses



### 4. Mobile data is still expensive in Bangladesh.

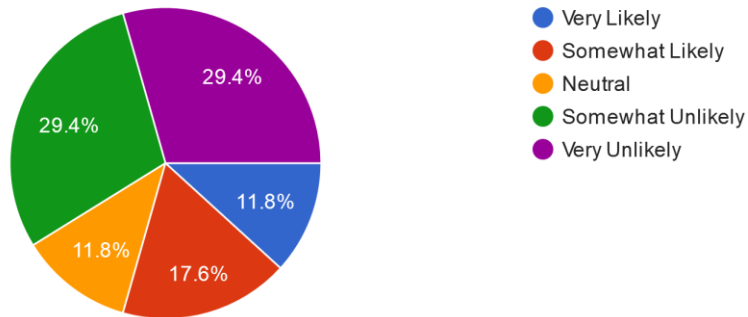
51 responses



According to this sample, they are pretty much comfortable in using the internet and almost all of them buy internet in their phones either rarely or very frequently. This pattern is noticed even though most of them still find internet to still be expensive. The fact here is that, these people will be early adopters if any new digital service comes based on their usage pattern. So now, a study of their psychology regarding traditional VAS and Digital VAS will truly show if the people will be willing to move onto digital platforms when the time is due.

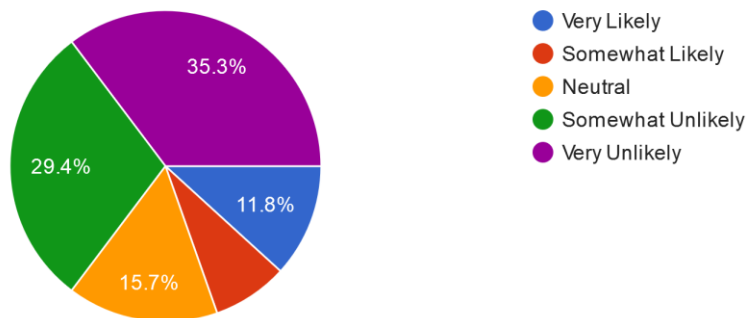
5. How likely are you to subscribe to a daily needed service (ex: sports/news update/music) on your ph...ount from your phone balance daily?

51 responses



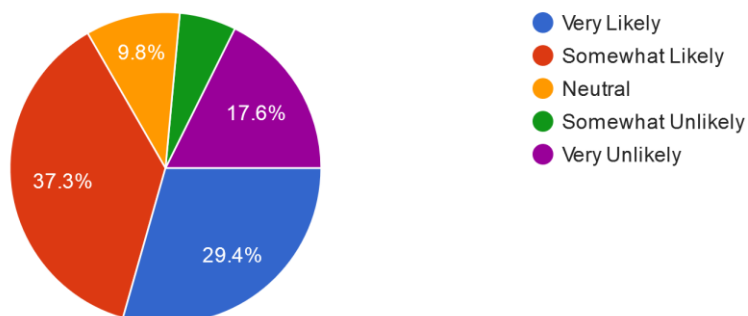
6. Subscribe using 2.55 tk/day and you can listen to unlimited songs by dialing a certain number (Ex: 121) everyday. How likely are you to subscribe?

51 responses



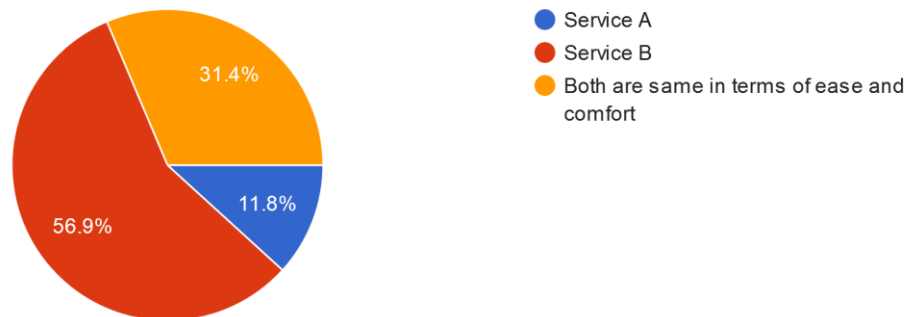
7. Subscribe using 2.55 tk/day and you can listen to unlimited songs on our free music app everyday where you can ...ace. How likely are you to subscribe?

51 responses



## 8. "Service A" can be subscribed through SMS and you will receive required information through SMS or by dialin... is more easier and more comfortable?

51 responses

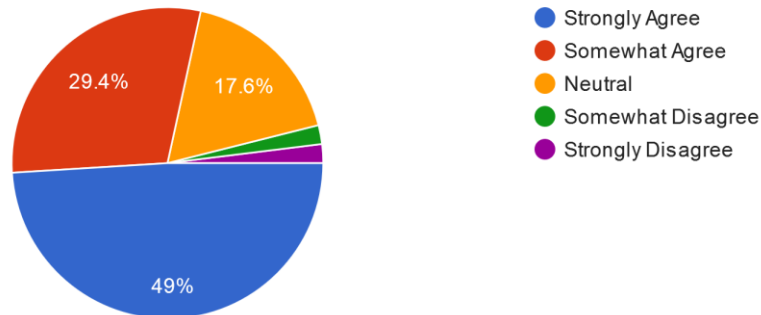


This data really shows how people react to different types of services. Firstly, in terms of subscribing to a random service that will deduct balance from phone, people were somewhat confused regarding what type of service might be and showed reluctance to subscribe where about 55% people were more or less unlikely to subscribe. However, when they were exposed to a situation where they had to subscribe to a traditional service in the form of dialing to listen to music, they were even more reluctant where about close to 65% people were in the unlikeliness territory. On the other hand, when they had a chance to subscribe to the same service that requires internet and usage of an app, they seemed highly likely to subscribe where about 70% people said they would. Lastly, in terms of ease and comfort of use, 57% of the sample preferred “service B” that is an online subscription-based service compared to “service A” that is offline subscription-based service.

Now it is time to see how people think about the future of the industry and digital service.

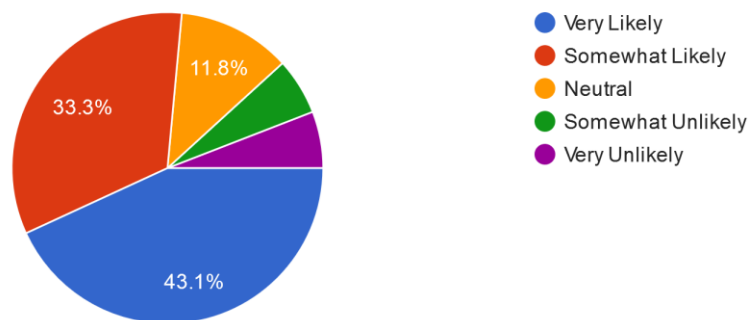
9. By 2025, mobile value added services will most likely become digital and will use internet across all platforms. How much do you agree?

51 responses



10. If a mobile service provider (Ex: Banglalink) comes up with an app like Netflix or Spotify and your subscription... balance, how likely are you to use it?

51 responses



About half of the sample feel that by 2025, all the value-added services will become digital, while about 30% people feel more or less the same thing. This suggest that there is a big chance of the industry going completely digital by 2025. Furthermore, if services like Netflix came in Bangladesh having partnership of the telcos and they allowed the people to subscribe from the balance of their mobile phones, almost 75% people will be willing to subscribe as that would make their subscription process much easier.

### 4.3 Key Findings

There are several and noteworthy key finding to be seen from the above analysis:

1. Even though most of the revenues come from traditional VAS at present, the situation is likely to change that will result in higher revenue from digital VAS in near future.
2. Due to high smartphone penetration, the adaptation rate in Bangladesh has been very good in terms of accepting digital media.
3. According to information from experts, the telecom industry should adopt digital technologies as it will open totally new areas from them with regards to cloud and platforms like OTT, OTP etc.
4. People are slowly being more comfortable using internet and digital services and even though that percentage might still be very less, situation will change drastically.
5. Digital VAS is likely to come very fast which calls for even more smartphone penetration and educating the customer base.
6. Traditional VAS is slowly being transformed to digital VAS and people currently use both medium for subscription. However, the transformation is being so smooth that people are subconsciously being moved towards digital value-added services which are being turned into part of their lives.

## Chapter 5

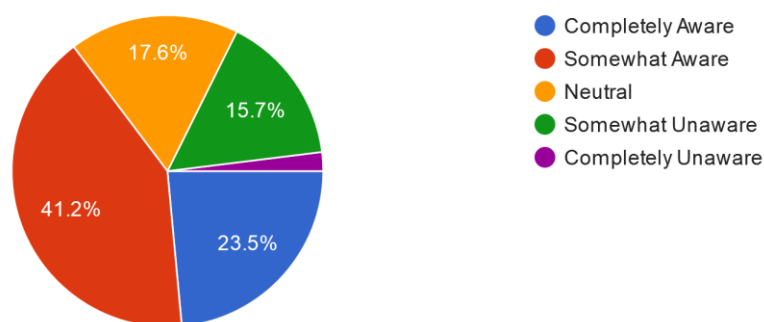
### Recommendation & Conclusion

#### 5.1 Recommendations

Even though now it has been clearly established that digital VAS will overtake traditional VAS within next few years, there are some recommendations based on this research. First of all, the projections will mean nothing if that cannot be translated in real life. The present situation of the ratio of traditional and digital VAS is very poor which might collapse even after the transformation if the infrastructure is not good enough. The telecom companies along with the government should be aware of this and prepare because digitalization that fast will require change in the structure of how the telecommunications are running at present. Furthermore, the industry needs to put significant effort to educate people about digital services and to ensure widespread use of their products.

11. Network providers like GP, Banglalink have quite a number of digital services and apps that provide video/...s etc. How much were you aware of it?

51 responses



From our survey, lot of these people who already are aware about digitalization are not knowledgeable of the digital products of the telecoms (about 20% unaware and 17.6% neutral). This situation is likely to be much worse in the less developed areas. So, if the telecoms cannot assure a nationwide spread of these services along with internet, the upcoming mass

transformation will not make any sense. So, it is recommended that they conduct extensive research on the market and focus on areas where people are still not aware of digitalization and also work at the same time to increase smartphone and internet usage. As digital VAS is useless without internet and smartphones, they must ensure improvements in this department as well for which they can go in partnership with smartphone companies.

## **5.2 Conclusion**

To conclude, I would like to state that this report was a great opportunity to go deeper into the learning of the internship and learn more about the industry as well as digital transformation in near future. This report provided the opportunity learn the dynamics of the industry as well as learn about how the general people feel regarding this concept. Any transformation takes a long time to be implemented but when they arrive, they can change the way an industry works. So, the telecommunications industry needs to be aware and implement the new changes carefully. The thing is transformation can also cause failure. So, in order to avoid the failure, it is high time the industry starts working on its weaknesses so that they are not challenge when that transformation starts to take over. Both the government and the sector need to work hard so that that transformation is there to stay. Ending my report in the note that, hopefully this report would add at least a little value to the knowledge of digital transformation in the value-added services of Banglalink, in a broader sense the whole industry.



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## Appendix A.

### Consumer view on mobile value-added services (Questionnaires)

\* Required

1. Gender. \*

Mark only one oval.

- Male
- Female

2. How much comfortable are you using internet? \*

Mark only one oval.

- Very Comfortable
- Somewhat Comfortable
- Neutral
- Somewhat Uncomfortable
- Very Uncomfortable

3. How often do you buy mobile data on your phone? \*

Mark only one oval.

- Very Often
- Sometimes
- Rarely
- Never

4. Mobile data is still expensive in Bangladesh. \*

Mark only one oval.

- Strongly Agree
- Somewhat Agree
- Neutral
- Somewhat Disagree
- Strongly Disagree

5. How likely are you to subscribe to a daily needed service (ex: sports/news update/music) on your phone that will deduct a very small amount from your phone balance daily? \*

Mark only one oval.

- Very Likely
- Somewhat Likely
- Neutral
- Somewhat Unlikely
- Very Unlikely

6. Subscribe using 2.55 taka/day and you can listen to unlimited songs by dialing a certain number (Ex: 121) every day. How likely are you to subscribe? \*

Mark only one oval.

- Very Likely

- Somewhat Likely
- Neutral
- Somewhat Unlikely
- Very Unlikely

7. Subscribe using 2.55 taka/day and you can listen to unlimited songs on our free music app everyday where you can see all the latest songs in one place. How likely are you to subscribe? \*

Mark only one oval.

- Very Likely
- Somewhat Likely
- Neutral
- Somewhat Unlikely
- Very Unlikely

8. "Service A" can be subscribed through SMS and you will receive required information through SMS or by dialing a certain number whereas "Service B" can be subscribed through app/SMS and you can get the required information on an app by downloading it for free. Which is easier and more comfortable? \*

Mark only one oval.

- Service A
- Service B
- Both are same in terms of ease and comfort

9. By 2025, mobile value-added services will most likely become digital and will use internet across all platforms. How much do you agree? \*

Mark only one oval.

- Strongly Agree
- Somewhat Agree
- Neutral
- Somewhat Disagree
- Strongly Disagree

10. If a mobile service provider (Ex: Banglalink) comes up with an app like Netflix or Spotify and your subscription fee is charged directly from your mobile balance, how likely are you to use it? \*

Mark only one oval.

- Very Likely
- Somewhat Likely
- Neutral
- Somewhat Unlikely
- Very Unlikely

11. Network providers like GP, Banglalink have quite a number of digital services and apps that provide video/music/movie streaming services, live sports streaming, financial services etc. How much were you aware of it?

Mark only one oval.

- Completely Aware
- Somewhat Aware
- Neutral
- Somewhat Unaware
- Completely Unaware