

Internship Report





Internship Report

On

**Analysis of different loyalty programs of
Bangladesh telecom industry**

Prepared For-
Nusrat Hafiz
Lecturer
BRAC Business School
BRAC University

Prepared By-
Mostofa Sadab
ST. Id – 12304061
BRAC Business School
BRAC University

Date of Submission 2nd May 2016



Analysis of Different Loyalty programs

2nd May 2016

Nusrat Hafiz

Lecturer,

BRAC Business School,

BRAC University,

66 Mohakhali, Dhaka.

Subject: Submission of Internship Report

Dear Madam:

This is a great honor for me to present my internship report on “**Analysis of different loyalty programs of Bangladesh telecom industry.**” I feel delightful as I got the opportunity to do my internship in a reputed Multinational Company, ROBI Axiata. I have given utmost dedication and concentration to the successful completion of my internship so that I could prepare a successful internship report. It is a great opportunity to present my internship report under your supervision. I am thankful for your guidelines and instructions.

I tried to put my best effort for the preparation of this Report. Yet if any shortcomings or flaws arise, it will be my pleasure to answer any clarification and suggestion regarding this report.

Yours Faithfully,

Mostofa Sadab

St. id- 12304061

BRAC Business School,

BRAC University



ACKNOWLEDGEMENT

At the very outset, I am thankful to almighty Allah for giving me strength, courage and ability to accomplish the internship program as well as the internship report in a scheduled time in spite of various complications.

It gives me immense pleasure to thank a substantial number of individuals for their cordial cooperation and encouragement which has contributed directly or indirectly in preparing this report.

Initially, I would like to express my gratitude to internship supervisor Nusrat Hafiz. Her guidance and feedback made everything crystal clear. At first, I was jumbled that whether I would be able to make a fruitful report but with her assistance, I found a way to do everything accurately and in time. She kept me on track to complete this report and her propositions were vital in making this report as flawless as possible.

Furthermore, I must show my gratitude to my supervisor of Robi Axiata Casper Richard Roy who willingly took my responsibility and gave me lot of time and shared his working experiences with me. His guidance showed me a way not only to understand the office culture but also how to deal with all the employees around me.

I would also like to express my sincere thanks to all the employees of Market Operation Division of Robi Axiata who helped me during my work tenure and made my experience a memorable one.

A very special gratitude goes to My Project Manager, Toufiq Imam for his kind support and timely feedback regarding the guidelines and deadlines of internship completion.



EXECUTIVE SUMMARY

This report is a reflection of the learning and experiences acquired through an opportunity to be associated with Robi Axiata Ltd. for an internship under the Market Operations department. This department is made up of many sub-departments; however, this report focuses on the ones that were closely observed. The three main sub-departments were the Dhonnobad Program, Campaign, and International Roaming. The major responsibilities associated with this particular job title comprised of working on partnership management (managing contracts and promotions), managing events, data analysis and interpretation for high-value customers and creating reports on the progress of the different aspects of the Dhonnobad Program. This report contains the analysis of different loyalty program for high-value customers in Bangladesh telecom industry. For retaining the high-value customers Robi and other telecom companies have taken different types of loyalty program like a reward, discount, and win back. Among these companies the strategies for dealing with different segment of loyal customers and high-value customers is different. Robi Grameen phone Bangla link and other telecom companies of Bangladesh are following different steps to delight these high-end customers. So, I decided to do the project on “Analysis of different loyalty program of Bangladesh telecom industry”



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Chapter 1

Introduction

Organizational Overview

Telecommunication sector is one of the most significant industries playing a vital role in the economy of Bangladesh. Through telecommunication information is transmitted very conveniently to distant location at a very lower cost. Telecommunication eases our life. In Bangladesh currently there are six telecom operators are operating and ROBI is the second largest telecom operator in Bangladesh in terms of revenue and third largest in terms of subscriber. ROBI is a dynamic and leading countrywide GSM communication solution provider. It is a joint venture company between Axiata Group Berhad, Malaysia holding 91.59% of the ownership and NTT DOCOMO INC, Japan holding 8.41% of the ownership (Robi, 2016).

Robi supports 2G and 3.5G voice calls as well as 3.5G data service, offering high speed internet connectivity. Its GSM service is based on robust network architecture and cutting edge technology such as Intelligent Network (IN), which provides peace-of-mind solutions in terms of voice clarity, extensive nationwide network coverage (Robi, 2016). The company has the widest International Roaming coverage in Bangladesh connecting numerous operators across more than 145 countries. Recently Robi and another renowned telecom operator Airtel agreed to merge together. This merger is considered to be one of the largest business events in the history of Bangladesh. Both the company will be benefitted by this merger.

Robi is a customer-centric organization and they are always focused on delighting the customers. Robi's customer-centric solutions include value added services (VAS), quality customer care, easy access call centers, digital network security and flexible tariff rates (Bangladeshcorporate.blogspot.com, 2010). With its strengths and competencies developed over the years, Robi aims to provide the best service in terms of coverage and connectivity to its customers all over Bangladesh.



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Products offering

Robi mainly offers five types of product based on the subscription category for general subscriber:

- Robi Corporate
- Pre-paid
- Post-paid
- International Roaming
- Value Added Service

Robi Corporate

Robi Corporate is originated on a robust network employing cutting-edge technology providing the ultimate solutions in terms of voice clarity; a continuously expanding nationwide network coverage; abundant international roaming global partners; popular value added services (VAS); quality easy-access corporate customer care; competitive and tailored tariff plans and specific billing.

Special benefits of Robi Corporate:

- The wide range of Corporate Packages to fulfill corporate needs. Zero security deposit with no monthly line rent.

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- Convenient bill payment options.
- Robi Corporate Insurance Policy.

- Cutting edge value added services like GPRS, EDGE, Personal Assistant, Corporate Messaging Platform with short code, Data and Fax call services, Call Center Solution,
Fixed rate group talk plan, Customized SMS based solution

International Roaming

Robi International Roaming Services allows Robi subscribers to make and receive calls while travelling to other countries; provided that Robi has to have roaming agreements with the respective operators in foreign countries.

International Roaming offers:

- Use of the existing Robi number for roaming in all partner networks abroad
- Global network coverage with over 573 operators and 207 countries.
- Spanning over six continents.
- No additional monthly charge for availing the service
- Sending and receiving SMS to and from Robi.
- Internet access and web surfing through GPRS Roaming Services
- Itemized bill without additional charge
- International Roaming Tariff information Through SMS.



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Pre-paid

With the most affordable benefits and associated values, Robi offers the best mobile phone experience in Bangladesh with superior OCS network. The pre-paid packages of Robi are as follows:

- Tarunno
- Anonna
- Muhurto
- Hoot Hut Chomok
- Robi Club
- Goti
- Nobanno
- Shasroyee
- Shorol
- Uddokta
- Easy Load Tariff

Post-paid Package

For entrepreneurs Robi offers a different three packages called

- Uddoy
- Package1
- Package2

Value Added Service

A value-added service (VAS) is a popular telecommunications industry term for non-core services, or in short, all services beyond standard voice calls and fax transmissions. The value added service of Robi includes:

- Circle
- Music
- Entertainment
- Downloads
- Internet &Data Service
- Messaging
- Community &Chat
- Information Service
- Mobile Assistance
- Education and Career
- Lifestyle
- Finance
- Balance Transfer and Request
- Call Management
- Robi Locator
- Robi Zone
- Mobile Advanced Services



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- Robi Krishi Barta
- Robi Voice Tube
- Robi Radar

Objective of the Company

Robi started its commercial operations as a GSM cellular phone operator with the objective of offering state-of-the-art and modern telecommunication services to the people of Bangladesh at competitive prices.

Purpose

Robi's purpose is to empower their customers. They claim that, "We are there for you, where you want and in the way you want, in order to help you develop, grow and make the most of your lives through our services."

They also believe that, "We will keep our promises and deliver. We will innovate, execute fresh ideas and, as a nationwide organization, we will be respectful of our customers and stakeholders."

Mission

"Robi aims to achieve its vision through being one not only in terms of market share, but also by being an employer of choice with up to date knowledge and products geared to address the ever changing needs of our budding nation."

Vision

"To be a leader as a Telecommunication Service provider in Bangladesh."

Logo and Visual Language



Figure 1: logo of "Robi"

The logo of Robi Axiata Ltd. is. It symbolizes balance, movement, and change. Their logo always appears in Bengali. Special authorization is required if the logo is presented in English.

Theme

“CUSTOMER FIRST”

Business Slogan

“CLEARLY AHEAD”

Market Share

Robi is the third largest telecom operator in Bangladesh in terms of market share. Currently, they own 22% of the market share.

Departmental Overview

Robi Axiata Limited is a vast organization with various functional units. The organization is headed by the Chief Executive Officer (CEO). Currently, the organization consists of nine divisions. Each division consists of several departments. There are six 'CXO' who controls these divisions. The 'CXO' are

- Chief Executive Officer (CEO)
- Chief Operating Officer (COO)
- Chief Corporate and People Officer (CCPO)
- Chief Financial Officer (CFO)
- Chief Technology Officer (CTO)
- Chief Strategy Officer (CSO)



Figure 2: organogram of Robi



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Each department is headed by either an EVP or VP. Sometimes the EVP holds the responsibilities of more than one department.

The next hierarchy level is the general manager. General Manager coordinates between the department heads and employees. The managers are given tasks to be completed within a given timeline. The specialists are the entry level post who performs different types of tasks given by managers and general managers.

There are nine divisions at Robi Axiata Limited. These are market operations, finance, corporate strategy, corporate regulatory affairs and legal, human resources, technology, administration, enterprise program management, and internal audit.

Market Operations

At the beginning of my internship, I was assigned to Loyalty and Win back under Customer Lifecycle Management (CLM) unit of Market Operation Division.

CLM is the measurement of multiple customer related metrics which is analyzed over a period of time in order to achieve maximum customer lifetime value and return. The customer related metrics are the iterative phases of customer acquisition, retention, cross and up-selling, customer win back and loyalty. But the overall theme of CLM property is time. The term Customer Lifecycle Management is used to describe the progression of steps a customer goes through when considering, purchasing, using, and maintaining loyalty to a product or service.

Implementing the CLM, Robi tries to gain profit from its current customers and also to make attraction to draw new customers. The cost of attracting a customer is always higher than retaining and the maintenance of the current ones, and so Robi carefully consider all those moments that the customers go through in every stage of their consuming period. Mostly in a service providing business customers needed to be careful during every stage so Robi put major importance in CLM to retain its customer and also for marketing.



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Robi's CLM process starts from advertising, acquiring and end up making stable customer or silent or churn customers. Stable customers are those who remain loyal to the company and the silent customers are who switch to another operator(s). Most of the silent customers are considered as bounty hunters; they look for bonus and offer every time. Robi's CLM process is to retain these types of customers. Robi uses advanced analytics and customer profiles as inputs for designing interventions, which incrementally improve customer attachment to Robi and drive win-backs. CLM is to develop and supervise the campaigns and ground initiatives for activating Silent SIMs, and building the loyalty of high-value segments (through reward / loyalty programs), and with their International roaming service. There are two ways through which customers can be communicated – above the line communication (ATL) and below the line communication (BTL). Robi Axiata applies both, but International Roaming team's work is based on BTL communication, because they deal with very small and niche segment which includes mostly CEOs, MDs, businessmen of different companies, and other high profile personnel of the country.

During my internship, I worked under the supervision of Towfiq Imam, General Manager, Loyalty & Win back and Mr.Casper Richard Roy, Manager Loyalty and win back department. Loyalty and win back team are currently consisting of three employees only.

I also worked part time throughout my internship program for the International Roaming program of CLM under the supervision of Manik Lal Das.

International Roaming

International roaming is one of the services that most of the mobile operators around the world provides to their valued subscribers. International roaming service enables the customers to use their cell phone along with their MSISDN (Connection) in the foreign countries. By enabling this service the customer will be able to make and receive calls and text messages and also they will be able to use the internet through their home connection while visiting in another country.

International roaming is a very complex service. But the service is designed in such a way that the customer does not find it complex. At first, the customer needs to subscribe to international



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roaming service. For this, the prerequisite is the customer need to have an international credit card and they also have to deposit a certain amount of money as security money to the operator. While traveling the customer need to know in which countries they will get the roaming service. When the customer activates the roaming enabled SIM in the foreign country, the roaming enabled connection automatically gets latched with the foreign partner with whom the local operator has the contract. The customers get connectivity through the foreign operator and can use the cell phone along with their local MSISDN. All the necessary information regarding the roaming service is available on the operator's website.



Chapter 2

My Experience

Jobs & Assignments

While working as intern in Robi Axiata Limited I was assigned to different tasks which includes

- Inbound Short Test
- Update welcome SMS
- Update Partner Tracking list (Dhonnobad Program)
- Send Work orders (Dhonnobad Program)
- Develop marketing plan for BATA (Dhonnobad Program)
- Updating SIM card inventory
- Update partner operators contact address

Inbound Short Test

International Roaming department has a huge collection of SIMs from different operators from all the countries with whom the company has roaming agreement. Time to time we use the SIM to check whether the foreign operators connection is still activated or not. Foreign customers are our very important customers because most of the revenue of International Roaming department comes from the inbound foreign customers. If they use our operators we will charge the customer's operator for using our network.

Inbound Short Test was another routine work during my internship program. I take different operators SIM and insert them on a test phone. Then I test the foreign operator's connection by making a call and send an SMS to a local number and also check for internet connection. I also have to check for whether Robi sends any welcome SMS or not. If not then I notify my supervisor. He calls the service provider to check the reason for not sending the welcome SMS. Sometimes welcome SMS does not come due to the automatic latch of the foreign operator's network to our competitor's operator. Through Welcome SMS we try to convince our foreign customers to latch to our connection for better connectivity. We also have a different contract



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with different operators where they agree to give us traffic. In return, Robi has to offer those better rates than the competitors. Those operators always send SMS to their roaming customers when the customer visits our country to get the latch to Robi for better connectivity. In this way, we maintain the customers.

Sometimes due to technical difficulties the SIM test is not also successful. For example, sometimes it is seen that the foreign operators deactivate the old SIM. So we fail to test those connections. I also record those numbers so that the department can take necessary actions to activate those operators' connection. All the records related to inbound short test was maintained in an excel file.

Update Partner Tracking List of Robi Dhonnobad Program

Robi Dhonnobad is a customer loyalty and wins back program of Robi. It is a counter program of GP's Star program. Dhonnobad program is not very old and Robi is undergoing contract with the different business institution. By this contract agreement Robi will promote the business institution to the Robi Dhonnobad customer but in return, the business institutions have to give a certain discount as mentioned in the contract to the Robi Dhonnobad entitled customer. During my internship period, I have to prepare the contract agreement which is known as Memorandum of understanding(MOU). This contracts papers are signed by the General manager and manager of market operation division(Loyalty & win back). Robi assigned two vendors Enroute and market access to contact these partners. These papers are signed and return back to Robi. After that I make a database of these contract papers by putting reference numbers. These reference number helps to find out these contract papers in future. Currently, Robi has more than 2575 contract papers. So managing a database of these contract papers is needed for a smooth operation. I have to update the details of these partner business institutions in an excel file. During my tenure as an intern I have successfully entries around 2100 details of the partner business institution.

Send Work Orders

During my internship, one of my main tasks was to prepare work orders. The work order is a software which is used to send bulk SMS directly to customers. As discussed previously that I have worked under loyalty and win back division. These department has several contracts with well-known partners. To inform customers about these facilities work order and bulk SMS is used. It is a cost effective way of promoting the partners and also inform these huge number of customers directly. The sending work order is an easy procedure but certain protocols must be followed while sending the work orders. The work orders which I sent were in two slots. Each slot can be divided into 6 sub-slots. Sub-slots are selected to send different bulk SMS to different customer base like a customer of Rangpur in one sub-slot, customers of Khulna in another sub-slot and so on. Each slot can send up to 1.2 million SMS per day. So while performing the task I had to make sure that the customer base number does not exceed 1.2 million. I also have to carefully write the message body because this message will directly send to the customers.

Develop marketing plan for BATA (Dhonnobad Program)

During the first phase of my internship program, Loyalty and Win back division assigned me with this task. I have to come with a marketing plan for Bata for the year 2016 in such a way that benefits Robi as well as increase the footfall in Bata. I have to make a marketing plan for eight occasions during this year. The occasions are:

- Valentine's Day
- Pohela Boishakh
- Mother's Day
- Eid-ul-Fitr
- Durga Puja
- Eid-ul-Azha

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- Autumn
- Winter

I made a marketing plan for all of the above-mentioned occasions. After various analyzes I made a marketing plan draft on Bata which I presented to the loyalty and win back team. They praised my effort and have taken my suggestions into consideration. They also implemented the marketing plan in some of the occasions like Valentine's Day and Mother's Day.

Updating SIM Card Inventory

As I was the intern I have to help the international roaming teams for updating the Sim card inventory. I have to maintain the SIM card inventory of the different operators of the partner countries. During my internship, one of my tasks was to update the SIM card inventory. I have to put the new SIM Cards of the roaming partner operators in the directory and also input the details of the SIMs in an Excel file where SIM details of all the operators are maintained.

Designing gift box For Bangla new Year

At Robi, the top and foremost priority is their customers. One of our key values is "Customer Centricity" and continuous strive is to provide customers with the best possible services. Over the years, Robi has established itself as a company that is committed to bringing in new benefits and services for its customers. Robi Dhonnobad program is one of the newest endeavors to delight customers and offer them something more. While others are focusing on high spending long term customers, Robi believes that each and every customer deserves to get something. Keeping that philosophy in mind, Robi Dhonnobad program has categorized all their customers into 6 different categories and for every category, there are certain benefits. The categories are Platinum Ace, Platinum, Diamond, Gold, Silver, and Bronze. These all six category of customers use to get different types of benefit and offers from Robi Dhonnobad and win back Division. Besides these customers, Robi wants to treat platinum ace customers in a very special way. In different occasions, Robi sent different gifts items to celebrate that occasion with high-



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value customers. While working as an intern one of my interesting and most important task was to prepare different dhonnobad gifts that can be sent for Bangla new year. I have worked on different gift items. Finally, I have prepared some design of clock, photo frame, and key ring and present it to management committee. The interesting thing is that they have selected those gift which will be given to high-value customers for Bangla new year.

Learning

During my internship program in Robi I learned a lot of things. Most of my tasks were MS Excel based. I had intermediate skills in MS Excel. At the beginning of my internship program, my supervisor explained what kind of task I have to execute and he was very generous to ask me what is my expectation from them. I notified them that I am very professional in MS Word and PowerPoint and I frankly shared my weakness in MS Excel. Both of my supervisors helped me to enrich my skills in MS Excel. During execution of different tasks, I have learned new application of Excel. I am really blessed to learn these things and I am really grateful to my supervisor for helping me to learn these things.

While working for international roaming division I came to know about many countries which I never knew before. Besides it helped me to know about the different operators of the different countries which give me a clear idea which operator is better in terms of tariff rates. As I was the intern of Loyalty and win back division I have to send a lot of work orders. I learned how to send bulk SMS through work order and how to manage different confidential documents.

During my internship program, I attended a lot of meeting. The purpose of attending this meeting was to observe and learn how to deal professionally. My supervisor always inspired me to participate in the meeting and share my views. It is really motivating and a great learning for me.

Most importantly while working for this company I subconsciously learn the corporate etiquette from Robi's corporate culture. Actually, it is not learning; rather it is acquiring and that is how I get myself acquainted with the corporate culture. I also got myself familiarized with the work

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routine and work process of this big company. It helped me to become more punctual and dedicated towards the task. In Robi most of the tasks had a deadline. The tasks with deadline helped me to plan and organize the task accordingly so that I can complete the task before the deadline. This is a great experience and achievement for me. Because of this practice now I can organize my works more efficiently. During my internship period, I was assigned to prepare some gift item concept that can be used to reward these highly valuable customers. While preparing these gift I have got some instruction from my supervisor. I have designed clock, photo frame and key ring for Bangla new year.

Interaction

Robi is a very flat organization. The workplace is open with a team openly sitting together ranging from Executive Vice president to intern in a comparatively large table. The reason behind this is it increases interaction between the employees and positively affects the performance of the employees. Because of this everyone can share their professional problems with others and that is why the organization is very efficient in problem-solving. The work environment is very good. Because of such friendly environment, I can go and talk to everyone in my department for suggestions or help. Besides I attended some of the important meetings with the vendors of Robi's Loyalty and Win Back Division as I worked for that division for some time. The manager of that division Mr. Casper Richard Roy encouraged me to participate in the meeting and share my views in the meeting about how to improve the Robi's Dhonnobad program. I really felt motivated because the vendors and Mr. Casper both took my decisions into consideration.

The whole floor is very socially active. We always get together for lunch, birthday program and many other events and occasions. It is really enjoyable. Because of such friendly environment, I had a very good relationship with all of my colleagues and helped me develop a fairly strong communication skill. Still I remember at the first meet with my main supervisor Towfiq Imam gave me a brief introduction and his ice-breaking conversation was so much helpful to get me comfortable with the working environment. He always motivated me while I was performing the



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tasks. His friendliness and motivation inspired me to work for Robi. In future, if I get a chance to work for Robi, I will definitely join Robi.



Encountered Difficulties

In Robi Axiata Limited I worked as an intern for three months. Within this time period, I have not faced any difficulties which are mentionable. My supervisors were very cooperative and helpful. Whenever I face any difficulty, I informed the matter with my supervisor and they are always there to help me and solve the problem.

I have already mentioned that I was not that much proficient in using Excel. During the first two weeks of internship, I faced problem in using Excel. But I have overcome it because of my supervisor's help.

I also faced problem while updating the SIM inventory. Sometimes while activating the SIM of the foreign operators I could not find the PIN number and other necessary details in my official laptop. In that case, I went to my supervisor Casper Richard Roy and he go through some confidential documents which I don't have access and helped me to find out the necessary details which I need.

I would also like to mention that my other co-workers also helped me a lot whenever I faced any difficulties. Sometimes my managers were not around. At that time I shared my problem with my co-workers and they always helped me to get the work done.

Differences between Expectations and Experience

Before starting my internship I thought that Robi would be a boring place to work. I also thought that the people would not be that much friendly. But after joining Robi I found that my perception was wrong. Actually, the situation is totally opposite of my expectations. People are very friendly and cooperative. Going for lunch and dinner together, giving treats to the team, celebrating birthdays of the employees were some of the regular events during my internship period. When I was notified that I was assigned in the Loyalty and win back, I thought that the tasks will be difficult and troublesome for me. But in reality, the tasks were fairly easy. I also did not expect such friendly and cooperative colleagues. Their generosity and supportive attitude



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really impressed me. Robi's work environment and corporate culture is truly impressive and praiseworthy.



Chapter 3

Project



Summary of the Project:

Robi Dhonnobad is a customer loyalty program of Robi Axiata Limited. The main purpose of this program is to praise the loyal customers of Robi. By this program, Robi wants to convey a message to their valued customer that they care for their customers. Customer Loyalty and Win Back team of Customer Lifecycle Management Unit of Robi look after this program. The team is very customer centric and very dedicated to provide the best possible service to the customers. Robi 'Dhonnobad' program is not a very old program. All the competitors of Robi have similar programs to pamper the customers. The mission of this program to be the best customer loyalty program in the telecom industry of Bangladesh. Other than Robi there are three major players in the telecom industry of Bangladesh. Grameen phone is the market leader in the telecom industry. Their loyalty program is known as GP Star. Banglalink has also different loyalty program to reward their valuable customers. They reward their customers through priojon and icon program. Airtel and teletalk have a few loyalty program compare to GP and Robi. This report tries to analyze different loyalty programs taken by different companies in Bangladesh telecom industry

Background:

Brand loyalty is an extremely important topic for researchers and marketers (Aaker, 1991). The concept of brand loyalty originated in the 1920's (Bennett, 2001). Many definitions of brand loyalty exist, however, the most widely accepted one is provided by Jacoby (1971) "The biased (non-random) behavioral response (purchase) expressed over time by some decision-making unit with respect to one or more alternative brands out of a set of brands and is a function of psychological processes." In recent times, this concept has been receiving much attention. It is viewed as an important factor in maintaining and building brand equity (Aaker, 1991). This has been especially true in the area of telecommunications where an emphasis is put on developing a comprehensive model in the area of brand loyalty (Nawaz and Usman 2010; Asuncio, Martin, and Quintana, 2001). In the telecommunications sector, it is significant to ensure a good

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relationship with customers and mobile service providers as a vehicle to build customer loyalty. Several factors influence customer loyalty such as service quality, brand image, trends, etc. (Aydin and Ozer, 2005; Reena, 2012). To create brand loyalty, companies should use their relationship with consumers to assist them to obtain new habits of purchase and reinforce these habits by reminding them of the value of their purchase, while, persuading them to continue purchasing their products in the future (Tepeci, 1999). In this regard, it is worth noting that customers have their own purchasing habits which are influenced by criteria such as price, quality, trends, etc. Finally before discussing the factors which affect customer loyalty, a brief view of the state of telecommunications in Saudi Arabia is in order. As the competitive environment becomes more turbulent, the most important issue the sellers face is no longer to provide excellent, good quality products or services, but also to keep loyal customers who will contribute long-term profit to organizations (Tseng, 2007). To compete in such competitive and interactive marketplace, marketers are forced to look beyond the traditional 4Ps of marketing strategy for achieving competitive advantage. Therefore, relationship marketing among other marketing strategies has become an alternative means for organizations to build strong, ongoing associations with their customers (Andaleeb, 2006). The development of relationship marketing has received a lot of attention in both academy and practice areas in the last few decades. It was during the last decade of the 20th century that relationship marketing began to dominate the marketing field (Egan, 2001). During this period, relationship marketing became a major trend in marketing and management of business applied and practiced by many all over the world. Relationship marketing is a strategy designed to promote customer loyalty, interaction and long-term engagement with customers by providing them with information directly suited to their needs and interests and by promoting open communication. This approach often results in increased word-of-mouth activity, repeat business and a willingness on the customer's part to provide information to the organization (Peng and Wang, 2006). Buyers and sellers in markets achieve mutual benefits through developing relationships. 2 Relationship marketing tactics are thus approaches to apply relationship marketing in practice (Tseng, 2007). Effective customer-oriented relationship marketing tactics may help marketers to acquire customers, keep customers, and maximize customer profitability, and finally, build up customer loyalty. The telecommunication industry is one of the most important industries in the world since it delivers

Analysis of Different Loyalty programs

voice communications, data, graphics, and video at ever increasing speeds. In order to obtain a sustainable competitive advantage, telecommunication firms are forced to make innovation and do the best for customer satisfaction. Due to this, customer relationship marketing plays an important role in the telecommunication industry. It demands a relationship-oriented strategy in marketing (Grönroos, 2004) Loyalty is a desire to retain a valuable or important relationship (Morgan et al 2004; Moorman et al. 2005). That way the establishment of loyalty is predetermined by the importance of relevant relationship or selection. Weiss (2001) points out three aspects that may increase the importance of the relationship: the Strategic importance of a product, High risks involved in the transaction or Costs incurred by the cancellation of contracts. Customer loyalty has importance. Loyalty is defined as building and sustaining a trusted relationship with customers that leads to the customers' repeated purchases of products or services over a given period of time (Lam, Shankar, Erramilli, and Murthy, 2004). Customer loyalty, in general, increases profit and growth to the extent that increasing the percentage of loyal customers by as little as 5% can increase profitability by as much as 30% to 85%, depending upon the industry involved (Gefen, 2009). Loyal customers are typically willing to pay a higher price and more understand when something goes wrong. It has also been found that loyal customers are less price sensitive and lower costs are incurred by providers as the expense of pursuing new customers is reduced (Rowley and Dawes, 2000). The presence of a loyal customer base provides the firm with valuable time to respond competitive actions (Rowley and Dawes, 2000).

Description of the project:

Loyalty and win back play an important role to retain valuable customer of telecom industry. Maintaining good relationship with customers and provide them several benefits help a company to sustain in the market. There are a good number of telecom companies in Bangladesh. They have several loyalties program which helps to retain the valuable customer for a long time. Grameenphone and Robi have intensive loyalty program for their different segment of customers.

Analysis of Different Loyalty programs

OBJECTIVES OF THE STUDY:

Primary Objective

The primary objective of the study is to differentiate loyalty program of Robi Axiata Limited with the telecom industry loyalty program

Specific Objectives

- ✓ To describe the common phases of Robi Axiata Loyalty and win-back programs
- ✓ To find out the target market whom these loyalty programs are based on
- ✓ To analyze the effectiveness of different partners to create brand value
- ✓ To analyze competitor loyalty program.
- ✓ To find out the differences of different loyalty program
- ✓ To analyze the effectiveness of loyalty program.

Methodology:

For preparing this report, both primary and secondary data was necessary.

Primary Data Source

The primary data were taken to make an effective report while working in Robi Axiata. Main primary data sources were-

- ❖ Personal observations and experiences
- ❖ Face to face conversation with the officials
- ❖ Record files used during for the recruitment and selection process
- ❖ Partners Database

Secondary Data Source

Some secondary data were explored and included to have a better understanding. Main

Secondary data sources were-

- ❖ Relevant books and annual reports of Robi Axiata

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- ❖ Print media and web Journals (websites, magazines)
- ❖ Robi Axiata interns' resources in their server
- ❖ Internship reports
- ❖ Robi Axiata internal website (interact)

Nature of the study:

The nature of the study is exploratory and descriptive. All issues intended from this study are explored through assessing and analyzing information gathered from different sources. The internship report was truly done on the learning and experience in four months of the internship period.

LIMITATIONS

Many difficulties and hurdles were faced while preparing this report. The main problem is Robi has a very strict IT policy; as a result, the information could not be transferred properly. Secondly, departmental related information is confidential in nature. So, it was impossible to gather that sort of information. Thirdly, the information of the project is very confidential, for the sake of creating an effective report and analysis, some assumption were hypothetical as the exact information is very confidential and forbidden to express. In addition to these limitations, the author had to face another constraint and that was, being an intern of the Loyalty and win back, I had to do a project on the Loyalty programs of different telecom companies. This became a challenge to maintain time schedules properly. I had to manage all the works of the Market operation division as an intern and also gave time to the Manager personnel to understand their project and do the work properly.



Chapter 4

Analysis of Different loyalty program in Telecom industry

Grameenphone Limited

Grameenphone Limited, the number one and leading mobile phone company in the area of telecommunications in Bangladesh. Grameenphone Limited managed to grab 42.5% of the market share only by providing cost-effective & best service available in the market of mobile telecommunication. Grameenphone Limited has made its expansion not only in the urban areas, but also it stretched its network in the rural areas for the economic empowerment of the rural people. It has the largest network, the widest coverage, the biggest subscriber base and more value added services than any other mobile phone operators in Bangladesh. Grameenphone Limited has a very strong competitive position in the telephone industry in the country.

Orascom Telecom Bangladesh Limited

With a market share of 25.5%, Banglalink is in the 2nd position in the cell phone industry. When Banglalink entered the Bangladesh telecom industry in February 2005, the scenario changed overnight with mobile telephony becoming an extremely useful and affordable communication tool for people across all segments. Banglalink was previously known as Sheba Telecom which began operation in 1998. It was a joint venture between a Malaysian Conglomerate, Technology Resources Industries Berhad and a local firm named Integrated Services Ltd. (ISL). In 2005, Orascom Telecom Holding (OTH) acquired Sheba Telecom and gave a new trading name, “Banglalink”. Within one year of operation, Banglalink became the fastest growing mobile operator of the country. This milestone was achieved with innovative and attractive products and services targeting the different market segments; aggressive improvement of network quality and dedicated customer care; and effective communication that emotionally connected customers with Banglalink.

Axiata (Bangladesh) Limited

Robi is the third largest mobile phone operator in Bangladesh in terms of revenue and subscribers (20.5 million as of October 2014). It has a market share of 21%. Axiata (Bangladesh) Limited is a dynamic and leading countrywide GSM communication solution provider. It is a



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joint venture company between Axiata Group Berhad, Malaysia and NTT DOCOMO INC, Japan. Axiata (Bangladesh) Limited, formerly known as Telekom Malaysia International (Bangladesh), commenced its operation in 1997 under the brand name Aktel among the pioneer GSM mobile telecommunications service providers in Bangladesh. In early 2008, Aktel slipped from the second position to the third after facing fierce competition from Banglalink. Aktel boasts of the widest international roaming service in the market, connecting 315 operators across 170 countries. It is the first operator in the country to introduce GPRS. Aktel uses GSM 900/1800 MHz standard and operates on allocated 12.8MHz frequency spectrum. Later, on 28th March, 2010 the company started its new journey with the brand name Robi.

Airtel Bangladesh Limited

AIRTEL Bangladesh Ltd. is a GSM-based cellular operator in Bangladesh. Airtel Bangladesh is the sixth mobile phone carrier to enter the Bangladesh market and launched commercial operations on May 10, 2007. Market share of Airtel is 7.1%. Warid Telecom International LLC, an Abu Dhabi-based consortium, sold a majority 70% stake in the company to India's Bharti Airtel Limited for US\$300 million. Bharti Airtel Limited will take management control brand from 20 December 2010. The Bangladesh Telecommunication Regulatory Commission approved the deal on Jan 4, 2010. Airtel Bangladesh had 8.75 million subscribers as of October 2014.

Citycell (Pacific Bangladesh Telecom Limited)

Citycell Is the first mobile communications company of Bangladesh. It is the only CDMA network operator in the country. As of 1 March 2008, Citycell's total mobile subscriber base is 1.56 million, up 137 percent or 680,000 from two years ago, giving it the best growth rate of the company till date. Citycell is currently owned by Singtel with 45% stake and the rest 55% owned by Pacific Group and Far East Telecom. By the end of 2007, Citycell had refurbished its old brand identity and introduced a new logo and corporate identity; the new logo is very reminiscent of the old logo. However the slogan has remained unchanged "Because we care". Citycell had 1.37 million subscribers as of October 2014.

Teletalk Bangladesh Limited

TeleTalk (Teletalk Bangladesh Ltd) is a GSM based state-owned mobile phone company in Bangladesh. TeleTalk started operating on 29 December 2004. It is a Public Limited Company of Bangladesh Government, the state-owned telephone operator. TeleTalk provides GPRS internet connectivity. Teletalk is the first operator in the country that gave BTTB (now BTCL) incoming facility to its subscribers. The mission statement of Tele Talk is "Desh Taka Deshey Rakhun" ("Keep your Money in your Country"). TeleTalk is the 6th largest mobile phone operator in Bangladesh with 1.141 million subscribers as of October 2014.

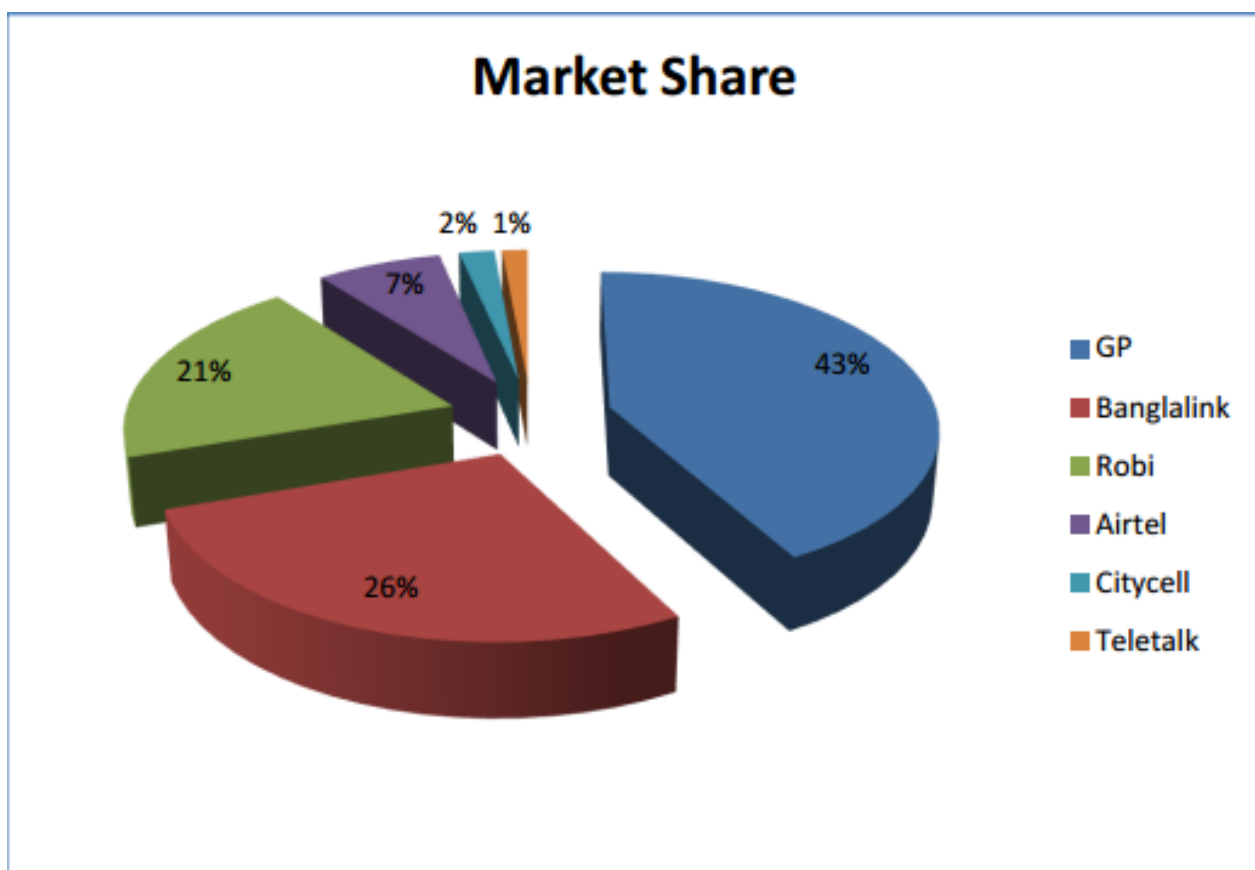


Figure 3: market share of Telecon Industry

Customer loyalty:

Customer loyalty is defined as “the degree to which a customer exhibits repeat purchasing behavior from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider when a need for this service arises” (Gremler and Brown, 1996, p. 173). It expresses an intended behavior related to the service or the company. This includes the possibility of future renewal of service contracts, how likely it is that the customer changes patronage, how likely the customer is to provide positive word-of-mouth, or the likelihood of customers providing voice (Andreassen and Lindestad, 1997). Jones and Sasser (1995) state that customer loyalty is “a feeling of attachment to or affection for a company’s people, products, or services”. Customer loyalty is expressed as an intended behavior regarding the service or the company. The loyalty and repurchase intentions aspects of the taxonomy are most similar in nature. Oliver (1997), for example, operationalizes action loyalty as repeat usage. Furthermore, Delgado-Ballester and Munuera-Alema’n (2001) and Macintosh and Lockshin (1997) use repurchase intentions as an element of loyalty in brand and store contexts respectively. The relationship between Switching Costs and Customer Loyalty Switching cost presents a number of benefits on companies that have a direct effect on customer loyalty. For example, it decreases customers’ price sensitiveness and satisfaction level (Fornell, 1992). When customers are expected to select from a number of functionally identical brands, the presence of switching cost helps customers to build brand loyalty (Klemperer, 1987a). In many other types of research, it is found that switching cost has a direct influence on customer sensitivity to price level and thus influences customer loyalty (e.g. Eber, 1999; Jones et al., 2002; Bloemer et al., 1998; Burnham et al., 2003; Feick et al., 2001). Fornell (1992) also argues that switching cost is one of many factors that affect the relationship of customer satisfaction and customer loyalty. In other research, it is found that switching cost has a moderator effect on customer loyalty that is as switching cost increases, the satisfaction level decreases (Hauser et al., 1994). Jones et al., (2000) found switching cost as the antecedent of loyalty for both business-to-business and business-to-consumer cases. In another research, it is proposed that high switching barriers or lack of real alternatives might make the customers loyal (Andreassen and Lindestad, 1997).



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From these literature reviews, the following hypothesis proposes that there exists a relationship between switching cost and customer loyalty.

Analysis of Different Loyalty programs

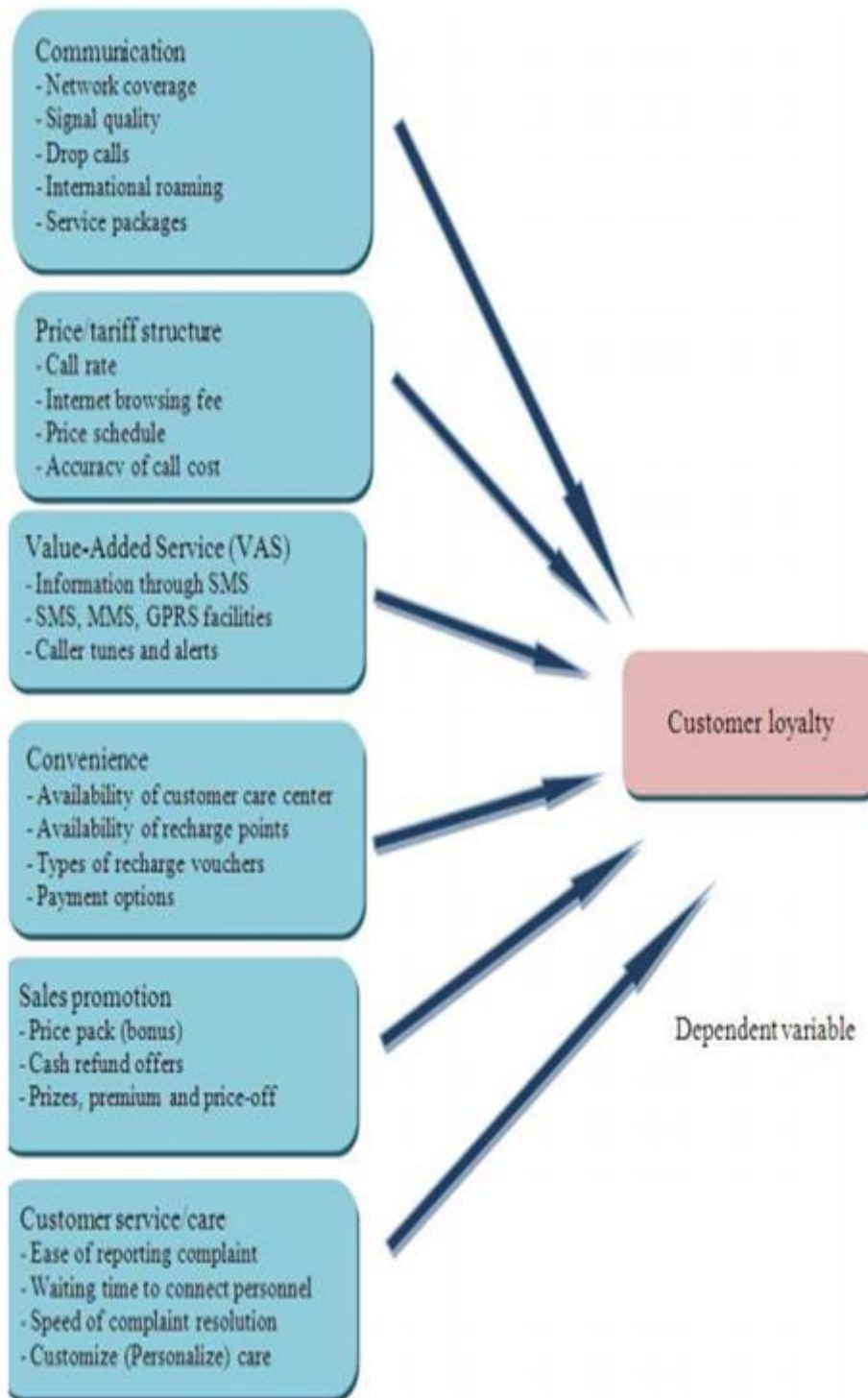


Figure 4: conceptual model of satisfaction and loyalty

Analysis of Different Loyalty programs

GP Star:

GP star is the loyalty program of Grameen phone. Grameen Phone STAR program is designed to recognize and appreciate its most valuable customers. A Grameen Phone customer can become Grameen Phone STAR by staying with Grameen Phone for a considerable duration of time with certain minimum usage. Once a Customer becomes STAR Customer, his/her status will be valid for 3 months. GP star program is the loyalty program of Grameen Phone and it is the first loyalty program in Bangladesh. The GP Star program is a very flourishing program and it is successful to delight the intended customers. Like Robi’s Dhonnobad program there are certain criteria for customers to become the GP Star Subscriber. The following chart explains the category of the GP Star Subscriber. (Insert Chart here).

Years of stay with Grameenphone	Last three months average usage (BDT) to become STAR			
	Silver	Gold	Platinum	Platinum Plus
13+	N/A	N/A	501	3001
7 to 12	N/A	501	1,001	
5 to 6	501	1,001	1,501	
4	501	1,001	2,001	
3	1,001	1,501	2,501	
2	1,001	2,001	--	
1	2,001	--	--	
6m+ to 1yr	2,001	--	--	
Less than 6m	N/A	N/A	N/A	N/A

Figure 5: GP Star chart

Under this star program, Grameen phone give a certain amount of discount on different renowned outlets. Among them the most renowned partners are Menz club, Agora, Electro Mart, Agoda, Weeding diary, Yo Berries. Besides these shorts of discount on various outlets, GP star also provides some additional privileges to their valuable star customers. These are given below:



Privileges at Grameen phone center:

For any type of service regarding sim card or other issues, customers need to go to Grammen phone center located to their nearest places. To avail these services they need to wait for a certain time. In this case, GP star subscriber gets some privileges to solve their problem and take the service as the earliest time. Star subscriber don't need to wait in long queues, enjoy privileged service at Grameenphone Centers.

At 121 Hotline:

Gp start Subscriber can call for customer service and Grameen phone has dedicated agents at customer care hotline to answer you on a priority basis.

Complaints at *star websites*:

Grameen phone always states that start complaints are their concern; any complaint received from star subscriber will be handled on a priority basis.

FREE SIM Replacement:

When a Grameenphone star subscribers are in urgency for an SIM Replacement, they can have their SIM replaced completely FREE. STAR Customers can have FREE SIM Replacement service from selected GPCs only.

Emergency Credit Limit:

Grameen phone offers emergency credit to all of their customers. If a STAR Customer using Xplore, now they have less to worry. In the case where user falls in a crisis situation with no credit left on his phone, He can avail the privilege of emergency credit service! A facility that is truly helpful for making that last emergency call from his barred connection. He can use



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emergency credit once a month with 3 days validity. Depending upon tier of STAR membership their credit amount is given below

Tier	Amount Of credit
Silver	40
Gold	50
Platinum	70
Platinum Plus	70

Figure 6: Emergency credit limit of GP

Discount in Special Numbers:

Sometimes subscriber used to look for the special number. Now, Grameenphone has brought a real opportunity to avail good and rhythmic numbers with a special discount for STAR Customers. STAR Customers can recommend their friends & family to buy these numbers. Anyone can choice and book their desired number from the available numbers. STAR Customers will get 50%, 25% and 10% discount according to three tiers (Platinum, Gold, and Silver). Moreover, they can recommend anyone to buy the numbers with the same discount.



Figure 7: GP Star

Robi Dhonnobad Program

Robi Dhonnobad is a customer loyalty program of Robi Axiata Limited. The main purpose of this program is to praise the loyal customers of Robi. By this program, Robi wants to convey a message to their valued customer that they care for their customers. Customer Loyalty and Win Back team of Customer Lifecycle Management Unit of Robi look after this program. The team is very customer centric and very dedicated to provide the best possible service to the customers. Robi ‘Dhonnobad’ program is not a very old program. All the competitors of Robi have similar programs to pamper the customers. The mission of this program is to become the best customer loyalty program in the telecom industry of Bangladesh. At Robi, the top and foremost priority is our customers. One of our key values is “Customer Centricity” and our continuous strive is to provide our customers with the best possible services. Over the years, Robi has established itself as a company that is committed to bringing in new benefits and services for its customers. Robi Dhonnobad program is the newest endeavor to delight our customers and offer them something more. While others are focusing on high spending long term customers, Robi believes that each and every customer deserves to get something. Keeping that philosophy in mind, Robi has categorized all our customers into 6 different categories and for every category, there are certain benefits. The categories are Platinum Ace, Platinum, Diamond, Gold, Silver, and Bronze.



How Dhonnobad Program Operates

Robi believes that each and every customer deserves to get something. Keeping that philosophy in mind Robi Dhonnobad entitled customers are categorized into six categories ranging from bronze to platinum ace. The customers are categorized based on monthly usage and customer lifetime. The following chart explains the category of Robi Dhonnobad entitled customers.

Age on Network	Last 3 months usage average (BDT excl. Supplementary Duty (SD) + VAT)			
	< 301	301 – 800	801 - 1800	> 1800
< 3 Months	Bronze	Bronze	Bronze	Bronze
> 3 - 12 Months	Bronze	Silver	Gold	Diamond
13 - 36 Months	Bronze	Gold	Diamond	Platinum
> 36 Months	Bronze	Diamond	Platinum	Platinum Ace

Figure 8: Robi usage chart

Dhonnobad Program - Platinum Ace:

Platinum Ace are one of the top most tier customers of Robi Dhonnobad program. For a Platinum Ace customer, Robi brings the best in class benefits which benefit user's true status. Platinum Ace can now enjoy exclusive discounts at Robi's partner outlets across Bangladesh which include food, clothing, lifestyle, jewelry, leisure, healthcare and much more.

Robi understands that these tier of users are extremely busy and they don't like to wait for a query. To reduce their waiting time at Robi Customer Care centers, Robi Axiata, and Dhonnobad Program have arranged priority service for platinum Ace customers if platinum ace customers are visiting Robi Customer Care Centers to avail a service, they will get priority over others and will be served immediately whenever a Customer Care Executive is free to serve. Moreover, If Platinum Ace customers have lost their Robi SIM card or need to replace it, just visit any of Robi Customer Care centers. Along with priority service, they will get their SIM replaced completely free of cost.

Dhonnobad Program also brings another good news for their valued customers. What if they are calling Robi's contact center? Yes, they will get priority in Robi's contact center as well,



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meaning, while others will be waiting for an agent to respond, call from platinum Ace will be prioritized and specially trained agents will handle their query. Dhonnobad Program promises to bring in the best possible benefits for their platinum Ace as an appreciation for their long lasting relationship with Robi.

How Dhonnobad Program Delight the Customers

Dhonnobad program is a very active customer delight program. Robi offers various discounts in various shops and business institution to the Dhonnobad entitled customers. The business institutions whose discount Robi offers to the customers are the reward partners of Robi. The condition to become the partner is the business institution must allow a predetermined discount to the Robi Dhonnobad entitled customer. In return, Robi will promote the business institution to the customers by sending SMS regarding the business institution. In this way, Robi delights the customer as well as increase Robi Dhonnobad entitled customers footfall in the partner's business institution. Till date, Robi has a partnership with 2575 business institution all around Bangladesh.

DhonnobadProgram– Platinum

In Dhonnobad Program Platinum customers are in the second position. As like platinum customers, platinum customers can now enjoy exclusive discounts at Robi's partner outlets that include food, clothing, lifestyle, jewelry, leisure, healthcare and much more across Bangladesh.

Robi also brings many more service benefits for long-standing customers like Platinum Customers. Platinum customers are now entitled to priority service at Robi Customer Care centers where platinum customers will get priority over others and will be served immediately whenever a Customer Care Executive is free to serve.

If you Platinum users lost their Robi SIM card or need to replace it, they just need to visit any of Robi Customer Care centers and along with priority service, this time will get the SIM replaced free of cost.



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As a Platinum customer under Dhonnobad program, customer call will be prioritized in contact center as well, meaning, while others will be waiting for an agent to respond, Platinum's call will jump the queue and specially trained agents will handle customer's query. Robi promises to bring in the best possible benefits for Platinum as an appreciation for long lasting relationship with Robi.

Dhonnobad Program – Diamond

Diamond category is one of the largest category of Dhonnobad program where the number of users are high. As a Diamond customer, subscriber is eligible to get discounts at Robi partner outlets that include food, clothing, lifestyle, jewelry, leisure, healthcare and much more across Bangladesh. Robi feels happy to inform that if diamond customers are calling our contact center, they will get priority service. Moreover, they will get cost-free sim replacement service from Robi Dhonnobad.

Dhonnobad Program Gold

As a Gold customer, Gold are eligible to get discounts at Robi partner outlets that include food, clothing, lifestyle, jewelry, leisure, healthcare and much more across Bangladesh. As an appreciation for relationship with Robi, Dhonnobad program informs you that gold can get Free of cost SIM replacement at Robi Customer Care Centers.

Dhonnobad Program – Silver & Bronze

Dhonnobad program also brings some benefit for silver & bronze customers. Silver and bronze customers will get different amounts of benefit at different partner outlets of Robi dhonnobad programs. Silver will get prioritise service in the customer care service. Bronze is not getting this facilities currently.



Figure 9: RobiDhonnobad Program

BanglalinkPriyojon

Priyojon is the loyalty program of Banglalink. It is categorized into three groups, e.g.; Silver, Gold, and Platinum.

Priyojon Silver	Priyojon Gold	Priyojon Platinum
use tk. 150 – 169 every month	use tk. 170 – 499 every month	use tk. 500+ every month

Figure 10: Banglalink "Priyojon" usage chart

Banglalink Priyojon is a very extensive reward program like Robi. One of the innovative features of this program is priyojon insurance, which Banglalink offers to their valued customers under certain terms and condition.

Prize Point:

Banglalink Priyojon Program is the offer that provides an opportunity to Banglalink customers to earn points per usage and per activity and get some gifts as per their earned points. For example, a user can earn one pint by using Tk.10 or by doing one activity per week. The nature of gifts depends on the points earned by registered customers. In an upgraded priyojon program



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customer can easily earn more points along with exclusive discounts in over 200 partner outlet across the country.

Priyojon Partnership:

Under this initiative, customers can enjoy up to 50% discounts in different partner outlets all over the country. The program is aimed to gratify customer's lifestyle needs through Banglalink eminent partners in different categories: fashion & lifestyle, food & beverage, entertainment, electronics, home decor, hotels, tours & travels and daily needs.

Insurance Coverage (tk.)	Point required per month	Condition
15000	30	minimum usage tk.100 per month in the last month
20000	35	
30000	45	
50000	95	
100000	200	minimum usage tk.300/month in last 3 months
1000000	2000	minimum usage tk.1000/month in last 6 months

Figure 11: "Priyojon" insurance coverage



Figure 12: Banglalink "Priyojon"

Icon:

Icon is one of the premium telecom brands of the country. Icon believes that they are much more than just a mobile connection. Icon believe that they not only provide a complete solution for all mobile telephony needs, but also add value to their valuable customers. Icon assure their



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subscriber that if they are being selected as an icon customer, they will become highly valued and well-taken care clients. Icon provides varieties of exclusive lifestyle facilities and events. Icon customer can avail the service of the best customer care network in the country, where a team of customer care representatives dedicated for icons will ensure two things: icon customers are receiving the best service before any other customers. While a dedicated icon manager will answer to any of their service requests right at customer's doorstep - round the clock, should anyone ever need to visit customer care centers, Icon can enjoy a special treatment waiting for them, and receive exclusive services straight from care center manager's room. As an icon, customer will get the most lucrative deal available in the country, including access to:

- as many calls as you need to make
- unlimited SMS
- unlimited downloads with free internet

Besides these facilities Icon customer will get special discount on mobile handset & other value added service like call block, stock info, phone back up, vehicle tracking, yellow service & international Roaming.



Figure 13: Icon

Airtel Favourites:

Airtel favorites is a loyalty program of Airtel Bangladesh Ltd. This loyalty program offers exclusive customer care & special rewards at lifestyle touch point for their customers. Airtel provides these facilities to both of their prepaid and postpaid customers.



Figure 14: Airtelfavourites

The other telecom operator does not have this much extensive customer loyalty program. Their market share is very low. The other operators should think of extensive loyalty program like this to delight their customers. In this way, they will retain the customers and also they will be able to attract more customers and increase their market share. But the telecom industry of Bangladesh is in the matured stage. So it is very difficult for the other telecom operators to grow.



Chapter 5

Competitive Analysis of the Loyalty Program

Analysis of Different Loyalty programs

While going through the loyalty program of different telecom operator, it was observed that different companies are implementing different strategies to delight the customer. From my personal experience, I have found out that Robi wants to delight their valued customer in every possible way. For this reason, they have 2575 reward partners ranging from low-end tailoring shop to high-end luxury hotels. Banglalink also implements similar kinds of strategy but they don't have as many as reward partners like Robi Dhonnobad program.

But Grameenphone is implementing a different strategy. They have very few partners. They have around 180 partners. But all the partners have recognized brands and retain a superlative brand image. They also provide comparatively larger discount than Robi and Banglalink.

After analyzing the loyalty program it is my observation that GP Star is the best loyalty program. The reason behind this statement will be clarified throughout the following explanation.

In our country, GP is considered as a very powerful brand. GP carefully selected their reward partners whose brand image matches with their brand image. Besides GP's average usage rate to be the Star subscriber is a quite bit high which also reflects that they are a premium brand.

But in the case of Robi and Banglalink, they unanimously selected their partners. Even they have so many partners that do not go with their brand because Robi and Banglalink also retain a credible brand image. But contracting with a business institution like local tailoring shop, dental clinic etc. they are hampering their brand image. The main intention behind making so many partners is Bangladesh is a Mid Income Country and most of the people of the country belong to the middle class. Most of the people like discounts while shopping. That is why they are making a contract with so many business institutions. But the main problem which arises is a promotion. Robi has so many partners that they have to promote 4 brands together in one message. Otherwise, they won't be able to promote all the partners. The promoting message to the customers is not also very appealing. Most of the customers just ignore the message. For this reason, Robi is failing to promote their Dhonnobad program. On the other hand, GP has very few partners and they are successful in making their subscriber feel that they are very special. GP never promotes more than one business institution in one message. So the promotion of the partner business institution is very exclusive, detailed and also very attractive. That is why when

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any message comes from GP Star, the subscriber opens the message and in this way the promotion of the business institution implemented successfully and also GP becomes successful to delight the customers.

Robi is a very renowned telecom operator in Bangladesh and also in abroad because it is a sister concern of Axiata Group. To have a lot of reward partner is not a bad idea for Bangladesh but they must make sure that they will be able to promote their partner business institutions effectively to their customers so that the customer gets attracted to the offer and understand that Robi cares for their subscriber. The way they send these Dhonnobad offers message, it really annoys the customers which are totally opposite of what it is intended to do. That is why most of the subscribers do not even read the message and they delete the message. They should come up with a different strategy to delight the customers. Possible suggestions can be

- Employ more employees to promote the partner business institution.
- Increase capacity so that in one SMS four business institutions do not get promoted.
- Get rid of the partner business institution which does not go with the brand image of Robi.

Analysis of the target market:

While analyzing the operation of different loyalty program taken by the major players of telecom industry of Bangladesh, it is found the target market for this promotional program is an important aspect. The target market is a particular group of people whom the company or organization want to serve. After evaluation all of the loyalty programs I have seen that Grameenphone and Robi has targeted most of their customers through their loyalty program. GP star is giving some sorts of benefits to all groups of stars. On the other hand, Robi has also 6 groups of Dhonnobad customers and they try to satisfy all of their customers by giving them some sorts of rewards and discounts. In the case of Bangla link and icon, we have seen some differentiation. Banglalink target market is very much limited and thus, they give facilities to a certain number of customers. Icon claims that they are the most elite group of people and they target their customers

Analysis of Different Loyalty programs

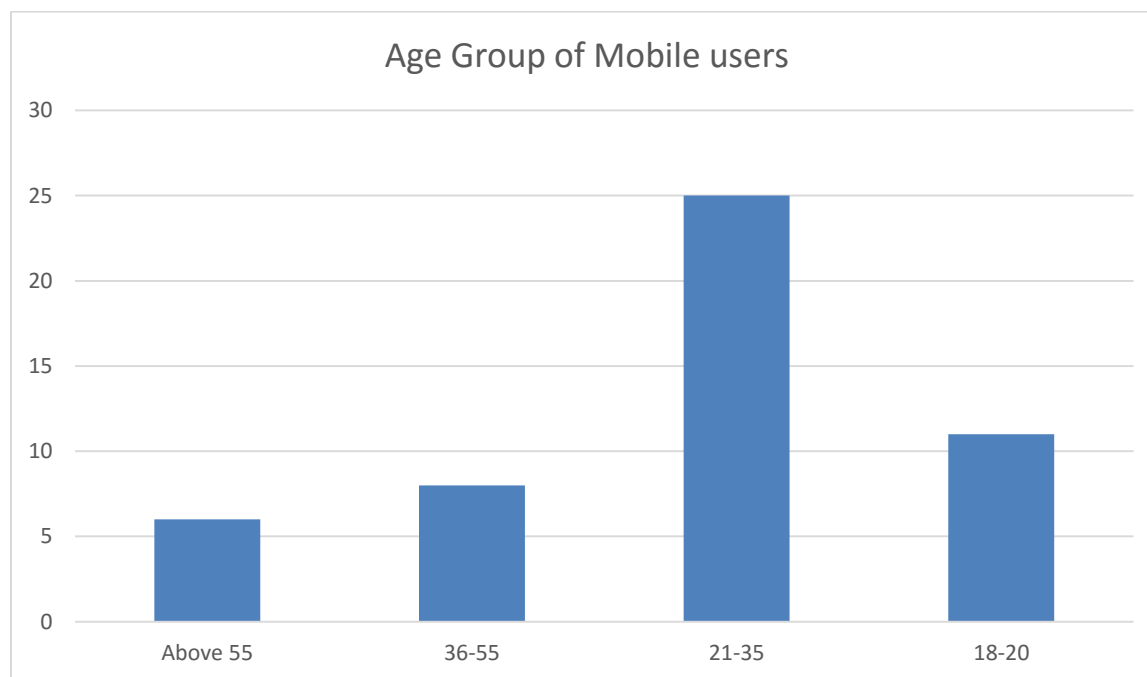
based on that criterion. Their customers are very limited and sophisticated. Airtel favorites have a limited initiative to reward their customers. They may have less number of airtel favorites and thus their target market is very much limited.

Number of partner for discount:

Through this loyalty program, telecom companies want to give some discount offers with different partner outlets like clothing, lifestyle, food, Resort etc. In the case of giving discount one of the important things is to maintain the quality and brand images of the program. The number of partners is also important for giving a variety of services to the valuable customers. When a customer has a variety of choices that time they will be happy to avail those services. In the case of GP Star, their number of partners is around 180. The reason behind this limited number of partners around Bangladesh is that they want to maintain a certain quality & image of their brand. They try to show their brand images with their partner selection. As they have only 180 partners for that reason customers have a few number of choices. In the case of Robi, the context is totally different. They have around 2575 partners whom Robi is associated with to give discount offers. One of the major benefits of having a huge number of partners is that they can satisfy all sorts of people in Bangladesh. Robi Dhonnobad customers have varieties of choices and they can choose their most favorite one. There is some drawback for having a huge number of partners. For having a huge number of discount partners, in some cases, Robi fails to maintain their brand images. Moreover, partners want promotional msg to Dhonnobad customers in return for their discounts. Some time Robi fails to do so because it is difficult to promote 2575 partners. The other players like Bangla link and icon have a limited number of partners. Icon has only 9 partners which will give a premium discount to Icon customers. As discussed previously that Bangla link has a limited loyalty program, for that reason the number of discount partners is also limited.

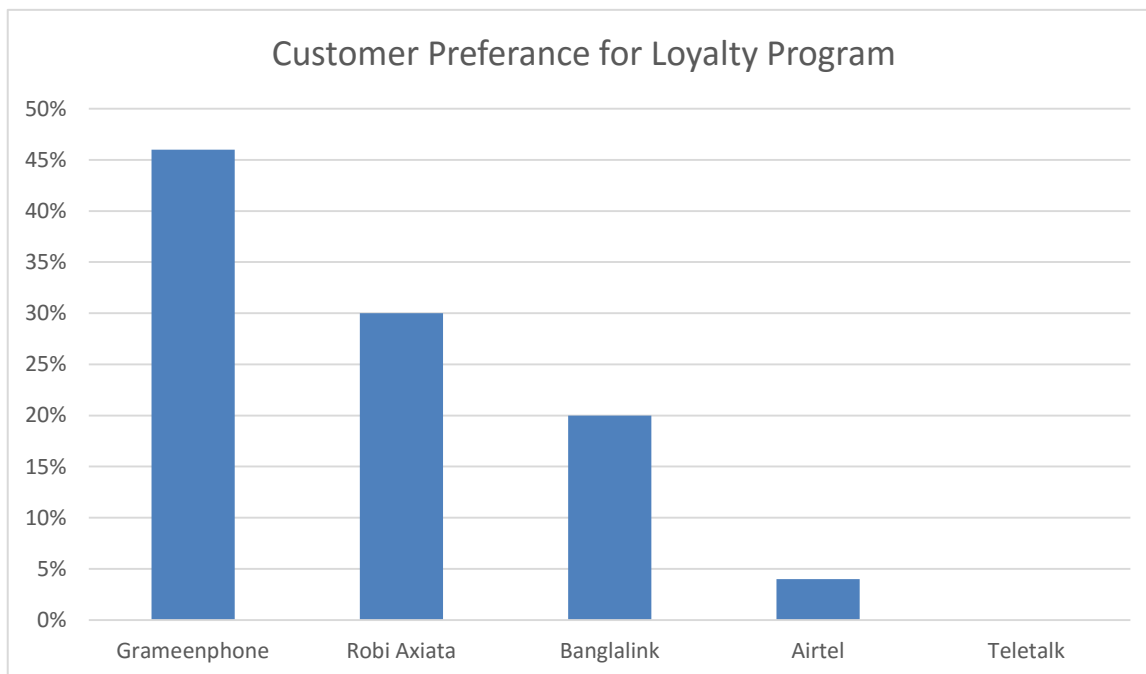
Analysis of Different Loyalty programs

Age Group	Number
Above 55	6
36-55	8
21-35	25
18-20	11



From the survey of 50 responds, 6 people have stated that their age limit is above 55. Most of the users are aged from 21-35. So it is a clear indication that most of the users of telecom companies are in this group. Telecom companies need to plan their loyalty program according to the preference of this age limit. 18-20 age group is also huge in number. So they need to be taken care with importance.

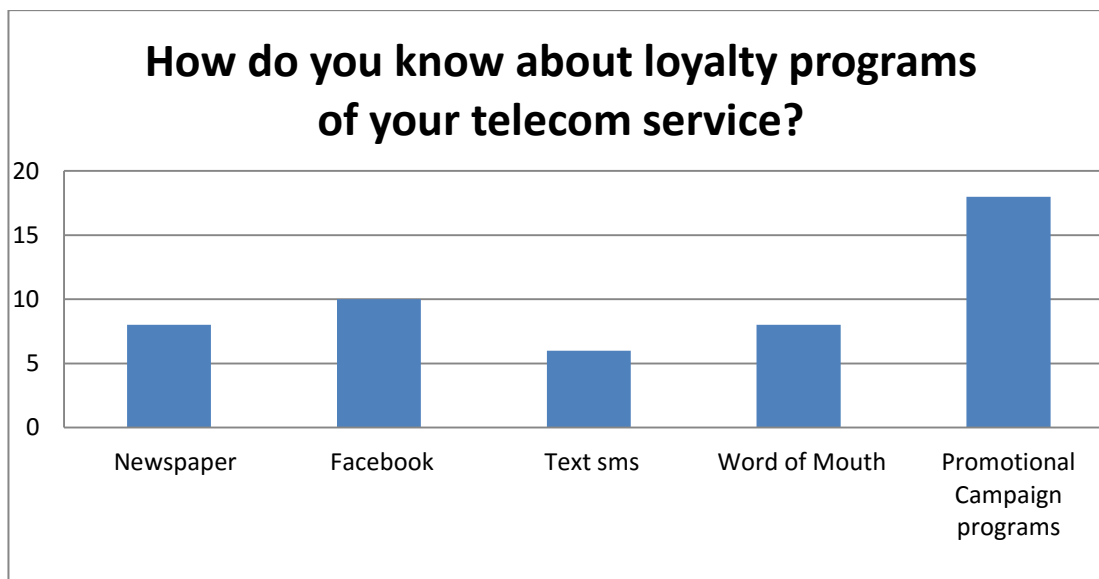
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In the case of customer preference for loyalty program around 47% customers have replied that they prefer Grameenphone rather than any other operator. Around 30% subscribers have replied that they like ROBI Axiata for their preferred loyalty program. Banglalink customers have a limited number of loyalty programs and thus, 20% of them replied that they prefer Banglalink and icon for loyalty service. Around 3% customer replies for Airtel for their preferred loyalty program.

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Media	Respondent Number
Newspaper	8
Facebook	10
Text SMS	6
Word of mouth	8
Promotional campaign Program	18

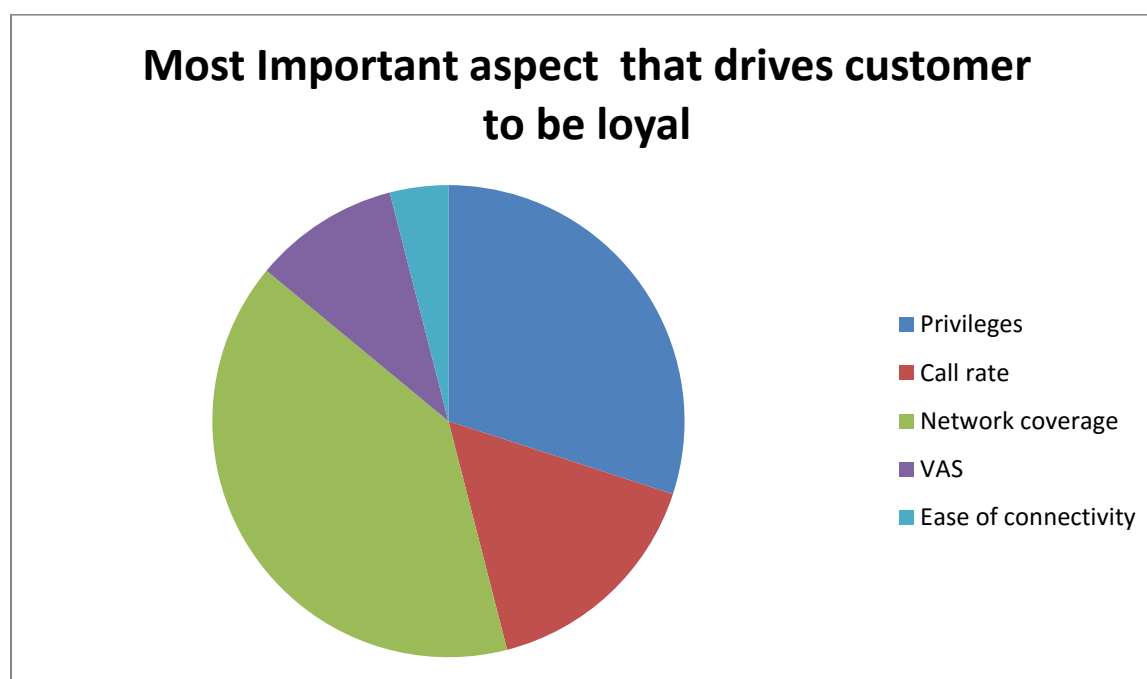


In the case of media that helps to know about loyalty program of each individual, 8 responded have replied that they have come to know about loyalty program from newspapers. From different kinds of social media helps 10 users to make aware about telecom loyalty program. Around 6 responded have replied that they are aware of the loyalty program from different text

Analysis of Different Loyalty programs

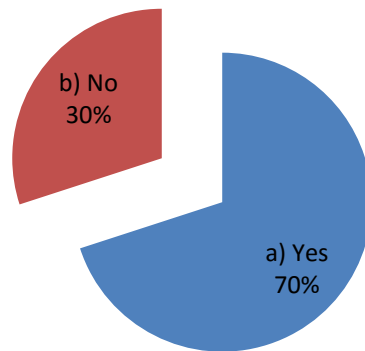
SMS from their operator. 18 Responded replied that promotional campaign program helps them to aware about different loyalty program.

Elements	Percentage
Privileges/priority treatment & exclusive offers	30%
Tariff/Call rate	16%
Network coverage	40%
Features/VAS	10%
Ease of connectivity	4%



Among 50 respondents, 30% of them have replied that they are enjoying the privilege and priority treatment which drives them to become loyal. 16% of respondent replied that they are being loyal because of the tariff rate of their telecom company. 40% of the responded replied that they are attached to a particular company because of network coverage. 10% of respondent are liking different features which drive them to be loyal.

Are you eager to upgrade your status (e.g. from gold to platinum plus) by increasing usage and tenure?



Loyal customers are getting different benefits based on their loyalty status. In every three months, customer loyalty status is upgraded and thus they get much more new offers than previous. In our survey 70%, people have replied that they want to increase their loyalty status by increasing their usage. 30% replied negative and they are happy with the current promotions offers.

Chapter 6

FINDINGS, RECOMMENDATIONS & CONCLUSION

Analysis of Different Loyalty programs

All groups of customer welcome loyalty program as a special subscriber of the company.

- The Majority of the customers thinks that loyalty program can influence them to stay loyal and emotionally attached to the company. In Bangladesh telecom industry the switching rate is very high and the switching cost is very low. These type of loyalty programs helps to retain the customer for a long time. To prepare this report I have talked to a different segment of loyal customers from different telecom companies. They have stated that they are being with a particular company because of having some benefit like reward offers.
- Perception towards loyalty programs varies depending on the customer groups. Private Job holders expect invitations at events and discount offers are attractive to them. Public job holders expect privileges as a special customer and like to get priority treatment at GPCs, customer care line. Businessmen expect privileges as well and likely to get invited. So companies need to bring more varieties of services and discount by maintaining their brand images. Grameen phone has a limited number of partner. But they are maintaining a certain quality for choosing their partners for a discount. Robi on the other hand side having huge varieties of partners fails to maintain its quality in some cases.
- With the increase of tenure, when met all basic requirements from the operator, very long term customers (generally GP subscribers) are staying with Grameenphone star because the privileges are being offered to them as a special customer and it is a means of ease of connectivity. Moderately long term customers (generally GP subscribers) usually indicated network coverage and ease of connectivity as the reason of their stay with the company. Short-term users (usually Airtel users) who are using the connection for a shorter period of time are staying with the service because of features/VAS being offered to them.

Analysis of Different Loyalty programs

We know that Grameenphone is one of the largest telecom operators of Bangladesh. Their GP star Program is more attractive than any other loyalty program in the telecom industry. Most of the customers want to become GP star

- STAR subscribers spread positive word of mouth highly and are likely to recommend GP to others which prove they are happy with their status and operator.
- Lifestyle offers do not play any role in customer loyalty.
- Robi has a huge number of loyalty partners to provide a discount to customers but they have to concentrate on their brand image while selecting their partners.
- Promotion of partner is an important issue of the loyalty program. As Robi has a huge number of partners for that reason they can't promote their partners effectively. If they can't send effective messages to their customers, then their loyalty program will lose its maximum value.
- Robi has arranged different Dhonnobad programs like a concert and food shows. They should be more active in those programs to brand their Dhonnobad Program.

When it comes to telecom companies, we have seen several challenges in running a successful loyalty program there are few challenges that Telecom companies are facing regarding their Loyalty program:

Challenge One: Offering rewards that customer's value

It appears that programs are failing to capture the hearts and minds of many customers, as evidenced by increasing proportions of inactive loyalty program members. The top challenge identified as offering rewards that customer's value reinforces that finding. It's also logical because there's little reason for customers to take advantage of program benefits if they don't see the "benefit." The more valued and relevant the reward is to the customer, the more likely the individual is to use it, and to engage in repeat purchases — thus becoming an "active" member. Yet, offering loyalty rewards that customers truly value is easier said than done. To be successful in this pursuit, companies need to be skilled in collecting relevant customer information, analyzing it, and tailoring their offerings to fit the individual customer. If program benefits are virtually the same for anyone who is a member of a loyalty program — a shotgun approach — it's no wonder that there is such a high level of disengagement. A root cause of that disengagement is suggested by the respondents' indicating they generally don't feel they are doing a particularly good job in understanding their customers and marketing to their needs. In addition, companies struggling to offer valued rewards are less likely to segment their loyalty program members into groups. They are less likely to offer customer-specific offerings based on needs and preferences. They also use fewer sources of customer data available to them to better understand their target audience. And they are more heavily dependent on customer transaction data than any other sources, missing out on rich information that could help them identify what their customer's value. The data strongly suggests that under using customer information and taking a generalized approach to developing loyalty rewards is associated with the inability to strike a chord with a good portion of program members.

Challenge Two: Measuring program effectiveness

Despite making large yearly investments in loyalty programs, the findings show that many companies don't have a handle on their effectiveness. Most of the subscriber's respondents cite measuring program effectiveness as a top challenge. That leaves a lot of uncertainty around such a strategic issue. Part of the problem is that there is little agreement on what the go-to metric is

Analysis of Different Loyalty programs

for customer loyalty initiatives. Customer retention rate and customer satisfaction are the two primary metrics used, A significant number of organizations use the second tier of metrics that includes average customer purchase, loyalty campaign response rates, the share of customer wallet, and customer lifetime value. Measuring the financial impact of loyalty programs is also elusive. Many companies might be surprised to find that increased spend on loyalty programs is not necessarily translating into higher growth rates. While loyalty initiatives might improve customer retention rates and bump up customer satisfaction, program benefits could actually be hurting the bottom line.

Recommendation:

Building a loyal customer starts by creating the holistic customer profile, but continues by embracing an innovative loyalty and incentive structure that encourages and rewards customers for their continuous business. How do companies decide who is a loyal customer? Typically telecoms focus on increasing ARPU or cutting churn. In fact, 90% measure customer loyalty by churn rates. This measurement is ineffectual because it is a determination based upon the potential to churn or churned customers. A loyalty solution allows for a more mature plan where customer loyalty is determined by satisfaction, retention and loyal activity resulting in the ultimate goal of lowering churn and increasing ARPU. There are many options for loyalty solutions – points, discounts, rewards, free services, upgrades, etc. The specific form of the reward is not as important as providing relevant, attainable, and economically valuable rewards or services to customers based upon their unique behaviors. It creates an open dialog between the customer and the telecom by providing the customer consistent and meaningful contacts through marketing communications and loyalty promotional offers. But what differentiates a loyalty program from traditional CRM is that loyalty programs aim at proactively and continuously rewarding the customer for loyal behaviors and activity. Currently, sixty-five percent of service providers only initiate a retention process when the customer has started the process of leaving. Loyalty solutions take traditional data provided in CRM, Billing, and Order Management systems such as simple profile information and customer purchases and enrich it by a vast amount of customer experiential data gathered by reactions to loyalty activity. The customer



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feels appreciated because the telecom is able to offer specific and enticing loyalty promotions. And the telecom is able to use the customer's preferences and behaviors to hone their offers and

Target customers more effectively:

While CRM management system is used to manage customer's relations, loyalty systems are designed to further uniquely incentivize and reward customers. Loyalty technologies should promote the following activities: Using insights into customer behaviors, lifestyles, and interests across all lines of business to deliver loyalty promotions and other offers that increase loyalty and break the cycle of price comparison and deal-driven churn Offer attainable and meaningful rewards which will provide the customer with additional value Realizing the differences between customer segments and that varied loyalty promotions and rewards are crucial to the customer experience. Every customer has a different expectation of what is meaningful and valuable to them. In general the higher the ARPU the lower interest in material benefits. These customers may find more value in a benefit such as a customized customer service experience. For customers with a lower ARPU, direct and immediate benefits are more valuable such as discounts, products from a reward catalog or additional minutes Understanding what makes customers loyal and nurture that behavior in the "non-loyal" group through improvement of the program. The real ROI value of a loyalty program is cloning more loyal customers from the overall customer population creating a personalized and specialized dialog with the customer by improving targeted marketing and communications. A loyalty program should communicate both the benefits a customer receives by simply being a member of the program, but should also communicate unique and specific promotions which may engage customers in behavior which can earn them additional rewards Utilizing customer recognition tiers to identify and reward the most loyalty and profitable customers accordingly. Investing in rewarding loyal and profitable customer is more effective both on cost and retention versus customers in lower tiers who are more apt to churn and are less profitable Leveraging data on preferences to loyalty promotions and reward redemptions Generating secondary revenue by selling aggregated insights to other consumer organizations, such as retailers or consumer goods companies



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Loyalty or rewards programs have become an essential part of any direct to consumer business. Loyalty programs are specifically designed to reward customers for past purchases or incentivize them for future purchases.

The subscribers have a limited share of wallet for telecom products, they feel they need to wait for eternity to accumulate points; the expiry of points is a factor for increasing dissatisfaction. Some telecom companies have engagement programs which are working for them – should telecom companies then look at points based Loyalty program or just stick with their traditional engagement programs?

I strongly believe that points-based loyalty/rewards programs can be successfully offered to telecom subscribers as well. To do so, the telecom company should clearly articulate what is the purpose of the program

1. Is it to acquire the subscribers
2. Is it to engage the subscriber
3. Is it to increase spend of the subscribers or
4. Is it to reduce churn of the subscribers

Each or combination of these objectives can be a positive business case for a telecom company. Each of these objectives requires the communication of the program, distribution of points and program for redemption of points to be differently laid out.

In the case of acquisition – you run referral programs and points are given to the user for referring a candidate and significantly higher points given if there if the referred user accepts the offer. The referral programs are win – win program for telecom companies and the subscribers. These provide users an opportunity to gain from the program without affecting their telecom spend. Here the communication of the program is critical. You need to identify the viral influencers and kick start the programs with these individuals.

Engagement improvement programs

Telecom sector of Bangladesh needs to improve engagement program which will bring a large number of subscribers in a given period. Programs like a bid to win participate and stand to win grand prize/face time with celebrity/tickets to exclusive events etc. Again these programs can be offered to people having a higher number of points accrued. Telecom companies can offer non-telecom products for redemption through tie-ups with retail/e-commerce partners and avoid the discount syndrome.

The increase in spend programs has to be extremely personalized. The solution should be able to process recharge/payment, usage and subscription details. Personalized and related offers are key to the success of loyalty program. Referrals can play an important role in cross selling products. For an example a person who recharges three times in a month. In an up-sell scenario, it would be beneficial to offer higher points if the third recharge is of higher value than (average of) first two. This program should be communicated to the user when the user's balance reduces below the threshold level after the second recharge. Simple to understand programs are generally more successful than more complex programs.

Understanding of loyalty/rewards program, perceived value of the rewards and possibility of gaining enough points to get meaningful rewards keeps people engaged in loyalty/rewards programs. It would be especially important to have a well-designed loyalty/rewards program where we see multi- SIM behavior. Tiered program with benefits ranging between 1 per cent to entry-level subscribers to 3% to high net value subscribers has been able to successfully engage and retain the subscribers. Having clearly defined objectives and creating a meaningful rewards program can go a long way in managing customer lifetime value through right intervention through programs for acquisition, engagement, up-sell, cross-sell, dormancy and churn management.

Rewards that are personalized

Companies that rate their loyalty programs as highly effective typically personalize their program offers and benefits. After examining most of the company's loyalty program we have

Analysis of Different Loyalty programs

seen that their loyalty program is not that much personalized. They need to do personalized reward programs. These highly effective programs offer a greater variety of program apparatuses, including items such as customer-specific offerings, VIP services, and personalized endorsements. Additionally, they can host special events or provide free unique products/services to their loyalty program members.

Social media leveraged

The telecom companies who have highly effective loyalty programs are more dynamic with social media than those with ineffective or moderately effective programs. In particular, they are more likely to follow up with individual customers who post criticisms and respond publicly to customer posts on social media both of which demonstrate a greater prioritization on the part of the company to focus on the customer first, versus just pushing promotions or seeking competitive intelligence. There is a huge lack of social media engagement of telecom companies in Bangladesh. They need to be more active on social media for dealing with different problems and queries. Interestingly, social media engagement also helpful and more likely to employ measurement and analytics on their social media data to further informs their programs.

Managing tiers of customers

There are different stages of customers are proposed as a pyramid structure for thinking about customers and labeled them: These tiers are Platinum, Platinum Ace, Gold, silver bronze etc. The base of the pyramid is broadest with the major number of customers; It represents that companies need to spend a lot for their loyalty program if they want to serve the largest group of customers. These Lead customers may cost more to serve than they are worth to the firm. Bronze customers are reasonably profitable but they don't respond to exceptional offers and don't seem capable of buying more. So telecom companies need to plan a new loyalty program for these bottom customers as they are huge in number. Most of the firm's profit comes from Gold customers—there are more of them than the Platinum tier above. They drive most of their business to the firm, exhibit loyalty and are relatively price-insensitive (like the business fliers, above). Platinum customers enjoy every opportunities and add-on and may expend a lot of money. So telecom companies need to think about platinum and platinum ace customer in different ways.



Analysis of Different Loyalty programs

Specific Recommendation for Robi:

From the analysis of Robi Dhonnobad program, we have seen that they have a huge number of partners whom they called reward partners. To provide effective communication to the end customers can be difficult for Robi Dhonnobad Program. To improve their loyalty programs some recombination are given below:

Categorize the partners:

As Robi Dhonnobad Program has more than 2750 partners so that they can categorize their reward partners based on some criterion. Currently, Robi is doing multiple promotions where they promote 3 or 4 partners at a time. Doing these kinds of promotion seems to be less effective and less attractive for the subscribers. So Robi Can catalog their partners based on location brand images and some others unique characteristics. While contracting with different partners they need to provide the category level such as Category A, B & These categories will help Dhonnobad Program to promote their partners in effective ways. They can promote Category “A” Partners in a single message by putting the details offers along with the detail location of the partner’s outlet. For Category B and C They can use the multiple text formats. Brand image is an important aspect in case of the telecom sector. Robi needs to think about their brand image while contracting with reward partners.

Effective communication:

Effective communication is a vital element for Loyalty programs. Robi has a vast number of partners like reward partner and redemption partners. But they need to be promoted in an effective way so that both the partners and subscribers get the benefit from the communication and promotion. Dhonnobad Program needs to design their promotional program in such a way which will create more attraction to the consumers. They can promote their partners with the detail offers and also by giving partners address. By doing so, Robi Dhonnobad program can be an effective loyalty program.

Specific Recommendation for Airtel and teletalk:

Airtel and teletalk have a limited number of loyalty program. Airtel are targeting the youth of Bangladesh and they have a specific loyalty program which is known as Airtel favourites. On the other hand, Teletalk has no loyalty program for their customers. As we have discussed that loyalty program is an important aspect of retaining customers. For that reason, Airtel and Teletalk need to introduce their loyalty program in a new way where they can actually satisfy

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their loyal customers. As, Airtel is targeting the youth customers, so that they can give movie ticket discount or restaurant fee discount for their loyal customers.

CONCLUSION:

Consumers demanding expectations for the newest technologies, personalized services, and a memorable experience require telecom providers to start understanding and approaching their customers in a holistic way. Telecom organizations should overhaul their approach to their customers and customer data. They must reach out to customers proactively to prevent churn and increase loyalty, using a wide variety of customer incentives and rewards. By implementing a loyalty solution telecoms can create a strategy where the customer experience and satisfaction is paramount ensuring that their busy lifestyles are supported and enriched. Telecom companies need to leverage and integrate massive amounts of data from a range of sources -like Call Data Records (CDR), customer care, product/service portfolios, cost and billing, and network service quality— in a holistic way, minimizing the poor alignment between various departments.

To achieve a 360° approach to customer experience and build a sustainable, competitive advantage, Telecom companies of Bangladesh must gain a deep understanding of customer attitudes, behaviors and actions. This is essential to improving customer acquisition and retention. In the back end, improving operational efficiency will increase revenue, reduce operating expenses and simplify business operations. For companies that excel at customer loyalty, success goes much deeper than having a great product or giving a nice discount. It's about knowing how to create a consistently positive customer experience every time. Despite the popularity of loyalty programs, many organizations are still unable to identify the most profitable customers and effectively drive desired behavior. They fail to increase the loyalty and value of their most important customers because they don't know who those customers are, and don't understand what makes them happy.



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Appendix:

1. Name :
2. Address :
3. Gender:

4. Are you employed?
 - a) Yes
 - b) No

5. If yes, what is your designation :
6. Age group:
 - a) Above 55
 - b) 36-55
 - c) 21-35
 - d) 18-20

7. Which mobile operator are you availing?
 - a) Grameenphone
 - b) Banglalink
 - c) Robi
 - d) Airtel
 - e) Citycell
 - f) Teletalk

8. Estimated usage per month: BDT.....
 - a) 500 - 1000
 - b) 1000 – 1500
 - c) 1500 – 2000
 - d) 2000 – 2500
 - e) 2500 – 3000
 - f) 3000 – 3500
 - g)

9. Are you aware of different loyalty programs of different telecom companies (privileges, delightful offers, invitations) for its' valuable customers?
 - a) Yes
 - b) No

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10. If yes. How?

- a) Newspaper
- b) Facebook
- c) Text SMS
- d) Word of Mouth
- e) Promotional Campaign programs

11. What is the most important aspects that drive you to avail this telecom service?

- a) Privileges/priority treatment & exclusive offers (personalized customer care, discounts at restaurants & shops, invitations to events)
- b) Tariff/Call rate
- c) Network coverage
- d) Features/VAS
- e) Ease of connectivity (my number is well known to essential contacts)
- f)

12. Would you like to receive privileges (priority treatment) and delightful offers (discounts at food & fashion shops, VAS, voice, internet) from the telecom you use as a valued subscriber:

- a) Agree
- b) Disagree
- c) Not sure

13. As a special subscriber which one of the following you expect most from your telecom operator?

- a) Privileges (e.g. Priority at customer care points, free SIM replacement, emergency credit limit)
- b) Special offers (e.g. Voice, internet & VAS)
- c) Lifestyle offers (e.g. Discounts at shops, hotels, restaurants, banks)
- d) Special invitations (exclusive events, music & movie show)

14. Which of the special benefits for subscribers are attractive to you? (Can tick multiples)

- a) Discounts at various purchase points (restaurants, hotels, banks, shopping houses)
- b) Special offers on voice, internet & VAS

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- c) Getting invitations to exclusive events (movie show, music show, visit, dinner etc.)
- d) Priority treatment at customer care points (over phone, Customer care)
- e) Discount in special numbers
- f) Emergency credit limit
- g) Free SIM replacement

15. For Loyalty program: Are you eager to upgrade your status (e.g. from gold to platinum plus)

by increasing usage and tenure?

- a) Yes
- b) No

16. What are your expectations from loyalty programs?

- a) Quality
- b) Quantity
- c) Ease of use
- d) Easily available
- e) Easy to understand

17. Influence of privileges/priority services and special offers will make me stay long loyally with this telecom operator –

- a) Strongly agree
- b) Agree
- c) Neutral
- d) Disagree
- e) Strongly disagree

18. Current delight offers sent through SMS (Discounts at shops, restaurants etc.) can encourage repeat purchase in the future –

- a) Strongly agree
- b) Agree
- c) Neutral
- d) Disagree
- e) Strongly disagree

19. Special reward and priority treatment from the company can make me emotionally attached with the brand –

- a) Strongly agree



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- b) Agree
- c) Neutral
- d) Disagree
- e) Strongly disagree

20. In case of loyalty program, which telecom will you prefer?

- a) Grameenphone
- b) Banglalink
- c) Robi
- d) Airtel
- e) Citycell
- f) Teletalk