

**COMPARATIVE ANALYSIS OF BANGLALINK:
IN PERSPECTIVE OF BANGLADESH**

Submitted To

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Sub: Submission of Internship Report on "Comparative Analysis of Banglalink: In Perspective of Bangladesh"

Dear Sir:

I am pleased to say that I have completed my assigned internship at Banglalink. My report focuses on the comparative advantages of the main mobile operators in the country in reference to Banglalink, a comparatively new player in a mature industry.

It has been a huge learning experience for me and I have enjoyed preparing this report and look forward to answering any queries you may have.

Sincerely,



Sala Uddin Ahmed
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ACKNOWLEDGMENT

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

First, I must express my gratitude to **Mr. Imran Mustafiz**, my faculty advisor, who helped me choose a topic that was of interest and could be of use to my organization. His guidance in helping me to separate the important and necessary details from the unnecessary certainly helped me to stay on the correct track (and reduced my work somewhat).

My heartfelt gratitude and respect goes to my supervisor at the organization **Mr. Miah Md. Rashedul Hassan** and **Mr. Saif Uddin Ahmed (Executive, Corporate Sales)**. Their guidance during my first few weeks of exposure to the work force had been invaluable and helped me to learn a great deal more than I could have otherwise learnt. Mr. Rashed assigned responsibilities to me and allowed me enough latitude to do it my own way and learn for my own self.

I would also like to thank all the employees of Banglalink who helped learn the ropes during this period. They have been extremely cooperative and willing to help at all times, especially my Corporate Sales team members. The team had been extremely wonderful and as is with a relatively new organization, we all learned to deal with difficulties and processes together and helped each other out. Without them, I do not think the experience would have been as great as it had been.

EXECUTIVE SUMMARY

The telecom industry of Bangladesh is, at the moment, experiencing accelerated growth. According to one telecom analyst, Abu Saeed Khan, the growth curve may resemble a “hockey stick” by the end of 2006.

All credit this fact to Orascom’s acquisition of Sheba Pvt. Telecom in September 2004. Considering its track record, people knew that the newly formed Banglalink™ would shake the market somehow.

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

With the amount of promotion AKTEL is doing, it is also likely that it may overtake the industry leader soon and occupy the star position (200% growth rate compared to GP’s 109%)

If one studies the comparative analysis of the market, it can be seen that GP has already built brand equity among its subscribers. Thus far, it has been able to hold on to its leadership without doing very much. However, this is likely to change soon with the other telecoms taking steps to increase their market share by keeping the consumers in mind. Already people are using a Banglalink SIM as it has lucrative tariff rate and other value added services. The company has the expertise and background to pull off that kind of a game.

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LIST OF ACRONYMS

AOA	Articles of Association	O&M	Operation & Maintenance
ARPU	Average Revenue Per User	OTH	Orascom Telecom Holdings Ltd.
ATOB	Association of Telecom Operators in Bangladesh	PBTL	Pacific Bangladesh Telecom Ltd.
BCG	Boston Consulting Group	PCO	Public Call Offices
BSC	Base Station Center	POSM	Point of Sales Materials
BTL	Bangladesh Telecom Limited	PSTN	Public Switched Telephone Network
BTRC	Bangladesh Telecom and Regulatory Commission	SAF	Subscription Agreement Form
BTS	Base Transceiver Station	SD	Security Deposit
BTTB	Bangladesh Telephone & Telegraph Board	SIM	Subscriber Identification Module
CC	Customer Care	SingTel	Singapore Telecommunications Ltd.
CDMA	Code-Division Multiple Access		
CLIP	Caller Line Identification Presentation	SMS	Short Messaging Service
DRC	Democratic Republic of Congo	TIL	Telecel International
DS	Direct Sales	VAS	Value Added Services
EDGE	Enhanced Data GSM Environment	WAP	Wireless Application Protocol
FDI	Foreign Direct Investment		
GP	GrameenPhone Ltd.		
GPRS	General Packet Radio Service		
GSM	Global System for Mobiles		
GSMA	Global System for Mobiles Association		
IPO	Initial Public Offering		
ITU	International Communication Union		
IVR	Interactive Voice Response		
M2M	Mobile-to-mobile		
M2M+	Mobile-to-mobile plus		
MMS	Multimedia Messaging Services		
MOA	Memorandum of Association		

Chapter: 1

INTRODUCTION

*"Bangladesh is well suited for OTH's [Orascom Telecom Holding] ongoing expansion into emerging markets, and our preparation for the challenges of providing top quality services nationwide is solid. We are confident that Banglalink™ will repeat the success story of Mobilink in Pakistan."*¹

— Mr. Naguib Sawiris, Chairman and CEO

It was with these statements that Orascom launched its first package in Bangladesh that they had hoped to rock the telecom industry. However, neither their competitors nor the public had needed these words to convince them that Banglalink™ would be bringing them a great offering. Ever since Orascom bought off Sheba (Pvt.) Telecom in 2004, people had been expecting something big, given their record of accomplishment in other countries.

The present economic system is characterized by globalization and free flow of information across the countries. Most of the countries are trying to accept this idea for the development of their economic wheel and accommodating mere overseas for this purpose. By having, access to information and communication network the economic participants at micro and macro level can be benefited. This idea is not limited to developed countries but it is more appealing to the developing countries whether there exists a gap between the demand & supply.

In 2005, a telecommunication industry research institution published that Banglalink is the fastest growing mobile company in the world. Obviously, this is a proud for Bangladesh. Being a part of this company, I am really excited. Since OTH started its business in Bangladesh, the company had hoped to rock the telecom industry. As the

¹ Press Release on the occasion of Banglalink™'s launch on February 10, 2005

telecom industry is growing very rapidly in our country, Banglalink is keeping pace with this growth. Since its subscriber growth rate in 2005 was 2825%.”Quite Surprising!”

Bangladesh is obviously well suited for Orascom Telecom Holding’s ongoing expansion into emerging market. Banglalink is well prepared for taking the challenges for providing top quality services nation wide. Banglalink provided many innovative ideas in telecom industry for the last year and still keeping its promises.

Before entrance of Orascom Telecom Holding in Bangladesh, there was a monopoly market. As soon as this company came, the tariff rate decreases drastically which was very much desired by our people. Therefore, Orascom is not only a mobile company but also a blessing for our country.

Though Banlalink is a multinational, company it’s branding created an image to our grass root people. I should say, It need not to recognize Banglalink by its’ name but only seeing the brand logo.

1.1 SCOPE & OBJECTIVE

Telecommunication is very much comprehensive & complex industry. It deals with different areas to capture the market & it requires huge promotional activities to survive. More over they have to come up with different innovative ideas to have a position in the market. Thus, it is observed that the study covers a broad spectrum such as product, price, promotion, govt. regulation etc. The study will focus on Banglalink only among the other companies operating in the industry. Based on the above facts this specific objectives of the study is as follows

- To give an overview of Telecommunication industry in Bangladesh.
- To give an insight into the product of Banglalink.
- To give the administrative procedure of Banglalink.
- To deal with the performance of the company.
- To give a comprehensive study with the other companies in the market.



1.2 METHODOLOGY

The study is based on primary and secondary data. Information has been collected from different published materials such as annual report, Newspaper, books and periodicals, internet etc. Financial analysis has been done by using appropriate mathematical techniques. Primary source consists mainly of personal observation during the attachment period. Interviews with the sales people at direct sales booth & direct interaction with customers helped in conceptualizing what customers are looking for. Frequently asked questions from customer gave an idea as to what they considered were important factors & not just, what the telecom companies thought were important.

Secondary information came mainly from websites, mainly the official website of the telecom companies. A few articles on newspaper also helped in the collection of information. Data used this report are mostly updated till date. The mass-market data are updated based on standard package. Moreover some data are given here are the approximate value of the calculation.

1.3 CONSTRAINT

Several information regarding on going projects could not be used to analyze further competitive positioning of Banglalink, as they were considered confidential. As I was working for Banglalink, I could not interview employees from its competitors, as would have been the case normally, and had to rely solely on information available to the public. Some of the data used this report is not recently updated and some factors are being hid by the company.

Chapter Summary: Not only the developed countries but also the developing countries are good market for telecommunication companies. In this condition, Bangladesh is obviously a huge and attractive market. As OTH focuses on expanding their business in Muslim countries, they discovered a potential market in our country. Both secondary & primary sources had been explored to grab data for the report. However, some limitations were faced which were negligible.



Chapter:2

Introduction to the company

Name: Banglalink™

Location: Headquarter in Dhaka, Bangladesh.

Historical background: Banglalink™ is the latest addition to the GSM family of OTH.

Naguib Sawiris, Chairman and CEO of OTH, announced the acquisition of Sheba Telecom (Pvt.) Limited with a cost of US\$60m in September of 2004.

Parent company

Orascom Telecom Holding S.A.E (OTH), one of the most dynamic telecommunications company in the world, was established in 1998. Originally an Egyptian company, headquartered in Giza, Egypt, now operates in more than 10 countries and has grown to become the largest and most diversified GSM (Global Systems for Mobile Communications) network operator in the Middle East, Africa and Asia. With nine licenses covering the region, Orascom Telecom has positioned itself as a leading telecommunications conglomerate in emerging markets of this region. In fact, most of its companies are leading the industry in the countries they operate, notably Mobilink in Pakistan. It is also the largest capitalized company on the Cairo & Alexandria Stock Exchange.

Orascom is a conglomerate of three different companies:

- ▶ Orascom Construction Industries,
- ▶ Orascom Technologies, and
- ▶ Orascom for Hotels and Tourism.

However, Orascom Telecom is a holding company that owns and runs several mobile GSM networks across Egypt, the Middle East, Africa, and the Indian subcontinent. A Part of Orascom Telecom is publicly traded on the London and Cairo Stock Exchanges and the Sawiris family in Egypt owns the remainder of shares in the company.



Banglalink™ - Be mobile, B'linked

Within five years from the date of its inception, OT established strong presence in the GSM Association (the world's leading wireless industry representative body), represented by Chairman and CEO Mr. Naguib Sawiris, who was selected to join the GSM Association's CEO Board since 2003. OT will have a strong impact on the multi-billion dollar global wireless network business, and will help guide the strategic planning for the future of the industry in the world.

The Sawiris family, of Egypt, owns the majority stake in the company (56.9%). Orascom Telecom Holding is a leading player in the Cairo and Alexandria Stock Exchange where it is traded under the symbol (ORTE.CA). On the London Stock Exchange, its GDR is traded under the symbol (ORTEq.L). OTH's IPO raised US\$320 million during the year 2000, and was the largest offering on the Egyptian Stock Market at the time.

The above operational facts indicate the following market share:

Table 1: Orascom's market share

Country	Brand name	Market Share
Algeria	Djezzy	73.0%
Pakistan	Mobilink	63.8%
Egypt	MobiNil	53.5%
Tunisia	Tunisiana	29.4%
Iraq	Iraqna	100.0%
Bangladesh	Banglalink	12.0%
Congo Brazzaville	Libertis	36.8%
Zimbabwe	Tel Zim	31.0%
Democratic Republic of Congo	Oasis Telecom	5.1%



Information about Founder

Name of the founder(s): Orascom Telecom Holdings (OTH) group.

Characteristics of founder(s): Orascom Telecom Holding S.A.E. ("Orascom Telecom") is a leading mobile telecommunications company operating in nine emerging markets in the Middle East, Africa and South Asia.

Established in 1998, the company has acquired nine operating licenses in this region. With nearly 520 million people and an average mobile telephony penetration of only 5% falling under these licenses, Orascom Telecom has positioned itself as a leading telecommunications conglomerate in the emerging markets of this region. The organization has managed to build an amazing subscriber base of around 15 million in just a short span of six years by the end of 2004.

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

Mission and Vision

Mission statement: "to reduce the total cost of ownership of buying and using a mobile phone. Moreover, to achieve this vision, the company has established some values that it tries to instill in its employees. They want their employees, and the company as a result, to be straight forward, reliable, innovative and, above all, passionate."

Vision: "understand people's needs best and will create and deliver appropriate communication services to improve people's life and make it easier".



Chapter: 3

TELECOMMUNICATION INDUSTRY IN BANGLADESH

No other communication device except mobile has kept so much impact in Bangladesh. In every aspect of our life mobile plays a very important role in our country. I should say, mobile company has brought socio cultural change in our country. On the other hand, it plays an important role in economical sector.

There are five-telecommunication companies in our country. The main reason for such a small numbers is the regularization of the industry by the government. There is also a new company from Middle East (Warid) is ready to launch their product in Bangladesh very soon. For years, the Bangladesh Telegraph & telephone board (BTTB) had been the sole player in the market. Bangladesh telecom limited(BTL) was the first entrant in this market backed in 1989 when it was awarded a license to operate cellular, paging and other wireless communication networks been renamed to pacific Bangladesh telecom limited and given a brand name Citycell Digital to it's cellular services. After that, Grameen Phone, Aktel and Banglalink has entered the industry with various changes in between BTRC has formed Teletalk Bangladesh Ltd. on behalf of the mass public. Meanwhile, the industry is also set with licenses to operate PSTN or fixed phone lines in the upcoming months.

While the market for mobile phones, specifically, has been growing steadily since its introduction back in 1993, in the past 18 months the market has more than doubled, growing from 1.5 million subscribers in early 2004 to 4.2 million at the end of 2005.

At this stage, with market penetration being less than 2% in a population of 140 million people, there is great potential for expanding subscriber base in the country. However, in Bangladesh, as well as in many other emerging markets, operators concentrate on raising the ARPU (Average Return per Unit), which is an appropriate strategy for developed markets where the mobile market has been saturated. In emerging markets, operators



should concentrate more on acquiring new subscribers and on obtaining a greater pie of the market share.

Over the last two to three years, the number of mobile subscribers in Bangladesh has been doubled on an annual basis. If the government is able to continue the deregulation process and more mobile operators are licensed, it is predicted that there will be around 25 million mobile subscribers in the country by 2007.

Following tremendous growth in the country's mobile phone industry over the last few couple of years, Bangladesh, despite of being a developing country, is not far away from reaching remarkable phone users by the end of year 2015.

In Bangladesh there are some impressive mobile operators here, the country also has a pool of brilliant software developers, apart from having a positive rate of economic growth as well as a progressive government. As Bangladesh is 'one of the key markets,' no doubt, growing high and it is heading towards the right direction.

The government can support growth through making legislative framework, developing infrastructure and preparing tax-free mechanism.

3.1 GRAMEEN PHONE LTD.

GrameenPhone is at present leading the industry with 10 million subscribers out of a total market size of 20 million (approximately). It plans to provide network coverage to 90% of the market by the end of the year.

Grameen Phone At a Glance	
Parent Company	Telenor (Norway)
Date of Launch	March 26, 1997
Subscriber	10 million
Growth Rate	109%
Market Share	55%



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The company was formed through a joint venture between Telenor, a leading Norwegian mobile company, and Grameen Telecom, a not-for-profit organization established by Professor Dr. Yunus. More than 60% ownership belongs to Telenor.

3.2 AKTEL

Telecom Malaysia International Bangladesh (TMIB) Ltd. was formed through a joint venture between Telekom Malaysia Berhad (70% equity interest) and A.K. Khan & Co. Ltd. back in 1996. They launched their mobile service, branded AKTEL, in 1997.

Having recently stepped up all its promotional campaigns, AKTEL can proudly boast of 6 million subscribers in its network and the second position in the industry.

AKTEL At a Glance	
Parent Company	Telekom Malaysia
Date of Launch	In the Year 1997.
Subscriber	6 million
Growth Rate	200%
Market Share	26%

3.3 BANGLALINK

Banglalink is the latest addition to the GSM family in our country. It started its business by the acquisition of Sheba Telecom (Pvt.) Limited with a cost of US\$60m.



banglalink™
A Telenor Telecom Company

The company aims to make a difference in the lives of the people. Its vision is to “understand people's needs best and will create and deliver appropriate communication services to improve people's life and make it easier”. Their mission is, therefore, to reduce the total cost of ownership of buying and using a mobile phone. Moreover, to achieve this vision, the company has established some values that it tries to

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instill in its employees. They want their employees, and the company as a result, to be straight forward, reliable, innovative and, above all, passionate.

As Sheba Telecom, the worst performing network operator in the industry, the company had only 30,000 subscribers. To dispel this image, OTH had re-branded Sheba as Banglalink™ in an attempt to give it a completely new image.

With that kind of a reputation at its disposition, the Banglalink™ management has placed one of the highest priorities on improving its network. In this respect, they have installed state-of-the-art equipment from Siemens and Huawei and brought in over 1,000 people, including experts, from 15 countries around the world to set up the required infrastructure. The system took a record of four months (less than half the normal time) to build. In 2005 alone, Orascom invested \$120 million, earmarking close to another \$300 million for future investments.

While Banglalink™ started out quite small, it has increased its coverage from 9 to 23 districts in just over three months. Moreover, in less than only four months, it increased 400,000 subscribers from a mere 30,000 in February before the launch.

3.4 CITYCELL

CityCell was the first mobile operator to enter the country, was back in 1989 when Bangladesh Telecom Limited got a license to operate cellular, paging, and other wireless communication networks. However, in February 1996, the company was renamed as Pacific Bangladesh Telecom Limited (PBTL) and the CityCell brand launched, just one year before GP.



CityCell At a Glance	
Parent Company	Pacific Bangladesh Telecom Limited
Date of Launch	In February 1996
Subscriber	1.1 million
Growth Rate	9.75%
Market Share	5%

While the market share of CityCell is nothing to be proud of, it is true that CityCell is behind many of the features we take for granted from our operators. For example, it was the first company to introduce the 15-second pulse rate, a long time before the pulse war began. Moreover, it was the first ever operator to introduce off-peak rates, SMS and IDD/NWD for pre-paid subscribers.

Singapore Telecommunications Limited (SingTel) bought 45% equity interest in the company, with an option to buy 60%. Thus, CityCell may turnaround and make a come back very soon.

3.5 TELETALK

Teletalk formally introduced on December 28, 2004. The company will release 2.5 lakh SIM cards in the first phase, out of targeted 10-lakh connections that would be sold by mid 2007.

While there were many people willing to purchase this line due to the lower tariff it promises, there were two problems associated with the company. First, it did not provide any interconnectivity with the other private mobile operators. Second, the formation of Teletalk may be under question. There is an ongoing litigation against Teletalk in the public interest. According to the AOA and MOA of the company, it seems that the public own the company and not the government. If the case goes in their favor then, it can continue business as usual. Right now, they have interconnectivity with other operators.

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Chapter Summary: Within few years, the telecommunication industry in Bangladesh expanded dramatically. There are five telecommunication companies are operating their business in this country. All middle class people in Bangladesh can afford a mobile phone now, as start up price has been decreased much than before. If the rules of Bangladesh government can be formulated as more flexible, then opportunity of telecommunication industry will enhance. Despite of the intervene government rule the growth rate of this industry is remarkable.



Chapter-4

PRODUCT AND SERVICES OF BANGLALINK

4.1 PRODUCTS AND SERVICES

Telephone sector is a service-oriented sector. Banglalink offers various types of new and innovative telephone services to both the urban and rural people of Bangladesh during the last two years. The mobile-to-mobile service, the pre-paid service, the PCO services are among its largest innovations. Besides these largest ones Banglalink also introduced a number of value added services like the cricket update service, international roaming facility, Voice Mail Service, Text Mail Service, I-Bubble, Song dedication services etc.

The company is the pioneer in most of its services. Handsets or the phone-set and the SIM Cards are the only physical products provided by the company. Banglalink as able to reach telephones in many remote areas of the country and connects those areas with the foreign countries. The prime services provided by Banglalink are broadly customized in the two types- the post-paid service and the pre-paid service.

Product offering & Pricing

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

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



Pre-paid Packages

Banglalink currently has two pre-paid packages. They are Desh and Ladies First. Both of these packages are of two types. They are M2M, and standard. M2M means calls can be made to any other mobile, Standard connection has T&T incoming and outgoing facility. The package Desh and Ladies First has competitive advantage through tariff and the number of FnF.

Post-paid packages

There are quite a few number of post-paid packages. They are Call and Control, Upperclass, Commercial User, PCO etc. There are subdivisions in all those packages.

The Call and Control package has two divisions. M2M and Standard. Recently management has decided not to sell the M2M package. The key feature of this package is that, the user will be able to enjoy the benefits of Postpaid but will be paying their bill via pre-paid scratch cards.

Upperclass is the core post paid package of Banglalink. For taking the connection the user has to pay TK 150 and needs to pay a deposit of more than TK 1000. This deposit will determine the Talktime credit limit of the user's connection. Commercial User is purely designed for the user's who wants to use the SIM for commercial purpose.

Corporate Package

The corporate package of banglalink named "Enterprise" has been the latest addition of the overall banglalink packages. The package has very attractive features and are usually targeted to any company who can provide the photocopy of their trade license and utility bills. It has best banglalink package terms of their benefits like tariff compared to the other banglalink packages. The key features of the package is given below:



⇒ Features in “Enterprise” package

- ❖ **Lowest** call tariff among the existing operators.
- ❖ Special discount on connection fee.
- ❖ Special waiver of monthly fee.
- ❖ **Lowest** call rate to any Banglalink numbers.
- ❖ T&T incoming **FREE**.
- ❖ **Lowest** SMS charges
- ❖ **3 FnF numbers** to any operators
- ❖ **Free** Golden numbers upon availability
- ❖ **Free** monthly itemized bill
- ❖ **Free** retrieval of Voice Message Service
- ❖ I – Miss (Missed Call Alert)
- ❖ I – Bubble (Voice Message Service)

⇒ Special services in “Enterprise” package

- ❖ **Zero** Security deposit for the connections
- ❖ **Unlimited credit limit** for the connections
- ❖ International Roaming facility up to 111 countries with 251 Operators
- ❖ **Waiver** of Security deposit for International Roaming
- ❖ International SMS facilities in 170 countries among 640 operators
- ❖ **SMS Broadcast** to unlimited numbers with a cheaper SMS rate
- ❖ **Fax and Data** Service
- ❖ **24-hour** prompt customer service for one stop solution
- ❖ **Dedicated Account personnel** to meet your specific needs and ensure faster service
- ❖ Dedicated customer inquiry number.



Others

Apart from the sale of connection, Banglalink™ dealers and the Direct Sales team sell scratch cards for their pre-paid subscribers and handsets, as long as it is sold with a connection since the company does not earn any profit from the sale of handsets alone. Now the company has stopped selling the SIMs with the handsets.

The scratch cards are of 4 denominations: Tk. 50, 150, 300 & 600 with unlimited validities. The range of handsets was also very limited. There were sets from Motorola, Alcatel, Siemens, LG, Panasonic and Nokia. Now there are no hassels about handsets.



Tariffs

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

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

At present, with so many packages and special offers from the telecom companies, most people are frustrated and confused, especially with the billing system. People are used to calculating their billings in terms of tk per minute. But with so many options, people, these days, spend more than half the time in calculating which packge, on what day, and at which time would give them the maximum benefit. With this in mind, Banglalink™ introduced a new pre-paid tariff rate which simplifies matter considerable by just stating how many minutes a person can speak with which scratch card.



Place

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

For proper availability of the product there are distributors. The distributors have more than a hundred dealers working for them, with the number increasing regularly.

Sales also takes place from the DS Booth attached to the Customer Care Center. Currently there are only five booths, they are in Chittagong, Khulna, Sylhet and Dhaka. These booths are run and managed by the employees of the company itself.

Packaging

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

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

Promotion

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

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

4.2 Special Offers

Launch Offer: The initial offer with which the company launched its operation was the Tk. 3,400 package. The package contained one pre-paid M2M connection, six scratch cards worth Tk. 1,800 and a handset. The offer came as a bang in the mass market. While people had expected something big from the time OTH announce the purchase of Sheba Telecom, this offer was big and exceeded many expectations. People would start lining up from early morning and stayed as long as necessary to get the connection. Often the line would extend all the way from the 4th floor, where the DS booth is located, to the 2nd floor. Daily average sales had been around 350-400 connections per day at the booth.

The offer had been in line with the company's mission to reduce the total cost of owning a mobile, which it had identified as the biggest barrier today impeding the development of an emerging market. Thus, the attractiveness came from the price of the handset, which came to somewhere around Tk. 1,500 and had nothing to do with the actual product itself, i.e. the SIM card. Since network problems still existed, many customers, more often than not, threw away the SIM or gave it away and just used the handset.

This is evident from the fact that sales had significantly dropped after the end of the offer (April 30, 2005). Daily average sale was around 10 connections per day at present from the DS booth. And ever since the end of the offer, the company has not introduced any new offer that is in line with their mission to reduce the total cost of owning a mobile.

MGM: (Member-get-Member) This offer was launched on March 29, 2005 and continued for two months and was available to only purchases from the DS Booths. The objective of the offer had been to build loyalty amongst the existing post-paid subscribers and boost sales of the launch offer.

For post-paid subscribers to avail this offer, they would have to introduce a pre-paid customer to Banglalink™ (maximum of two). This would result in a discount of Tk. 800 from their monthly airtime bill for each person they introduce. The offer had been of moderate success and introduced more than 2,500 pre-paid subscribers to the network.



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

Habib CD: This promotional was a limited offer, launched on May 1 last year, until stock lasts. Under this scheme, for every pre-paid connection purchased, a customer would get Habib' Moina Go CD. What makes the offer special was that the album had been copyrighted by the company and was therefore available only with Banglalink™ connections (pre-paid). The popularity of Habib's first two hit albums (Maya and Krishno) had helped to attract the attention and raise the interest level of this third one (Moina Go).



1000 SMS free: The 1000 free SMS offer had been instigated just one to two days after the big launch of Djuice from GrameenPhone. It effectively undermined their Tk. 1 per message tariff, which was supposed to have been an immense attraction to customers.



The offer was only available to pre-paid customers and was valid for six months during which period the subscriber must be activated at all times. It had been observed that many subscribers keep Banglalink™ pre-paid SIMs now-a-days as a second SIM, which they use to send messages. While this earns very little revenue, it helps to build



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customer equity and will promote continuous use of the SIM once the network is improved.

Lifetime validity: Now Banglalink is offering life time validity for recharge any amount starting from TK 10. This offer ends up the validation period for scratch card and I'top up recharge. This is a point of difference where every other operators have limitation for their card recharge.

International SMS at Tk. 2 only: This is a promotional offer for three months, starting May 16th. The rate has been kept same as national SMS rates to induce more usage of the service. However, it may or may not change after the promotional period is over.

Recent Offer for Desh prepaid package

- ☐ Tk. 0.29/min (banglalink to banglalink) applicable for all banglalink connections
- ☐ Tk. 0.99/min (to any mobile from 12 am to 9 am) is applicable for only banglalink pre-paid desh connection
- ☐ Tk. 1.96/min to any mobile from 9 am to 12 pm remains unchanged for banglalink pre-paid desh connection
- ☐ FnF charge: tk. 0.99/min (to any mobile from 12 am to 9 am)
Tk. 0.29/min (banglalink to banglalink from 12 am to 9 am)

Outgoing FREE with incoming calls

10% bonus talk time free on the total incoming calls received that month on banglalink desh connection from any operator

e-ISD

With e-ISD, it is possible to make international calls to 25 countries at economy rates.

Process: dial '012' + country code + tel. no.



4.3 Marketing Communications



Figure 1: Five consecutive

On the morning of February 10th 2005, when Banglalink™ first announced the release of its first ever offer, the streets were all lined with Banglalink™ banners. There were posters all over the place and ads in most prominent newspapers. Some newspapers carried an advertise of Banglalink™ titled “All you need to know about...” and below it the logo of the company. While the communication materials had not been as impressive as one would have liked, it had achieved visibility like no other brand. For all its promotions, Banglalink™ uses newspaper ads, posters & leaflets.

For retail Outlets and the DS booth decorations, buntings and danglers are used. Communications of significant nature are broadcast on TV. A common theme run

Banglalink Pre-paid Package DESH:

The most recent pre-paid package came into market with a bang. The customers for the first time got to talk at a low tariff of TK 2.5 only, further after it has been reduced to Tk 1.96 only. The response was crazy. Total sales hence revenue further boosted.

The recent tag-line in the TV-commercials of Banglalink is (translated into English) “Wherever there is a will to change there is Banglalink”. The commercials of the Fisherman and another commercial consisting of the Sub-urban girl trying to make a difference has caught the heart of many.

Value Added Services

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

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

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

**Table 2: Value Added Services**

VAS	Description	Charge
Call Forwarding /Diverting	This allows subscribers to divert their calls to another number of their choice, when they cannot either answer the phone themselves or their SIM is taken out of the mobile and another one put in, in its place	Free
Call Waiting/Holding	This service allows subscribers to accept calls from a caller while talking to another.	Free
Call Barring	Callers can choose to have certain numbers barred which would prevent the caller from coming through the line. The service is provided upon request by a subscriber.	Tk. 300 ²
CLIP	This feature allows subscriber to see the identification of the caller on the display before answering. This is a standard feature provided by all operators.	Free
Itemized Bill	Banglalink™ can provide its post-paid subscribers with an itemized bill, either monthly or on demand. Some cases it has provides free of charge.	Tk. 100 ³ (monthly) & Tk. 115 (on demand)
Voice Mail Service	This acts as an answering machine when a subscriber is: <ul style="list-style-type: none"> • Unreachable • Engaged in another call • Not in the mood to answer 	Normal Airtime Charge
Short Messaging Service	It allows subscribers to send text messages to other subscribers of Banglalink™, GrameenPhone & AKTEL.	Tk. .99/message
SMS Push-	Subscribers can receive the latest jokes, quotes, cricket & weather	Tk.

² The highest rate charged in the industry

³ Lowest in the industry



Pull	updates, horoscopes, emergency numbers, send for taxi cabs through their Push-Pull services.	2/message
Premium SMS	Subscribers can download ringtones and logos by sending an SMS to 444	Tk. 9/download
T-Adda/Conference Calling	Through this service, subscribers can talk to more than one caller (connect up to 10 callers, depending on handset) at the same time. It is similar to having a group conference, just this is on the phone instead of face-to-face.	Normal Airtime Charge for each person connected
SMS Adda	This is similar to chatting online, where a subscriber can enter a chat or adda room and send messages to all the people in the room or to one person in the room.	Tk. 2/message
SMSemail	With an unique ID, such as 0191xxxxxx@banglalinkgsm.com, the subscriber can send & receive e-mails from anywhere and any address in the world.	Tk. 2/message
International SMS	A subscriber can send SMS to 171 countries & 640 operators around the world	Tk. 2/message ⁴
GPRS	A subscriber will be able to surf the Internet via this VAS. This will be launched by the end of December.	Charge is not yet set

From the very beginning, Banglalink™ has been committed to making mobiles affordable and innovative. Their first launch offer not only made mobile owning more affordable from Banglalink™ but from all operators as well.

⁴ Subject to change after 3 months.



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

Chapter Summary: Banglalink has a wide range of product, which are selling in the market. The ratio of selling pre-paid & post-paid is 90:10. Banglalink Frequently offers new products to grab the market. It has huge range of VAS (Value Added Services) which are frequently used by subscriber like song dedication, international SMS, news update, jokes etc. Banglalink is always innovative in offering product & service to its customer.

Chapter: 5

FUNCTIONAL ADMINISTRATIVE DEPARTMENTS

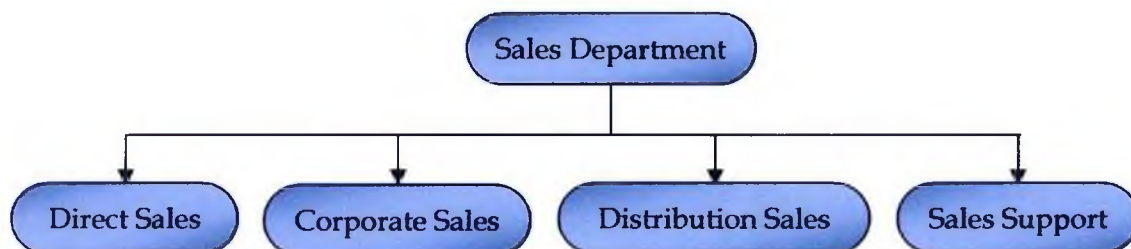
There are approximately eight functional departments in the organization. The functions of these departments are described in the following sections:

5.1 SALES

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

5.1.1 Distribution Sales: This is the largest team in the department. Consisting entirely of male employees, this department is responsible for managing the activities and ensuring that sales targets are met by the company's six distributors (Lipro, Asimpex, Butterfly, Propel, Deens & Deshlink). They are also responsible for ensuring that these distributors and all the dealers operating under them are following the policies of the company with regard to promotions, package offerings, branding, pricing etc. Hence, the team works mostly outdoors and report to the office in the evening or early morning for completion of any paperwork.

Flow Chart: 1





5.1.2 Corporate Sales: Corporate Sales is a relatively small team compared to direct and distribution sales. They are yet to launch any packages, although they have recently started selling to public call offices (PCO) through Flora Computer Systems.

5.1.3 Direct Sales: This is the largest team in the department, consisting of more than 20 employees. This department is dealing with the sale that is directly dealing with the customer.

All the other operators sell their products solely through their dealers, and more recently some have added selling activities to their Customer Care activities, but are yet to make it a separate entity similar as is in Banglalink™.

5.1.4 Sales Support: This team is the smallest of all the four teams. Nevertheless, they form an integral part of the department by providing logistical support to the other three teams. Thus, they have to maintain liaison with the Procurement Department; Kallol Group, our scratch card distributors; the warehouse, where all POSM and handsets are stored; the Ring and OrasInvest (wholly own subsidiaries of OTH who provide the company with SIM cards, SAF and other logistical support.

5.2 MARKETING

The Marketing team also consists of several teams, which includes PR & Communications, VAS, Loyalty & Retention and International Roaming. The teams all report to Omer Rashid, the Marketing Director.

The Loyalty & Retention team is responsible for the designing of the special offers launched from time to time in an attempt either to increase customer base or to increase ARPU. The VAS division is responsible for the continuously adding valuable services to provide a complete solution to existing customers, for example, for making conference calling & ring tone/logo downloads possible. These two teams together are in charge of making the customers experience with our network more satisfying.

PR & Communication is responsible for designing and developing all promotional materials for the marketing of any new product/package and any other activities. They coordinate and work directly with the advertising agency and other vendors. While other companies have an entire department for promotions and branding, at Banglalink™ this division, consisting of only a handful of people is responsible for this task.

5.3 HUMAN RESOURCES

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

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

5.4 CUSTOMER CARE

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

While the above departments are all located in the headquarters in Gulshan 2, the Customer Care people are divided between the head office and the Call Center.



5.5 IT & BILLING

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

5.6 ADMINISTRATION

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

5.7 FINANCE

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

5.8 TECHNICAL

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

Chapter Summary: Banglalink has eight administrative divisions. Main functional divisions are like Sales, Marketing, Finance, Human Resource, Technical etc. CEO (Chief Executive Officer) heads all the divisions. Each department has a manager to supervise all the activities of respective department. Strategic decisions are come from the top management.



Chapter: 6

6.0 Assigned Job during Internship Period

I had the opportunity to complete my internship from one of the fastest growing telecommunication sectors, Banglalink. The duration of my internship was from 21st January to 20th April' 2007. I was assigned to work in corporate Sales Department, a division of Sales department. In this department, I have performed as a regional and booth coordinator. I also had look after the administrative part of these two sectors. Besides working these two sectors, I performed other duties as and when was required by the company. The responsibilities that I had during this period and my overall findings in my observations are briefly given below.

6.1 Description of the Job

As I worked in two sectors, my responsibilities were as follows.

- ✓ Performed duty as a regional coordinator where I need to maintain communication with Rajshahi, Khulna, Chittogong and Sylhet region for their SME selling.
- ✓ Performed as booth coordinator where I was continuously looking after their sales and other requirements.
- ✓ As a coordinator, I need to prepare two daily reports one is for five direct sales booths and other one is daily regional BDO sales report. I also maintained a regional financial report.
- ✓ Maintaining internal and external (Customers/ Employees) communication with BL direct sales booth
- ✓ Synchronizing sound communication among BL booths and SSU, CCD, CMU, IT
- ✓ Handling crisis communication/ pressure situations
- ✓ Worked as a member of **strategic sales Wing** (Back Office, Sales)
- ✓ Keeping Inventory track record of DS Booth and strategic Sales unit.
- ✓ Monitoring & justifying product requisition from DS Booth
- ✓ Deliver product for the booth requirements and DSA product requirements



6.2 Specific Responsibilities of the Job

Being an intern, I performed different activities. Beside these, I had some specific responsibilities authorized by the respective department. These are given below.

- ✓ The position I have been worked is a permanent position for intern so from the very first day I had my specific responsibility and duty.
- ✓ I have worked under the supervision of Mr. Miah Md Rashedul Hasan, assistant manager, corporate sales. During my working period the most important thing I have learned from him is that how to manage people and how to make to work done through others.
- ✓ Daily combined sales reporting, I' top up Balance transfer for sales booth and some administrative work was included in my job responsibility.

6.3 Different Aspects of Job Performance

Internship period is very important as well as sensitive for a student throughout his/her career life. Coping with a very different environment, adjusting with the organizational culture and custom is an all through challenging task. As this is the beginning of a professional life, one must complete this period with full devotion and attention. The success of an intern reflects his/her attitudes towards the responsibilities he/she will have in future. Keeping all the views in mind, I have tried best to perform my assigned duties wholeheartedly. I would like to highlight some of the important aspects of the jobs I performed.

- ✓ As a regional coordinator, I need to deal with four regions except Dhaka. At the end of every day I got the SME sales report from each four region then I need to accumulate it and preparer the final report that is need to send to my manager.
- ✓ As a booth coordinator, I got daily sales report at the end of each day, prepared the combined sales report, and then send it to my manager. As for booth



requirements I was sends them I' top up balance and maintain a repot for I' top up issue and distribution.

- ✓ I also was the responsible for the administrative part for both region and booth. They also informed me about their needs and requirements and it was my responsibility to take necessary steps for these.
- ✓ As a member of strategic sales, I also work in back office to support our team. Stock maintenance for strategic sales and send the ARF to the activation team was also included is my job at the last month of my internship period. However, it was not my responsibility but I have attended two sales calls. I intentionally attended their for the purpose of learning. It was a great experience for me to attend those two sales calls. I have learned how to deal with people and how to focus our product towards our customer.

Working in BanglaLink is a great experience for me. I have had some good experience as well as some bad experience. Nevertheless, my overall learning has enriched my knowledge and working capability in telecommunication sectors. I believe this experience will add some unique value for my further career. Some odd job was also included in my job. I believe that every intern needs to do this for the purpose of learning. At the end, I am happy to make some changes in the working process and this thing gets me relaxed form some odd jobs.

6.4 Critical Observations

The observations that I have regarding my job is as follows,

- ✓ Bureaucratic problem: bureaucratic problem is the main concern for make work being delayed. Most of the cases every department has some bureaucracy. Only for this reason, some process takes long time to be done. There are also some people those inefficiency and irresponsibly causes other people suffer.



- ✓ Problematic process flow: there is lots of work process in BL, which could have been done better in a very simplified way. One example I can give here is that the product lifting for DSA product. Here I was assign for lifting the product from warehouse and than deliver the product to booth. In this regards, the dealer could directly lift the product from warehouse but the process was not like that. In that case, I told the total problem to my manager and other manager to sales support department and then they took necessary steps to solve this problem.
- ✓ Lack of Training for BDO's: Business development officers (BDO) are working in the root level for the SME selling. Total number of BDO is 207, working in the different region in the country. Their educational level is not so high and experience of selling is very low. Most of the month SME target has not been fulfilled. In that case, training program for BDO might enhance the total SME selling.

6.5 Recommendations

Based on my overall observation throughout the internship period, I would like to forward some suggestion as follows.

- ✓ There is big difference between my internship expectation and reality. Students should given some idea before they go for internship. The people who already have completed their internship can attend seminar arrange by the university. This will help the students to cop up with new professional environment.
- ✓ In Banglalink, interdepartmental communication should be improved. Strong interdepartmental communication will help banglalink to enhance its performance and help to run swiftly.
- ✓ There is some procedure in banglalink those are critical, unnecessary and time consuming. These procedures should be change and need to find some simplified way to make the job done.



- ✓ I found some dissatisfied employees. Most of the cases employee satisfaction is the key for the success of any organization top management should more concern about employee satisfaction.
- ✓ Intern student should keep in mind that they are representing their university in the organization. In that case, they may need to cool and soft minded, they also need to deal the fact very smartly.

Chapter Summary: The job I have performed there is some good or odd job on this part. I have taken all of this as my learning experience. The students those who are yet to do their internship need to talk other students who already have completed their internship. Everywhere their will be enormous work pressure for the interns but they need to manage every thing.



Chapter: 7

EMPIRICAL ANALYSIS OF BANGLALINK

The launching of Banglalink's operation has shaken the cell phone market by its inaugural offer with very attractive handset price and low connection cost, which were the main entry barriers for new subscribers to enter the base of mobile telephony. In addition, by launching with attractive offers and promises of quality services, the company has brought about many positive changes and most important one is the competitiveness it has brought in the market and helped fostering the pace of the growth of the sector, which is ultimately boosting the new company's growth as well. After launching of Banglalink on February 10 2005, every thing is get going as planned and the company is satisfied with its performance and pace of growth.

The company was launched with a network connecting key cities and towns in nine districts only for providing quality network facilities and within three months the company has expanded its network in 25 districts and till date it has covered 61 districts, 425 thanas & 88% population. World famous telecom solutions and networking firm Siemens has inked a 50 million dollar networking contract with Banglalink and now is working on setting up the high-tech network base across the country.

Banglalink is offering the most affordable connection with a mobile-to-mobile connection. Moreover, Banglalink has introduced International SMS for the first time in Bangladesh as just a one-year-old company where as the other operators who are here for years have failed to introduce it at the beginning. Also as a first company Banglalink has brought in entertainment based value added services like 'SMS Adda' which is a Internet based chat service, conference calling for pre-paid



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subscribers what the other operators first offered only to post-paid customers. More over voice telephony services, unlimited validation of cards, very consistent inter-connectivity with other operators and BTTB that are very fine in terms of high quality because of the brand new network and the technology behind it.

Grameen Phone and Aktel - has reduced their package prices, extended validity time of cards, handset prices have also come down as the volumes of trade has gone up and the overall expenditure of subscribers have decreased significantly and the overall market have grown and a reduction of prices have seen in all areas. Moreover, all these happens because the entrant of Banglalink in the market.

Banglalink could offer the most attractive inaugural package so far with very low handset prices because the company had a plan for that and it had to provide subsidies for the handsets and the sets were not tax or duty free. And the Banglalink's target was remove the initial barriers to expand the market first and make mobile telephony affordable to mass people by cutting the overall costs and handset prices even and no other operators had earlier focused on this point.

In addition, competition could be seen on newspapers advertisements the operators are putting in everyday, though there are lack of clarity on those advertisements. Because there are highlights on one thing and footnotes say something else and making readers totally confused about actually what is on the offer. But Banglalink is very clear in their advertisements about what's on the offer to the point and always prefer to it's communication very clearly stated to avoid misunderstanding, said the marketing guru of the new kid on the Bangladesh's mobile market.



7.1 PERFORMANCE OF BANGLALINK IN THE LAST YEAR

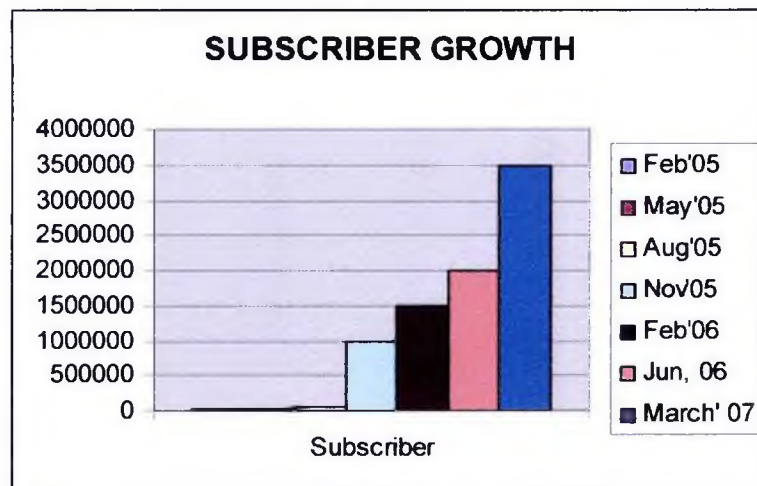
7.1.1 SUBSCRIBER GROWTH

Banglalink started its operation with a client base of 30000 by offering a lucrative package with handset. Up to August 05, subscriber increased slowly. However, after offering new package client base increases dramatically in Nvember'05. Moreover, at the end of the February, it comes up with a client base of 1500000, June 06 it reached 2000000 and at the end of March 2007, it reached 3.5 million.

Table: 3

Month (Quarter)	Feb'05	May'05	Aug'05	Nov'05	Feb'06	Jun, 06	March' 07
Subscriber	30000	42000	50000	1000000	1500000	2000000	3500000

Graph: 1





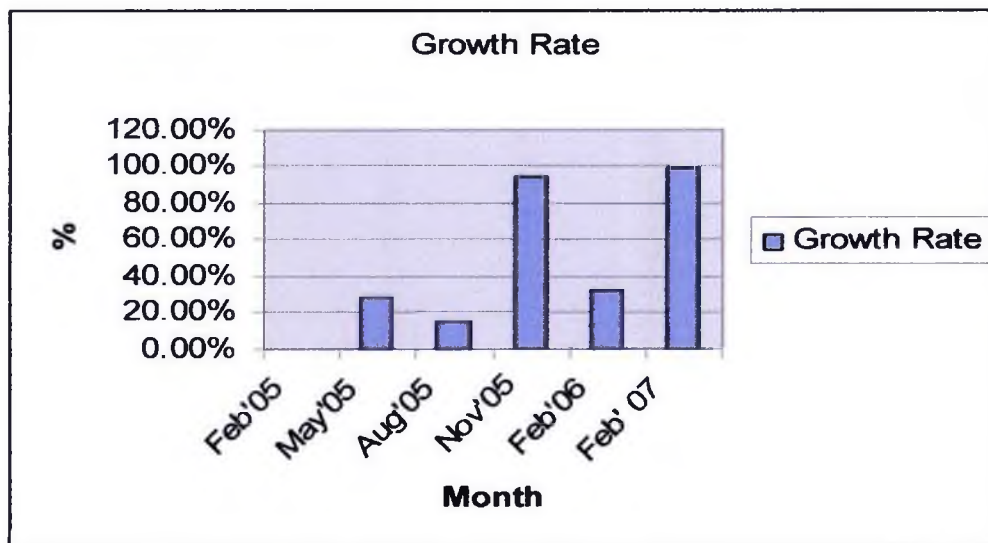
7.1.2 GROWTH RATE

The growth rate of Banglalink is quite surprising. In the month of May, it was 28.57%. In addition, after few months it becomes 95.00% in November'05. Every month it is growing with a rapid pace. The growing rate was high in the first quarter in this year. Graphical representation is given bellow.

Table: 4

Month (Quarter)	Feb'05	May'05	Aug'05	Nov'05	Feb'06	Feb' 07
Growth Rate	0.00%	28.57%	16.00%	95.00%	33.33%	100.00%

Graph:2



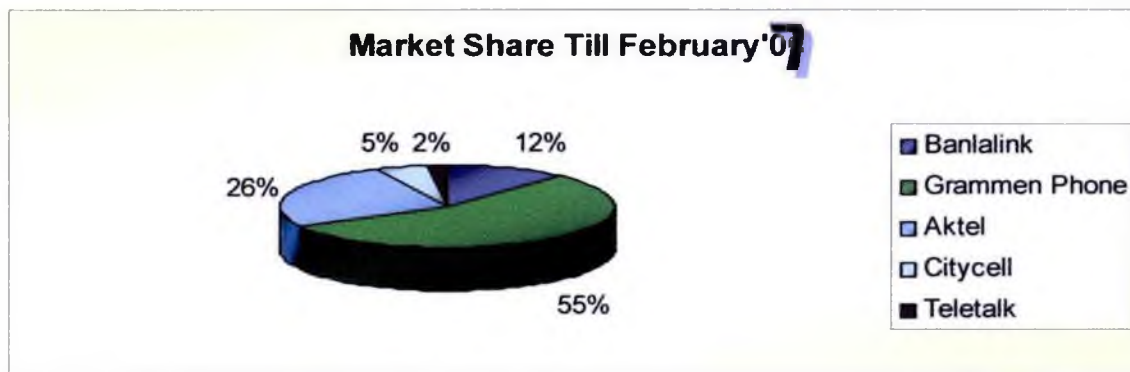
7.1.3 MARKET SHARE

Grammen phone is in the leading position in terms of market share. They possesses 55% market share where as Aktel has 26% and Banglalink has 12%. Citycell & Teletalk has respectively 5% & 2%.

Table: 5

Operator	Grameen	Aktel	Banglalink	Citycell	Teletalk
Market Share	55%	26%	12%	5%	2%

Graph: 3



7.2 PERFORMANCE ANALYSIS BY PORTER'S FIVE FORCES MODEL

In the past two years, the competitive environment in the telecom industry has become intensely competitive, with not only constant special offers and new value added services, but also with new and bigger entrants, and their aggressive marketing.



The following sections describe the competitive environment in the industry using Michael Porter's five forces model.

7.2.1 THREAT OF INTENSE SEGMENT RIVALRY

Ever since, OTH publicly announced that it was buying 100% equity interest in Sheba Telecom Ltd. the industry has been on shaky grounds. Suddenly all telecom companies stepped up their promotions.

Until even several months back, the telecom companies had enjoyed secured positions in the market and were sitting back, relaxing on their laurels. GP never did anything to reduce their charges for their consumers; rather they introduced several packages, almost every one of them containing different benefits and various tariff plans. Hence, all they managed to do is confuse its clients.

While they have not changed much in the past few months, they have certainly started to take the consumer in mind with their Djuce package, which not only has arranged concerts for its loyal customers (mostly young people) but also added "Xtra Khatir" among its campaign that allows them to get discounts in various exclusive restaurants.

Since the end of 2004, AKTEL has stepped up all its promotional activities and become aggressive in its campaigns. Suddenly, it is now more visible and more people are now aware of the brand. In fact, if GP did not have a clear lead in the number of subscribers, AKTEL could have quite easily caught up with them at the rate that they are going. On the other hand, customers are often disappointed with the network's performance as messages are often delivered or received late; and calls are often unsuccessful or dropped frequently.

With the purchase of 45% of CityCell from PBTL by Singapore Telecommunications Limited (SingTel), few months back and with an option to



purchase up to 60% total, rivalry from this corner of the field may also increase soon. However, now it is not doing very well and is constantly on the receiving end of complaints about bad network. Moreover, being the only CDMA operator in the country, people are hesitant to buy a CityCell connection since it means that they have less flexibility and cannot change their connection when they want, as is the trend now, without having to buy another handset. In addition where Warid is yet to launch it is also a big threat for the other company.

Teletalk, having launched its package quite recently is already in the midst of several scandals. Firstly, it did not have any interconnection with the other private mobile operators. However, even before that becomes an issue, there is a question of whether the very formation of Teletalk is legal. In its memorandum & articles of association, it states that the people own the company and not the government. So this puts into question whether BTTB's mobile phone license and its subsequent transfer to Teletalk is legitimate.

7.2.2 THREAT OF NEW ENTRANTS

Having doubled the number of subscribers in only a year, people are slowly realizing the potential of the mobile industry. With the mobile telephony penetration in the country being somewhere around merely 1.56% in a population 140 million people, there is a huge potential for obtaining and increasing market share.

This is quite evident from the number of foreign investors eyeing Bangladesh as a place for potential investment. First, Telenor, a leading Norwegian company owns a majority stake in GrameenPhone, and Telecom Malaysia went into joint venture with AK Khan Telecom to form AKTEL. Then OTH, the leading telecom provider in the Middle East purchased 100% equity of Sheba Telecom and renamed it Banglalink™ and now SingTel buys a huge chunk in CityCell. Warid is a UAE



based company getting their license to operate their business in Bangladesh is about to launch their product. All existing companies are planning their strategy to defend Warid and industry may have some possibility to further reduction in price.

7.2.3 THREAT OF SUBSTITUTE PRODUCTS

Mobile telephony is a technological product where researchers are constantly innovating ways to improve and make modern lifestyle convenient. Hence, mobile phone operators are constantly under the threat of being replaced by new technology.

Moreover, Banglalink™ is one of the four operators in the country who provide services using GSM technology (CityCell being the only one using CDMA technology). AKTEL & GP had both introduced GPRS in their services. GP also introduced EDGE technology few month back, which runs on higher frequency and capable of video streaming and providing MMS services. Hence, unless Banglalink™ can move onto higher frequency levels, it is under threat of being replaced by operators who can.

At the beginning of the last year, BTRC approved the licenses of 19 private companies to operate PSTN lines, which will enable them to provide fixed phone lines similar to BTTB in all regions of the country.

7.2.4 THREAT OF BUYERS' GROWING BARGAINING POWER

With the market potential in Bangladesh just having been discovered by potential foreign investors, it is likely that customers can expect to see more changes in the industry, with many more players fighting for market share. This will give them opportunity to choose from a number of packages from any operator they wish. Moreover, with prices coming down significantly everyday and switching cost

coming down, Banglalink™ would not only have to worry about expanding customer base but also worry about maintaining the number that they do have.

7.2.5 THREAT OF SUPPLIERS' GROWING BARGAINING POWER

For Banglalink™ the effect of suppliers is minimal. The company gets all its supplies from OTH itself and need not worry about supply shortage or increasing cost of supplies. The supplies come directly to Ring Bangladesh, a wholly owned subsidiary of Orascom, from where the company gets its supplies when required.

Until about several month ago, the suppliers bargaining power had been great, since it had been government regulation that a network operator cannot sell a SIM alone but must sell it with Handset. However, with the withdrawal of the regulation, Banglalink™ no longer has to dependent on handset manufacturers and accepts any or all price demanded by them.



7.3 PERFORMANCE ANALYSIS BY BCG Matrix

Although the BCG model has been traditionally used for analyzing a portfolio of SBUs for a single organization, this report looks at the mobile industry using an extended version of the BCG model⁵.

Table 6: Market share & growth rate of industry players

Mobile Operator	Market share (million)	Growth rate	Position
GrameenPhone	10	109%	Star
AKTEL	6	200%	Question mark, moving to the left
Banglalink™	3.5	100%	Question mark
CityCell	1.1	9.75%	Under-developed
TeleTalk	.47	45%	Outside of matrix
Industry Total	21.07		—

Analysis

GrameenPhone had become a leader, a *star*, in the market soon after it entered the industry. While it took the company nearly 10 years from its start in 1997 to build a subscriber base of 10,00,000, the company has been growing fast since then.

While AKTEL has been in the market as long as

Year	Achievement
2002	775000
2003	1.16m
2004	2.4m
2005	5.5m
2006	10m

⁵ Anwar, S.F and et al (1998)



GrameenPhone has, it had failed to take the aggressive growth strategies that GP had used from the beginning, such as heavy promotion to build brand loyalty. It grew quite slowly and tried to improve their technology and network slowly without creating too much hype. However, AKTEL has stepped up its promotional activities and is fast gathering more and more market share. Hence, with an impressive growth rate of nearly 200%, this *question mark* may become a **star** not too far in the future.

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

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

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



With only .47 million subscribers, Teletalk has a relative market share that falls below 2% and hence does not fall into any of the quadrants. Moreover, while the growth rate of Teletalk indicates that it may overtake CityCell soon, with the litigation, it is under, and expansion plans of CityCell, it is still in question.

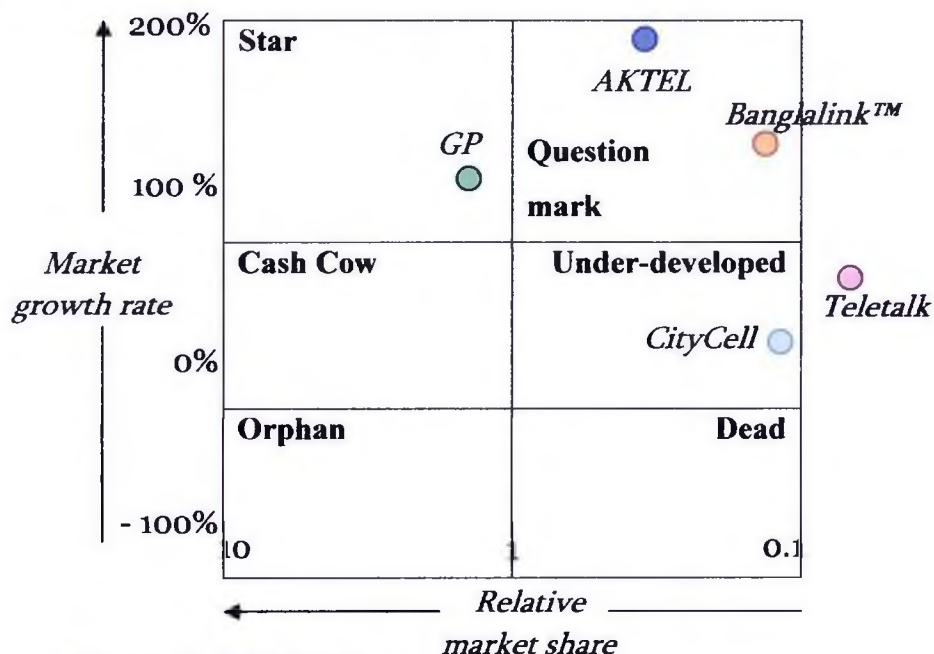


Figure 2: BCG Matrix

7.4 Market Analysis

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

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



7.4.1 Market Characteristic

As mentioned earlier, the market more than doubled in the past year and is continuously growing. However, the requirement of the various customers is not the same. A market analysis of the cellular phone industry in China, divides today's cell phone users into four segments. Table 6 describes the characteristics of these segments in terms of Bangladesh.

Table 7: Market segmentation

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



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



			Habib's <i>Moina Go</i> CD is also for this category considering his first two hit albums among this segment.
Social-Life Lovers	<p>Willing to pay for top brands, but will also wait for price drop; Yield easily to sales promotion.</p> <p>While they are attracted by lower prices, they are more induced by products that would help them stay connected with friends and families.</p>	<p>With more and more people owning mobile phones, this segment is growing steadily and makes up a significant portion of the users.</p>	<p>Operators in Bangladesh are now on the verge of a price war, mainly due to this segment. Reduced connection fees, peak & off-peak rates and lower pulse are all for the benefit of this segment.</p> <p>The Fun Dose service from AKTEL is perfect for this category.</p> <p>It is for this segment, the Banglalink™ first introduced the Tk. 3,400 package. The 1000 free SMS promotion is also for them. Furthermore, we had the Mother's Day promotion & international SMS to UN peacekeepers for them. T-adda is a perfect value added service to help them stay in touch with one another.</p>



7.4.2 Growth Potential & Trends

With the mobile telephony penetration in the country being less than 2% where there is a population of 140 people and only about 900,000 own fixed phone lines, there is a huge potential for growth. Flow of FDI investment is likely to increase in this industry as investors realize the growth potential of the market.

Moreover, as mentioned earlier, operators are now providing various packages and special offers to customers. A recent trend in the market seems to be that people now have two or three SIM cards fit into their mobiles and use them alternatively, depending on what they want to do and which operator offers the best solution to the need.

According to a special feature by DeshiMobile⁶, a leading Bangladeshi portal about mobiles & mobile operators, most people interviewed for the article were found to carry Banglalink™ as a second SIM. While these customers make their choice between GP and AKTEL when it comes to primary operator, most use Banglalink™ as their second operator. Moreover, with the company's network improving at the rate that it is and the increasing number of satisfied customers; it is possible that the company will knock down GP as the leading operator in the country in a few more years down the line.

7.5 SWOT Analysis of Banglalink

7.5.1 Strength

Huge capital investment: As mentioned earlier, Orascom Telecom has great plans for Banglalink™. Wherever OTH has gone, it has become the industry leader there or is on its way there. A possible explanation is that the organization kicks off its companies with a huge capital outlay to help get rid of or solve all the hitches. In 2005 alone, Orascom will invest \$180 million, earmarking close to another \$300 million for future investments.

⁶ www.deshimobile.com



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

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

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

7.5.2 Weakness

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

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



activities. Thus, some people have to work both for sales and customer cares though they are the employee of only sales or customer care department.

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

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

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

7.5.3 Opportunities

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

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



7.5.4 Threats

Price wars: While in the true sense it had Banglalink™ who started this price war with its M2M package, it has created a series of price cuts that many operators failed to afford. After eight years of high call charges, Grameen has finally decreased its rates. BTTB has also entered this battle with Teletalk Bangladesh Limited. With free T&T incoming and the lowest, charge T&T outgoing through its both pre-paid and post-paid package, this is sure to become popular once it has gained access to other operators' networks. Now it is a matter of thought that how long Banglalink™ can be aggressive in random price-cutting and providing services to be the market leader.

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

Chapter summary: In two year, what Banglalink has done so far is surprising. It started its operation with network coverage in nine cities. At the end of the first year, it reaches in 61 districts & covered most of the area of the country. After launching its operation in this country tariff rate decreased dramatically, which other operator charge higher before. Banglalink will go far if it can continue the business in this way. Within two year, it grabbed a good fraction of market share in our country.



Chapter: 8

COMARATIVE ANALYSIS OF BANGLALINK

8.1 COMPARATIVE ANALYSIS

8.1.1 BASED ON ORIGIN

GP was formed through a joint venture between Telenor, a leading Norwegian mobile company, and Grameen Telecom, a not-for-profit organization established by Professor Dr. Yunus. More than 60% ownership belongs to Telenor.

Telecom Malaysia International Bangladesh (TMIB) Ltd. was formed through a joint venture between Telecom Malaysia (70% equity interest) and A.K. Khan & Co. Ltd. back in 1996. They launched their mobile service, branded AKTEL, in 1997.

CityCell was the first mobile operator to enter the country, was back in 1989 when Bangladesh Telecom Limited was awarded a license to operate cellular, paging, and other wireless communication networks. However, it was not until February 1996 that the company was renamed as Pacific Bangladesh Telecom Limited (PBTL) and the CityCell brand launched, just a year ahead of GP.

Banglalink™ is the latest addition to the GSM family of OTH. Naguib Sawiris, Chairman and CEO of OTH, announced the acquisition of Sheba Telecom (Pvt.) Limited with a cost of US\$60m in 2004.

The much-awaited Teletalk caused quite a stir when it was finally formally introduced on December 28, 2004. The company will release 2.5 lac SIM cards in the first phase, out of targeted 10-lac connections under the scheme

**Table: 8**

Operator	Grameen	Aktel	Banglalink	Citycell	Teletalk
Origin	Telenor (Norway)	Telecom Malaysia (Malaysia)	Orascom (Egypt)	CityCell (Pacific Banglades h Telecom Limited)	BTTB (Banglade sh)

8.1.2 BASED ON FIRST FOOTSTEP IN BANGLADESH

City cell is the first entrant mobile company In Bangladesh. It it has started its business in 1996. After that, Grameen phone came and within few years, it grabbed most of the market share. In the same year, AKTEL launched its operation and emerged as a strong competitor in the industry. Then Banglalink came and shook the whole industry by its aggressive strategy.

Table: 9

Operator	Grameen	Aktel	Banglalink	Citycell	Teletalk
Year	March 26, 1997	1997.	February, 2004	February, 1996	December 28, 2004

8.1.3 BASED ON SUBSCRIBER

Grameen Phone is at present leading the industry with 10 million subscribers out of a total market size of approximately 20 million. AKTEL can proudly boast of 6 million subscribers in its network and the second position in the industry. Where



as banlalink is growing very fast with a subscriber of 3.5 million. Though Citycell is the first mobile operator in Bangladesh, it has only 1.1 million subscribers.

Table: 10

	Grameen	Aktel	Banglalink	Citycell	Teletalk
Subscriber	10 million	6 million	3.5 million	1.1 million	.47 million

Garph:4



8.1.4 BASED ON GROWTH RATE

Wireless intelligence GSMA have published that Banglalink is the fastest growing mobile company in the world with the growth rate of 2825 % (Information based on 2005). Now the growth rate of Banglalink is an average of nearly 100. Grameen and AKTEL are growing in a good pace. However, the performance of city cell is quite unsatisfactory.

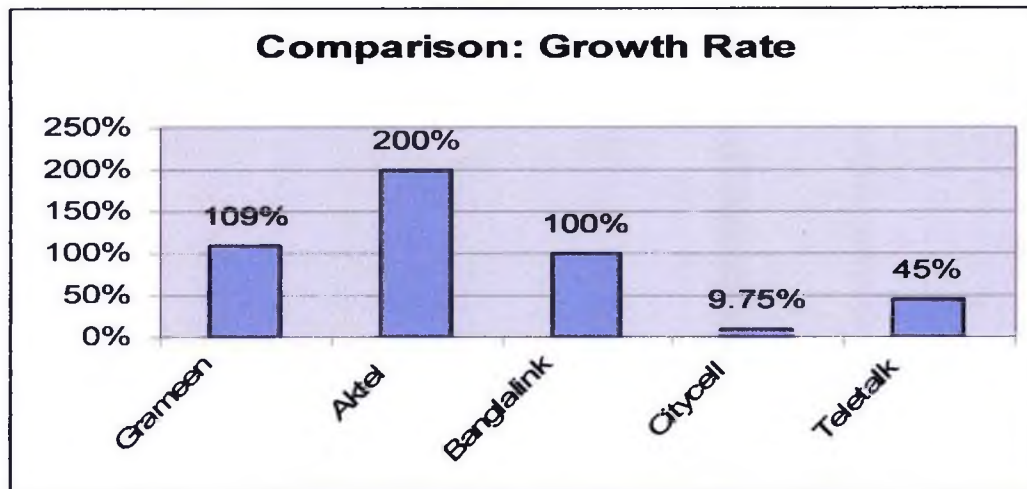
Table:11

	Grameen	Aktel	Banglalink	Citycell	Teletalk
Rate	109%	200%	100%	9.75%	45%

• Data based on last three months average



Garph:5



8.2 COMPARATIVE ANALYSIS IN TERMS OF TARIFF RATE

8.2.1 PRE-PAID

Tariff comparison of operator from other operator

Table:12

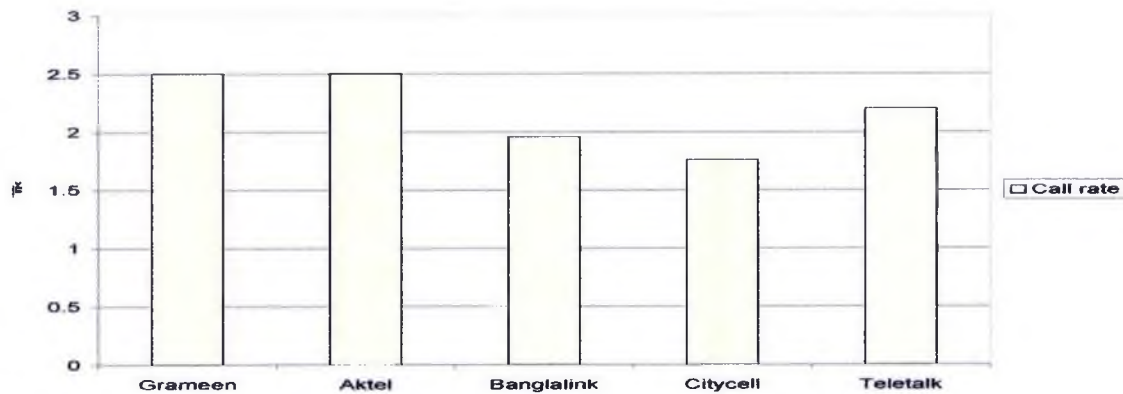
	Grameen	Aktel	Banglalink	Citycell	Teletalk
Call rate	TK. 2.5	TK. 2.50	TK. 1.96	TK 1.76	TK 2.2

* All tariffs given based on their leading package in the market.

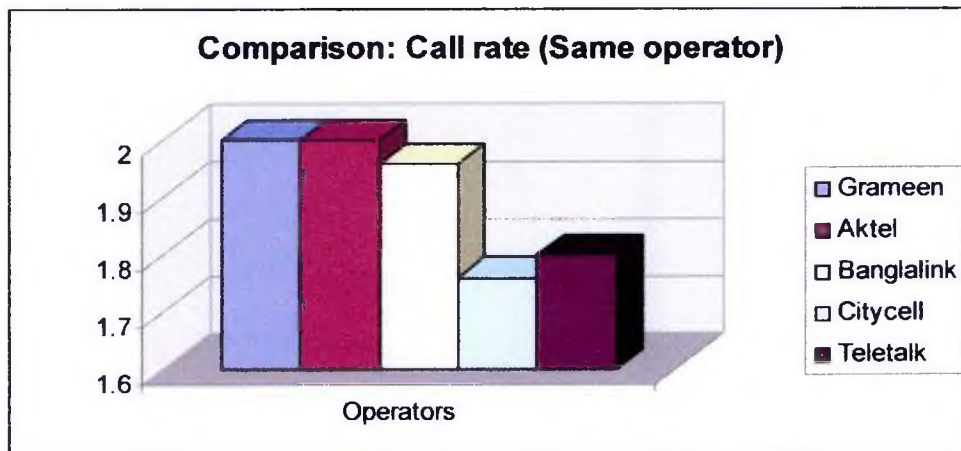
As GP is, the market leader has good network coverage they usually don't consider to tariff rate. AKTEL and GP have the same rate in general. On the other hand, though city cell recently decreased its tariff rate but for some constraint, they are not able to increase subscriber.

**Garph: 6**

Call rate Comparison

**Tariff comparison in same operator****Table: 13**

	Grameen	Aktel	Banglalink	Citycell	Teletalk
Call rate	TK. 2.00	TK. 2.00	TK. 1.96	TK 1.76	TK 1.80

Garph: 7

In this case, also, GP and AKTEL has the highest tariff rate where as City Cell has lowest. Comparatively Banglalink and Teletalk has a little bit higher tariff then Citycell charge.



8.2.2 POST-PAID

Tariff comparison of respective operator from other operator

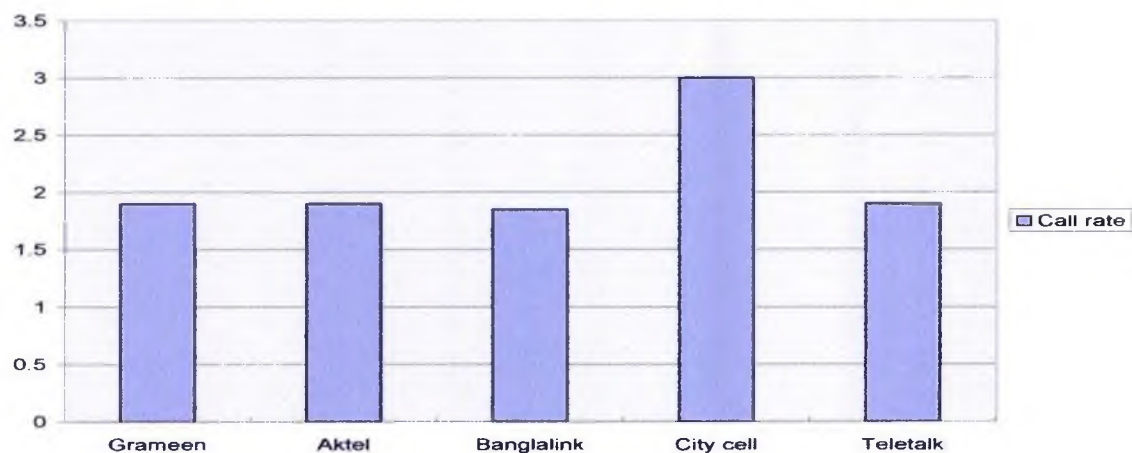
Table: 14

	Grameen	Aktel	Banglalink	City cell	Teletalk
Call rate	TK. 1.9	TK. 1.9	TK. 1.85	TK 3.00	TK 1.9

*All tariffs given based on their leading package in the market and their disclose information

Graph: 8

Post Paid Call rate Comparison (Other operator)



In case of post, paid connections Banglalink charges very competitive tariff in the market .city cell shows high but they have not give their main concern in postpaid area. As they provide CDMA technology handsets, it is working as a disadvantage for them. Teletalk charges same tariff along with GP and Aktel.

Tariff comparison in same operator

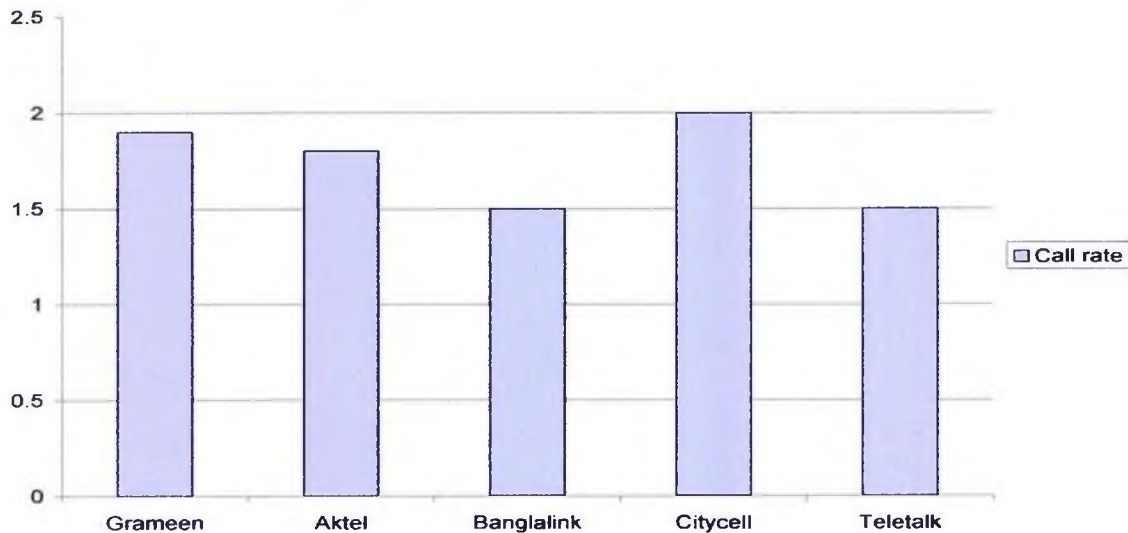
Table: 15

	Grameen	Aktel	Banglalink	Citycell	Teletalk
Call rate	TK. 1.9	TK. 1.8	TK. 1.5	TK 2.0	TK 1.5



Graph: 9

Comparison; Post paid (Same Operator)



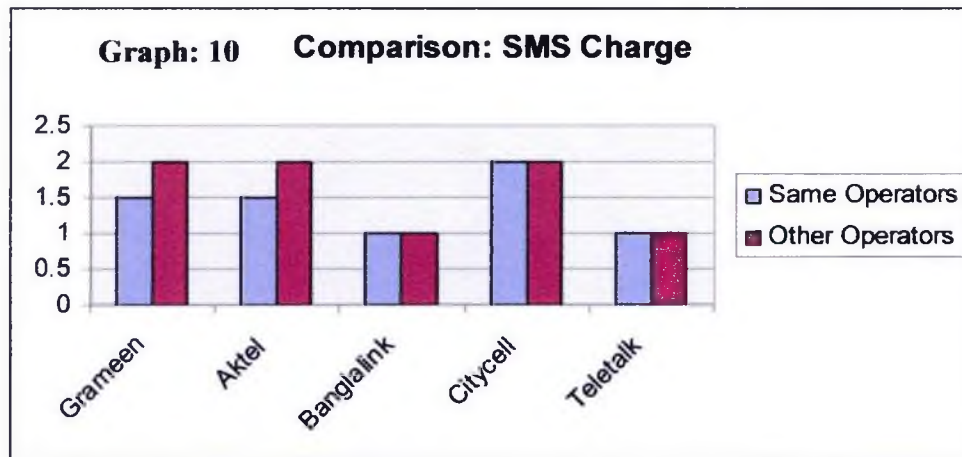
In this case, Banglalink and Teletalk offers very lucrative tariff, where as GP and AKTEL offers a little bit higher tariff. City cell has not yet revised their post-paid tariff it shows their lack of concern about their post paid product.

8.2.3 COMPARISON OF SMS CHARGE

Table: 16

Operator	Grameen	Aktel	Banglalink	Citycell	Teletalk
Same Operators	TK. 1.50	TK. 1.5	TK. 0.99	TK. 2.00	TK. 1.00
Other Operators	TK. 2.00	TK. 2.00	TK. 0.99	TK. 2.00	TK. 1.00

*All tariffs given based on their general leading package in the market



SMS charge is lowest in Banglalink. After that, Taletalk charges TK 1.0 and other operator charges respectively high.

Analysis by some key features

Table: 16

Features	Grameen	Aktel	Banglalink	Citycell	Teletalk
Financial Strength	Financially Sound	Financially Sound	Financially Sound	Not Enough financially sound	Weak
Human Resource	Skilled human resource	Skilled human resource	Skilled & energetic human resource but small in number.	Not have enough skilled human resource	Very little human resource.
Network	Almost full	All most	Have covered 425	Recently	Very poor



Coverage	area of Bangladesh is covered	covered	thana's & 88% population of Bangladesh.	Covered most of the areas.	network coverage.
Strength of network	Excellent	Problematic network (Now trying to improve)	Rarely good (This is the major issue for complain)	Not so good	Poor.
Brand Image	Excellent, have good relations with media & channel partners	Satisfactory	Excellent	Normal	Poor
Tariff Rate	High	Satisfactory	Lucrative	Satisfactory (Prepaid only)	Was Very lucrative
Packages	xplore, Easy Smile, Djuce	AKTEL Power, Phurty, Joy. AKTEL SIGNATURE,	Desh, Ladies First, Upper Class	7 (Aalap 24, Aalap B Aalap Call Me, CityCell 500, Shabar Phone, Aamar Phone, CityCell Premium), Jonophone	2 (Pre-paid, PCO-Public Call Offer), Padma
Technology	GSM service provider	GSM service provider	Only CDMA service provider.	GSM service provider	GSM service provider

Chapter Summary: Though Banglalink has come to the market after a long time later than GP & AKTEL its performance is remarkable. Banglalink started tariff rate competition in the market. Within two year, it grabbed 3.5 million subscribers, which is very notable. Growth rate of Banglalink was 2825% in May 2005, which is published by an international telecommunication industry research institution named “Wireless Intelligence”. Call rate is very competitive in comparison to other operator. Banglalink also provide superior after sales service, which is very important for a telecommunication industry.



Chapter: 9

SUMMARY AND CONCLUSION

Mobile companies are playing an important role in our economy & have a huge impact. An international research institution has published that Banglalink was the fastest growing mobile company in the world with a growth rate of 2825%. Since Orascom Telecom Holding started its business in Bangladesh, the company had hoped to make a strong position in the telecom industry. As the telecom industry is growing very rapidly in our country, Banglalink is keeping pace with this growth. Bangladesh is obviously well suited for Orascom Telecom Holding's ongoing expansion into emerging market.

Mobile company has brought socio cultural change in our country. There are five-telecommunication companies in our country like Grameen Phone, Aktel, Citycell, Banglalink, Teletalk. Another mobile company is coming very soon to launch their business in this country. In emerging markets, operators should concentrate more on acquiring news subscribers and on obtaining a greater pie of the market share.

Banglalink offers various types of new and innovative telephone services to both the urban and rural people of Bangladesh during the last two years. The mobile-to-mobile service, the pre-paid service, the PCO services are among its largest innovations. Besides these largest ones Banglalink also introduced a number of value added services like the cricket update service, international roaming facility, Voice Mail Service, Text Mail Service, I-Bubble, Song dedication services etc.

Eight divisions are performing their respective responsibilities to conduct the whole operation of Banglalink. Important divisions are Finance, Marketing, Sales, Customer care, Technical etc.

Incase of growth of subscriber Banglalink is doing very good. Call charge is very lucrative than most of other operator. Network coverage is also satisfactory. As



Banglalink always follow to aggressive marketing within few years, it would grab the market. However, some competitors are strong enough as they are doing their business for a long time.

The mobile industry is growing at excellent pace these days. While it took the industry leader more than six years to reach its first million subscribers, Banglalink reached in this figure just in 10 month, with an annual growth rate of 2825%(2005) in the industry. Therefore, it is clear that Banglalink is the fastest growing industry in the country. However, mobile companies are doing well in their operation but it has some shortcoming also. Some people can exploit benefits by using mobile.

In a country where the mobile telephony penetration is below 2%, the best strategic move for any operator would be to concentrate on expanding the subscriber base. For this, packages such as Banglalink's launch offer and its most recent tariff plans are ideal, since like most emerging markets, Bangladesh is also a pre-paid driven market.

However, in a population where majority of the people live below the poverty line it is doubtful as to how far the companies can succeed in increasing percentage penetration. Hence, new & innovative ideas should be implemented to capture the market. On the other hand, it should be ensured that government would implement right policy to collect tax from the operators.

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Bangladesh Observer	http://www.bangladeshobserveronline.com/
Daily New Age	http://www.newagebd.com/
Bangla Link	www.banglalinkgsm.com
Grameen Phone	www.grameenphone.com
Aktel	www.aktel.com
City Cell	www.citycell.com
Orascom Telecom Holding	www.otelecom.com

➤ Interview:

- i. Tanvir Ibrahim
Head of Corporate Sales, Banglalink
- ii. Mian Mohammed Rashedul Hasan
Assistant Manager, Corporate Sales
- iii. Nasar Yousuf
Assistant Manager, Corporate Sales

Appendix

BANGLADESH IS THE WORLD'S POTENTIAL NUMBER ONE TELECOMS GROWTH MARKET

LONDON, April 20 (bdnews24.com) -- A survey carried out by an unusual collective of researchers from the Russian School of Economics, the London Business School, various colleges of Cambridge University and the Anglo-Russian telecoms investment group Altimo, comes to the conclusion that those companies, manufacturers, vendors and service providers want to make the most of the world's telecoms markets should focus on Bangladesh, India and China.

The report says southern and south-eastern Asian markets will provide suppliers with the most lucrative opportunities over the course of the next five to seven years thanks to a felicitous combination of "high projected per capita GDP growth and significant current capital expenditure".

Teijo Pankko, the finance director of Altimo says the strong growth evident in parts of the Asian telecoms is not a mere flash in the pan and that it is set to continue especially in countries such as Bangladesh, India, Indonesia and Vietnam.

Outside of Asia the report also cites Russia, Ukraine and Uzbekistan as growth hotspots. Mr. Pankko says, "Russian and Slavic countries are as social over the phone as they are over the table. And there, as soon as people have money they are willing to spend it and they just love mobile phones."

Interestingly even the US and Canadian markets are found still to possess considerable potential. The research says despite the received wisdom that North America is one of the best-served and most highly penetrated markets on the planet; the reality is that telecom density remains surprisingly low in comparison to Korea, Japan and Western Europe and that there is still plenty of opportunity out there for imaginative and determined players.

The report confirms that Western Europe is now a super-saturated telecoms market characterized by fierce competition, declining fixed voice revenues and particularly fickle and volatile subscribers with no brand loyalty whatsoever.

And, while the research points up the potential in places like Bangladesh it also warns that by no means all emerging and developing markets are as attractive. For example, it says that "many of the countries of sub-Saharan Africa offer significantly less attractive investment environment" than in other parts of the world.

According to the report the Top Five countries for telecoms investment are Bangladesh, China, India, Indonesia and Russia. Bottom of the pile – and there are some surprises here too – are Estonia, Israel, Ireland, Tanzania and Nigeria.

Martyn Warwick is the Editor-in-Chief of telecomTV in London

Tariff Plan

Banglalink

desh tariff:

"desh" tariff plan	
Outgoing	
Peak (9 am to 12 am)	
banglalink to banglalink	Tk. 1.96/min
banglalink to Others	Tk. 1.96/min
Off Peak (12 am to 9 am)	
banglalink to banglalink	29 paisa/min
banglalink to any mobile	99 paisa/min
FRIENDS & FAMILY (3 Numt ers)	
banglalink to banglalink	Tk. 0.79/min
banglalink to any mobile	Tk. 1.25/min
SMS	
banglalink to banglalink	Tk.0.99/SMS
banglalink to Others	Tk.0.99/ SMS
<ul style="list-style-type: none"> • Cricket • News • Joke 	Tk.1.00/SMS

banglalink postpaid tariff:

CALL TYPE		Peak Hour (9:00 - 20:00)	Late Night Hour (20:00 - 5:00)
Outgoing calls to	Banglalink	1.50/Min	1.50/Min
	Mobile & New PSTN	1.85/Min	1.50/Min
	T&T	1.85/Min +T&T charge	1.50/Min + T&T charge
	FnF on-net tariff	0.85/Min	0.85/Min
	FnF off-net tariff	1.25/Min	1.25/Min
Incoming calls from	Mobile, T&T & New PSTN	Free	
Other charges	SMS to Banglalink	0.75/message	
	SMS to other mobile	1.00/Message	
	SMS - International	1.62/Message	
	I' bubble	On-net tariff	1.00/2 Min
		Off-net tariff	1.50/2 Min
	VMS Retrieval	Free	
	Call Conference	As per outgoing call	

Grameen Phone

SMILE subscribers will enjoy reduced tariff of only Tk 2.0/min all day for all GP to GP calls and Tk 2.5/min to any other operator.

SMS to any GP-GP number is Tk.1.5 and to other local and international operators is Tk. 2.

Tariff and line rent

xplore Package 1 has come up with a very attractive and competitive tariff.

Range	Any Mobile	F&F	BTTB (local/NWD/ISD)	SMS Charge
Peak (6 a.m. - 11 p.m.)	Tk.1.9/min			
Off Peak (11 p.m. - 1 a.m.)	Tk. 1.50/min		Incoming: Free	F&F: Tk.0.50
Super Off Peak (1 a.m. - 6 a.m.)		Tk.1.0/min	Outgoing: GP Tariff + BTTB charge (Local/ NWD/ ISD)	GP: Tk.1.50
Tk. .30/min*				Other Operator: Tk.2.00
GP to GP only	Tk. 1.50/min			

*Promotional Tariff

Line Rent: Tk.100/month

BTTB Incoming is absolutely free for Xplore Package 1:

- 30 sec pulse in the 1st min for all numbers (including F&F)
- 15 sec pulse from 2nd minute onwards for all numbers (including F&F)
- For ISD & NWD calls: BTTB's Peak (8am - 10pm) & Off-peak (10pm - 8am) rate will be applicable for BTTB charge
- All figures are excluding VAT. 15% VAT will be applicable.

Aktel

AKTEL POWER Tariff Plan (including former Exceed)		
Particulars	Peak Hour 8am - 12mn	Off Peak Hour 12mn- 8am
OUTGOING	Tk/min	Tk/min
To AKTEL	1st - 4th min: 2.50/min from 5th min: 1.75/min	1st - 2nd min: 2.50/min
To AKTEL FnF	0.90	1st - 2nd min: 0.90/min
To Other Operator FnF	1.50	1.50
To Other Operator mobile and private PSTN	2.50	2.50
To BTTB (Local/NWD/IDD/EIDD)	2.50 + BTTB	2.50 + BTTB
INCOMING (Tk. per min)		
From Mobile and private PSTN	FREE	FREE
From BTTB	1st 5 min Free and From 6th min: 1.00/min	1st 5 min Free and From 6th min: 1.00/min

Post paid

AKTEL SIGNATURE-JOY tariff plan (for those who will activate partner SIM)			
Taka per min (excluding VAT)		Peak	Off Peak
Particulars		7am-12am	12am-7am
Outgoing (Tk/min)	To Joy Partner Number	0.70	0.70*
	To any other AKTEL	1.80	1.80*
	To other Operator	1.90	1.90
	To BTTB	1.90+BTTB	1.90+BTTB
	FnF (To AKTEL number)	0.80	0.80*
	FnF (To other operator number)	1.50	1.25
	FnF (BTTB)	1.50+BTTB	1.25+BTTB
Incoming (Tk/min)	From Mobile	FREE	FREE
	From BTTB	FREE	FREE

City cell



- Enjoy! The lowest rate of 1.76 /min to any number, any time
- Tk. 0.25/min to any CityCell number from 12 a.m. to 6 a.m.
- Tk. 0.25/min to any 1 preferred CityCell number
- 2 additional Friends & Family (FnF) numbers to any operator
- Tk. 1.00/SMS to any number
- 24 hour BTTB incoming free

Post Paid

Minimum Talk time: Tk 200/month*

Call Type		Call Charge Tk./min	
		Peak (8 AM - 8 PM)	Off Peak (8 PM - 8AM)
Outgoing	CityCell Mobile	2.00	1.00
	Other Mobile	3.00	2.00
	BTTB Local+NWD+ISD (BTTB Charges applicable)	3.00	2.00
	2 CityCell FnF numbers	0.75	
	1 Other Operator FnF number	1.50	
	On Fridays (to any operator)	1.60	
Incoming	Mobile	Free	
	BTTB	Free	
Pulse		30 sec	

VAT applicable
thereafter

*for first six months only; Tk 200/month line rent,

Teletalk

Prepaid

All rates are on per minute basis

All rates are on per minute basis

Call Directions	Whole country single zone			
	Using Hours	Peak	Off-Peak	Super-off-peak
		8am-10pm	10pm-12am 6am-8am	*12am - 6am
Out Going Calls	Teletalk to Teletalk	Tk. 1.80	Tk. 1.60	Tk. 0.60
	Teletalk to other mobiles, BTTB & PSTNs	Tk. 2.20	Tk. 2.00	Tk.1.00
	Teletalk to Overseas	Tk. 2.20+ <u>ISD & EISD**</u> Charges	Tk. 2.00+ <u>ISD & EISD**</u> Charges	Tk. 1.00 + <u>ISD & EISD**</u> Charges
Incoming Calls	From Mobile, BTTB, and PSTNs	Free		
SMS (Per Message)	Tk. 1.00			

Postpaid

Call Directions				
	Using Hours	Peak	Off-peak	Super Off-peak
		8am-10pm	10pm-12am 6am-8am	12pm-6am
Outgoing Calls (per minute)	Teletalk to Teletalk	Tk. 1.50	Tk. 1.40	Tk. 0.60
	Teletalk to Other Mobiles, BTTB and PSTNs	Tk. 1.90	Tk. 1.70	Tk. 1.00
	ISD Call from Teletalk	Tk. 1.90 + <u>ISD & EISD**</u> Charges	Tk. 1.70 + <u>ISD & EISD**</u> Charges	Tk. 1.00 + <u>ISD & EISD**</u> Charges
Incoming Calls	From Mobile, BTTB and PSTNs	Free		
SMS	Tk. 1.00 (Per Message)			