



**Internship Report**

**On**

**The Impact of Media Expenditure on Market Share in The Telecom Industry (July'13- June'16)**

**Submitted To**

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## LETTER OF TRANSMITTAL

Zaheed Husein Md. Al Din  
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### **Subject: Submission of Internship Report**

Dear Sir,

I hereby submit my internship report titled “**The impact of media expenditure on market share in the telecom sector (July’13-June’16).**”, which is a part of the BBA program curriculum. It is a great achievement to work under your active supervision.

I have got the opportunity to work in Robi Axiata Limited in Market Operation Buying department under Finance Division for twelve weeks, under the supervision of Mr. Rajeev Barai General Manager Media Operation Buying, Finance division.

This project gave me both academic and practical exposures. I learned about the organizational culture of a reputed telecommunication company of the country. Also, the project helped me by giving the opportunity of developing an interpersonal network with the corporate environment.

I shall be highly obliged if you are kind enough to receive this report and provide your valuable judgment. It would be my achievement if you find this report useful and informative to have an apparent perspective on the issue.

Sincerely Yours

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Razia Sultana Arin  
ID: 12304006  
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## **ACKNOWLEDGEMENT**

Firstly, expressing my gratitude to the almighty Allah for giving me the strength to perform my responsibilities as an intern and completing the report within the given timeframe, I am starting my acknowledgement part of the report.

I am deeply indebted to my Faculty Advisor Zaheed Husein Md. Al Din sir, Senior Lecturer, BRAC Business School, whose supervision helped me unconditionally and under his valuable guidance I have learned a lot how to cope up with all situation being an intern.

I would like to thank Office Of Career Service and Alumni Relations (OCSAR) , BRAC University and Robi Axiata Bangladesh Limited for giving me the opportunity to undergo the internship program.

I am grateful to Mr. Rajeev Barai, as my organizational supervisor to work under his direct supervision on the project “ANP Reconciliation.” I would like to thank our VP Mr. Zahed Hussein, Mr. Abu Sayed Md. Khairul Alam General Manager, Md. Imtiaz uddin, Manager, Ashok Karmokar, Manager, Reeshad Ahmed, Specialist, Anabil Adnan, Specialist and Shosoma Chowdhury, Specialist for their good advices, suggestions, inspiration and support during the internship period. I want to express my sincere gratitude and respect to them for teaching a lot of office etiquettes, corporate culture and for showing me how to deal with work and right way of communication.

Last but not the least, I also wish to thank and give the due respect to my family and friends for their cordial support and help they offered throughout the process of preparing the whole report.

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## **EXECUTIVE SUMMARY**

I have prepared this report based on my three-month practical experience at Robi Axiata Limited. This internship program helped me to learn about the practical scenario of a Telecommunication Company. Robi Axiata Limited is a dynamic and leading countrywide GSM communication solution provider. It is a joint venture company between Axiata Group Berhad, Malaysia and NTT DOCOMO INC, Japan. Robi Axiata Limited, formerly known as Telecom Malaysia International (Bangladesh), commenced its operation in 1997 under the brand name Aktel among the pioneer GSM mobile telecommunications service providers in Bangladesh. Later, on 28th March 2010 the company started its new journey with the brand name Robi. This report has been presented based on my observation and experience gathered from the company. The organization has many divisions and departments but the focus is given more on the procurement process of SCM and Market Operation Buying Department.

This report mentions about the overall media expenditure of last six months (July'13- June'16). I have made an analysis of investment in media by the telecommunication industry and based on the findings I have made a comparison for Robi with the industry. Mainly, I worked with three media: TV, Radio and Press. In addition to that I have considered following analysis: by operator investment, By channel investment, by genre time share, by publication investment, by operator by page investment, average duration in TV used by operators and average duration in FM used by operators. However, I have done the calculation and analysis with raw data of media expenditure by the industry which I got from the monitoring agency of Robi. Finally I try to give some recommendation for Robi Axiata Limited.

## **1. ORGANIZATION**

### **1.1 INTRODUCTION**

In this 21st century mobile networking is become a basic needs of our day to day lifestyle. Most of the people of our society are using mobile networking for communicating. The basic function of telecommunication is to connect people through voice transfer, text messages and via internet. Apart from this basic function, telecommunication has already started introducing some diversified areas with the help of its mobile network. Mobile technology is presently providing various cheap solutions in people's daily life. The traditional thinking of connecting people through mobile phone is far behind in comparison with the present scenario. Information technology enables telecom companies to provide economic solutions with a very cheap and easily available access which was earlier costly and not accessible to some extent.

Today, telecommunication has become a day to day necessity of the people. The number of mobile phone user is increasing day by day in our country. It is a very attractive market for the mobile connection provider. Presently there are six companies in the market. Each of them is trying to maintain and increase their market share. Among them Robi Axiata Limited is one of the leading company in the sector. Many other companies of different market have contributed a lot behind the success of Robi. I have got the opportunity to work with Robi in their Finance Department.

### **1.2 HISTORY**

Bangladesh is a developing country. Moreover, in this informational and technological era Bangladesh also go ahead with these changes of information and technology. One of the familiar information and technology is mobile networking. In Bangladesh there are many telecommunication company in telecommunication industry. Robi Axiata Limited is one of them.

Robi Axiata Limited is a dynamic and leading countrywide GSM communication solution provider. It is a joint venture company between Axiata Group Berhad, Malaysia and NTT DOCOMO INC, Japan. Robi Axiata Limited, formerly known as Telekom Malaysia

International (Bangladesh), commenced its operation in 1997 under the brand name Aktel among the pioneer GSM mobile telecommunications service providers in Bangladesh. Later, on 28th March, 2010 the company started its new journey with the brand name Robi. Robi is truly a people-oriented brand of Bangladesh. Robi, the people's champion, is there for the people of Bangladesh, where they want and the way they want. Having the local tradition at its core Robi marches ahead with innovation and creativity. To ensure leading-edge technology, Robi has the international expertise of Axiata and NTT DOCOMO INC. It supports 2G voices, CAMEL Phase II & III and GPRS/EDGE service with high-speed Internet connectivity. Its GSM service is based on a robust network architecture and cutting edge technology such as Intelligent Network (IN), which provides peace-of-mind solutions in terms of voice clarity, extensive nationwide network coverage and multiple global partners for international roaming. It has the widest International Roaming coverage in Bangladesh connecting 550 operators across 205 countries. Its customer centric solution includes value added services (VAS), quality customer care, easy access call centers, digital network security and flexible tariff rates. (Robi Axiata Limited)

With its strengths and competencies developed over the years, Robi aims to provide the best quality service experience in terms of coverage and connectivity to its customers all over Bangladesh. Together with its unique ability to develop local insights, Robi creates distinct services with local flavor to remain close to the hearts of its customer.

### 1.3 COMPANY PROFILE

**Name of the Company:** Robi Axiata Limited

**Shareholders:** Axiata Group Berhad and NTT DoCoMo

**Bangladesh Head Office:** Robi Corporate Centre, 53 Gulshan South, Avenue, Gulshan-1, Dhaka-1212; Bangladesh.

**Year of establishment:** 1997

**Industry:** Telecommunication

**Technology Deployed:** EDGE, GSM, GPRS, HSPA

**Position in the Industry:** 3rd in terms of number of subscriber and 2nd in terms Of revenue

**Network Coverage:** 99% of the population (September, 2014)

**Geographical network:** All over the Bangladesh (September, 2014)

**Major Competitors:** Grameenphone, Banglalink, Airtel

**Market Share:** 21% (February, 2015)

**Revenue:** 9.4%<sup>^</sup> in 2014

**Slogan:** Jole Uthun Apon Shoktite (Ignite the power within)

**Corporate Website:** <http://www.robi.com.bd/>



## 1.4 OBJECTIVE, PURPOSE & PRINCIPLE

### Company Objectives:

The main objectives of Robi Axiata Limited are as follows:

- Commitment towards the need of the customers;
- Maintain high form of ethical standards;
- Improve all work process;
- Improvement of employee knowledge and skill;
- Securing the quality of the services to match that of competitors;
- Maintain the brand image and position of the company.

### Purpose

The purpose statement is their ambition for future, to set a common direction for new brand, a framework for all their strategic planning.

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

The new brand is here to help people to empower and enable themselves to make a better life.

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

## Principles

Principle statements define how people want to behave with each other in the organization. The statements are about how the organization will value customers, Vendors, and the internal community. Robi also believes that no matter what they do to realize their purpose, they hold themselves accountable to the following Guiding Principles that the way for them. They are as follows:

- Being **respectful** towards everyone.
- Being trustworthy by action. Being **passionate** and **creative** in all we do.
- Keeping things **simple** in the way we do things.
- Being **ethical** and **transparent**.
- Demonstrating individual and collective **ownership**.
- Practicing an **open** culture in communication and internal
- **Emotional:** Passionate, Creative, Respectful, and Open
- **Functional:** Simple, Ethical, Transparent, and Ownership

## 1.5 MISSION, VISION AND FOCUS

### Mission:

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

**Vision:**

Robi's vision is to continuously monitor its customer's needs and to plan accordingly. It will monitor the development of technology and updated self to meet customer demand.

**Focus:**

Axiata is focusing on not just developing a talent pool for the group and its subsidiaries – but on succession planning for key positions in the Robi. Robi Leadership program focuses on seven areas of leadership skills- strategic thinking, business acumen, result orientation, customer orientation, people management, coalition building and personal attributes.

## 1.6 PRODUCTS & SERVICES

Robi offers an array of different packages. In addition to offering the fundamental pre-paid and post-paid mobile services, it offers a wide range of value-added products and services such as, SMS, GPRS, EDGE, International Roaming SMS banking, Caller Ring Back Tone, MMS, Voice Greetings, Call Blocking and Bengali SMS. Robi has got the widest International Roaming coverage among all the operators in Bangladesh.

### **Prepaid:**

Robi Prepaid has everything to offer; a single package that delivers simplicity and flexibility at the same time. Robi Prepaid is continuously adding new features and plans to provide absolute freedom to the customers. Robi has the single prepaid package with the best rates in the market. Moreover, there are different tariff plans in one package to meet different types of needs of customers. There are instant, easy & multiple migration facility from one tariff plan to another. A customer can have 5 FnF to any operator mobile with one Robi partner facility there is full BTCL connectivity with FREE BTCL incoming. There is extended and simplified refill validity for ease and freedom. Moreover, there is nationwide Easy Load facility and high-speed internet connectivity all available Value Added Services (e.g. SMS, MMS, GoonGoon, ringtone, wallpaper, games, and animation download) are available in the service. Customers can recharge their Robi Prepaid by using scratch cards and Easy Load facilities.

### **Postpaid:**

Robi also offers post-paid service; along with the various packages. Robi Push Mail is a secure, reliable and feature rich email solution at price customers can afford. Now, customers can work as if at their desktop from anywhere. Customers can know their bill information through Web Bill, E-Bill, SMS, USSD and Customer Care Center, Customers can pay their bills by following:

- Scratch Card Auto Debit Easy load Bank
- Customer Care Center

### **Value-Added Services:**

- Music-ROBI GoonGoon, radio, song dedication, listen and dance.

- Entertainment- WAP, MMS, voice portal, kid zone, cricket world.
- Downloads- Ringtones, animations, wallpapers and games.
- Internet and Data Service- Browsing pack, internet pack, modem and recently introduced 3G packages.
- Messaging- SMS, MMS, voice SMS, SMS dedication, international SMS and greetings.
- Community and Chat- Voice chat, SMS chat.
- Information Service- Breaking new alert, instant news, stock information, directory, Aroti portal, Ibadat portal, emergency helpline, haat-bazaar.
- Mobile assistance- Call block, missed call alert, phone backup.
- Education and Career- BBC janala, job portal.
- Lifestyle-Bazaar, directory, women zone.
- Finance- Stock information, M Pay, bill payment.
- Balance transfer and request.
- Call management- FnF, conferencing, call waiting, diver, holding, forward.
- Facebook
- Job alert.

### **Corporate Services:**

- The wide range of corporate packages to fulfill your needs.
- Zero security deposit with NO monthly line rent.
- Convenient bill payment options.
- ROBI Corporate insurance policy.

- Cutting edge value added service like GPRS, EDGE, Personal assistant, corporate, messaging, platform with short code, data and fax call services, call center solution, fixed rate group talk plan, customized SMS based solution.

- Friends and family.

Customer may select five numbers of any operators as his/her friends and family (FnF) and enjoy a significant reduction in tariff

- Customized credit facility:

Every single ROBI corporate family members may set their individual credit limits and alter it as per their requirement.

- Itemized Bill:

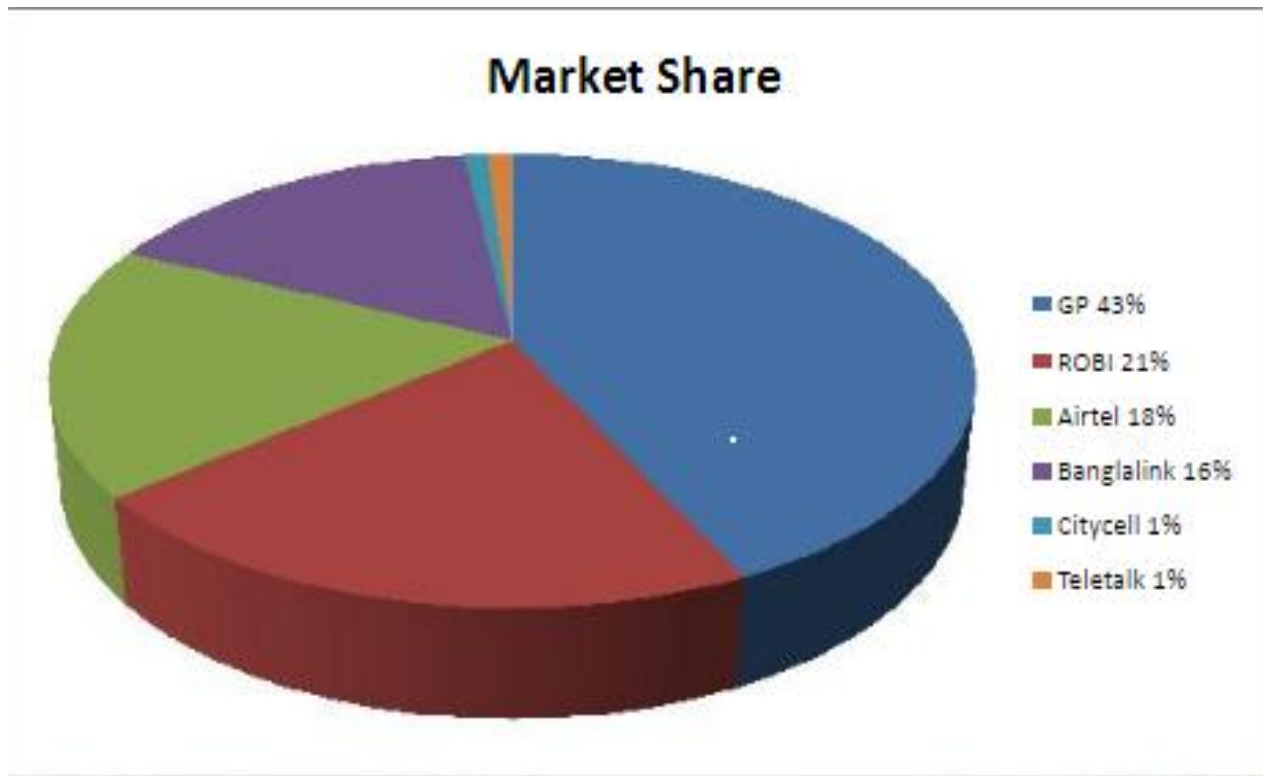
Call details including information such as date, time, duration and charge of any voice calls made can be provided.

- Dedicated corporate customer care:

Corporate Customer Care has dedicated three helpline numbers specifically equipped to serve the corporate family members and they are available. This is an ‘industry-first’.

They can be reached at 01819210952-4 or e-mail: [corporate.help@ROBI.com.bd](mailto:corporate.help@ROBI.com.bd) or fax: (+8802) 8832502.

## 1.7 MARKET SHARE



## 1.8 KEY SUCCESS FACTORS

Company's key success factors are their means to prosper in the market place. KSF includes product attributes, competencies, and market achievements with the greatest impact on future competitive success in the market.

- **Technology Related KSFs:**

Technological Innovation: Robi is the 1st Bangla SMS Service Provider in the market. Recently Robi introduced 3.5 G internet for its customers.

- **Distribution Related KSFs**

Strong network of dealers, wholesale retailers, like, Robi Customer Care Centers, Robi Touch Points, etc.

- **Infrastructure and Network Related KSFs**

Strong Infrastructure and Wide Network Coverage. Robi provides network coverage in 61 permitted districts of Bangladesh.

- **Marketing Related KSFs**

Better Product Quality and Broad Product Line. E.g. prepaid, postpaid, mobile-to-mobile, International roaming. Faster and Efficient Customer Service e.g. 24 hours helpline, customer service centers, etc.

- **Skills and Capabilities Related KSFs**

Expert, motivated and talented workforce to provide professional: Better customer service. Fastest Delivery time capability. Supply Chain Management Capabilities

- **Financial KSFs**

Strong Balance Sheet to be able to invest in infrastructure and network. Low cost provider to be able to cut price and match competitors.

## 1.9 VALUE CHAIN

The company value chain consists of the value chain of its own as well as the value chains of its vendors and its distributions channel allies engaged in getting its products or services to its end users. The competitiveness in end users market requires that the company managers understand the entire value chain system for delivering a product or service to end users of the company's own value chain.

- **Vendor Related Value Chains**

Vendors of SIM Cards, Scratch Cards And Network Providers

Company's Own Value Chains

Technical Marketing Sales and Supply Chain



• **Forward Channel Value Chains**

Alliance and Collaboration with Mobile Set Vendor,

Distributor or franchisee

Consumers and Corporate

**1.10 ORGANOGRAM**

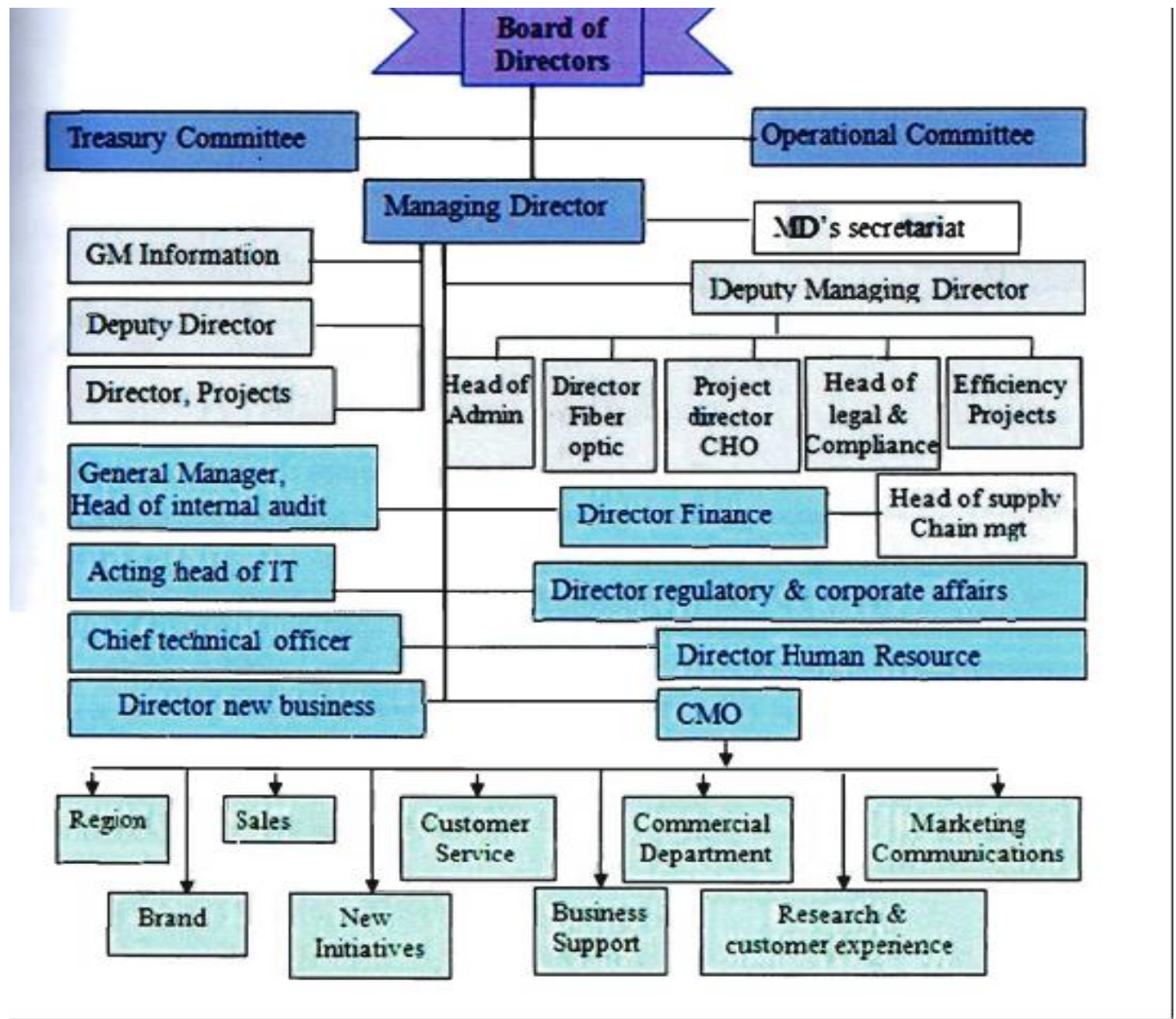


Figure: Organogram of Robi Axiata Limited

## **2. JOB RESPONSIBILITY**

### **2.1 Prologue**

I am lucky enough that I have got the chance to do my internship in a leading multinational company of our country. There are numerous and diversified ways of working if someone get chance to work in any multinational organization. Here, during my internship period, I have got this opportunity at Robi Axiata Limited.

I got the opportunity to work in Robi's Market Operation Buying department for a period of 3months. In my working period I have noticed that there are a number of departments in every division of Robi. There are not a huge number of employees in a particular department there are few members to maintain the whole working progress which is a very good management system from my point of view. It becomes easy to maintain a team if the employees are less in number. In each of the department here every task is divided into parts and each person of a team is given specific segment to complete and after the given period, all the members sit together and join each task to make a complete project. I came to learn a lot of thing which are going to help me a lot in the future long run of professional life. I came to learn about the corporate culture and professional behavior pattern of employees which is a great learning for a person in the entry level.

I have got the opportunity to under Finance division which comprises of a number of departments. The structure of Finance division is:



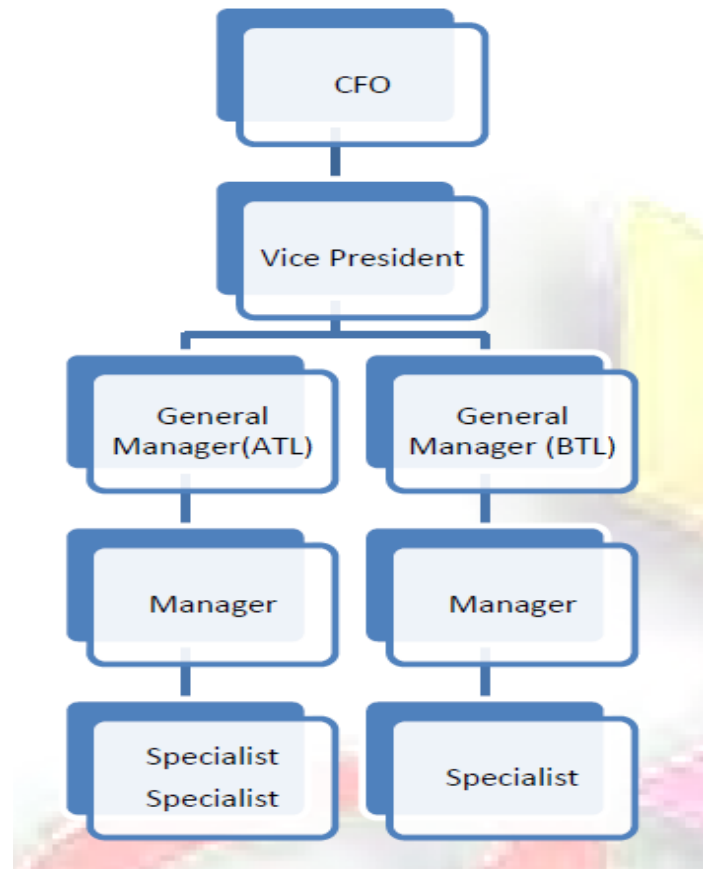
Fig: Structure of Finance Division

### **Market Operation Buying Department:**

This department was established in the year 2012. It is a small department under Finance division comprising of only 8 members. It was joint with SCM department previously but later got separated. Market Operation buying department is divided into two units, ATL and BTL. These two units undergo the commercial procurement. The procurement process of Market Operation Buying and SCM is kind of similar in nature.

ATL and BTL perform procurement for different purposes. ATL performs the procurement of TVC, Newspaper advertisement, Events, sponsorship, campaign, and out of home activities which include billboard, pole signage and site branding. Whereas, BTL performs procurement for sim card, scratch card, T shirt, diaries and other print activities.

The structure of this department is given below:



I have started my internship in MOB team in August 23<sup>rd</sup>, 2016 and still doing. We got selected from an interview session with HR personnel of Robi. After getting selected, we were called and filled up the contract papers and did all the formalities. We were contracted for three months as full time but temporary basis with pay. I have to work 5 days a week and if necessary I have to do office on Saturdays as well. The working hour is quite flexible. I can enter into office from 7:30-9 and have to stay at least till 5:30. Sometimes, I need to stay long if any emergency work is left in hand. The working environment is excellent here. Most of my team members are very cooperative.

### **Media Bill Reconciliation**

As an intern of Market Operation Buying department my core job is to reconcile the media bills of Robi. For example, I have to reconcile TV, Radio and press media bills. This job is done manually. There is customized software developed by Al Hiyal to reconcile Robi's media bills.

The planned spots are uploaded in this software by the BMC team. Robi has a monitoring agency named Ryans who monitor and send all the spot from different media. On the other hand Robi has another agency Maxus who send the bill of different media. When Ryans send the monitoring data's of the bills which are uploaded in the software, I do the reconciliation by matching up the monitoring data's with the uploaded plans. After checking the bills, I make a final feedback mentioning the missing spots and send them to Maxus. Maxus check the spots and provide clips of the missing spots to me and I finally send them to our own agency Ryans for final check. After getting Ryans final feedback I cut the price of the missing spots and settles the bill. This is the total reconciliation process for a particular bill.

In the beginning, I found it really difficult to understand the whole reconciliation process. At first it took a lot of time for me to reconcile a bill. But my supervisor really helped me a lot in learning the process. Soon I started getting the process and after a while I started enjoying the work and took less time to reconcile.

### **Vendor Database Management**

As I am working in Robi during the period of Robi Airtel merger, I made a manual database of all vendors working with MOB department to keep a track and contact with them easily in urgent basis. I made the database using Microsoft Excel and provided it to our team members.

Last but not the least; I do some instant works as well. For example, supporting my supervisor and manager in their works for any sudden situation. I took part in different knowledge sharing sessions organized by the department. In these knowledge sharing sessions our General Managers discusses about different topics related to procurement and also about modern technology in today's business world. They share their knowledge about these topics, explore their ideas and make brain storming session at the end of the session. I took part in Strategic Sourcing, Digital Transformation and Disruption and Total Quality Management session.

## **3. PROJECT**

### **3.1 INTRODUCTION**

I have made an analysis of the impact of media expenditure on market share in the telecom industry. Here, I have compared the impact of media expenditure on market share for GP, Robi, Banglalink and Airtel for the period of 3 years. Firstly, I took the invested amount of media expenditure for these companies for 3 years which I got from the monitoring agency of Robi. Secondly, I took the percentage of the market share by these companies for three years. With the data's of market share I made a growth analysis of market share for three years and tried to visualize the rate of increasing or decreasing the growth rate for the leading telecom companies. Mainly, I worked with three media: TV, Radio and Press. After that, with the data's of media expenditure I made a growth analysis of media expenditure for three years and tried to visualize the rate of increasing or decreasing the growth rate for these companies. Finally, I tried to visualize the relationship between media expenditure and market share and tried to figure out if the impact of media expenditure on market share in the telecom industry by running a regression analysis and hypothesis testing by SPSS.

### **3.2 PROBLEM STATEMENT**

Since this report is purely a quantitative research, a typical survey was not done on the given topic. The report is purely based on the analysis of media expenditure and market share of the telecom operators in Bangladesh. Graphical representations and charts have been used to illustrate the analysis. Through this report a relationship can be shown between the media expenditure and the market share of the major telecom operators in Bangladesh. Usage of different Medias to increase the market share of the operators are also shown. Therefore, it can be deduced at the last whether an increase or decrease in amount of media expenditure affects the market share of these telecom operators.

### **3.3 PURPOSE OF THE PROJECT**

The purpose of this project is to illustrate a relationship between the amount of media expenditure and the market share of the four major telecom operators in Bangladesh. For this

report a general objective and several specific objectives has been put forward to be fulfilled. They are as follows:

**General Objective:** The internship report is prepared primarily to fulfill the Bachelor of Business Administration (B.B.A) degree requirement under the faculty of BRAC Business School, BRAC University.

**Specific Objectives:**

- To give an overview of Robi Axiata Limited.
- To depict and estimate the growth of media expenditure during 2013-2016 in telecom industry.
- To figure out if there is any relation between media expenditure and market share in the telecom industry.
- To depict and analyze the growth of market share during 2013-2016 in telecom industry.
- To figure out the impact of media expenditure on market share in the telecom industry.
- To identify the strategies and policies for investing in media for telecom operators.
- To find out bottleneck of their process with effective recommendations to overcome the Limitation.

### 3.4 LIMITATIONS

While working in the project and to make it successful one I have faced so many challenges. Even i had some limitations-

- I have faced the time constraint.
- The data of the telecom industry was available to me but I did not have any data from any media. Therefore I could not show the project in 360 degree angle.
- As I am not a specialist in this field, so I faced problem with interpret some results of investment.

### 3.5 METHODOLOGY

I collected the data for the report from two sources.

- Primary
- Secondary

To make an overview of telecom industries media expenditure I needed the total expenditure data of the industry. I collected the data from Ryans, monitoring agency of Robi Axiata limited with help of my company Supervisor. Moreover, I used company annual report, interview of employees, Internet browsing and company website.

Apart from these sources, I have used a Model Development under the Regression Analysis to illustrate the relationship and impact of media expenditure on market share in the telecom industry of Bangladesh.



## 3.6 PROJECT ANALYSIS

### 3.6.1 OVERVIEW OF DIFFERENT MEDIA

As in other countries, there are two categories of mass media in Bangladesh- electronic media and print media. TV and radio goes under electronic media and newspaper goes in print media. The media in Bangladesh is a mix of government-owned and private media. Bangladesh has made good progress in its struggle to establish the electronic media. Progress is also there in the newspaper industry.

For this report I have used 3 major media vehicles:

1. Television
2. Print
3. Radio

#### **Television**

Television is the biggest medium for news in Bangladesh. There were 15 television stations in 1999. Bangladesh Television was Bangladesh's only terrestrial TV channel. The satellite version is BTV World. BTV was broadcast in Bangladesh in the year 1964. Until 1990s BTV was the only Terrestrial Television in Bangladesh. ATN Bangla was the first private satellite TV Channel in Bangladesh which started operating in 1997. Currently there are 24 active channels in Bangladesh among them 4 channels (Somoy, ATN News, Independent, Ekattur TV) telecast news only and 2 channels (Channel 9, Asian TV) are for pure entertainment. Nowadays these channels are air through satellite link.

#### **Radio**

Radio is an important form of media in Bangladesh as it is easily accessible - especially to those in smaller communities. Many radio stations from Bangladesh are broadcast online. Bangladesh's national radio network is Bangladesh Betar or Radio. This government-run station has several regional services operating throughout the country. Bangladesh Radio also has an external service that transmits to Nepal, Pakistan, India, the Middle East and Europe in seven languages. Radio is also a powerful tool in reaching individuals who are illiterate. Radio transmissions are used to provide information to such communities. Community Radio also promotes culture and

diversity. There are two types of radio. One is FM radio another is Online radio. The popularity of FM is increasing day by day. At present there are 17 radio stations including Bangladesh Betar. (Bangladesh.com)

### **Print**

The press media is private and consists of hundreds of weekly publications, presenting a vast array of viewpoints. The Bangladeshi media is ranked 146 out of 180 countries on the Reporters Without Borders Press Freedom Index for 2015, with 1st being most free. Newspapers in Bangladesh are, in fact, pluralistic and most of them are owned by big business firms or by political parties. Once there were a number of government-owned newspapers - The Dainik Bangla, a vernacular daily, and The Bangladesh Times, an English language daily. Compared to the electronic media, the print media in Bangladesh is more vibrant, but the environment is still far from ideal. There are many laws and several sections under the Bangladesh Penal Code that affect functioning of the press. However, newspapers mainly published from Dhaka have undergone a major transformation. Most of them have got a new look. Imported newsprint, colored pictures and introduction of computer technology have done the trick. (Rahman)

### 3.6.2 DEPICTION OF MEDIA EXPENDITURE IN TLECOM INDUSTRY

In this part, I tried to depict the trend of media expenditure done in the telecom industry of Bangladesh over the last four years. I have shown the total expense in major areas of media like TV, Radio and Press. In this trend analysis, basically I have tried to show the increase or decrease of the media expenditure that are done by the four major telecom companies, Grameenphone, Banglalink, Robi and Airtel. After showing the trend analysis, I tried to show the year by year growth in media expenditure from July2012-June2016. From this analysis, I found both positive and negative growth for these operators.

<b>Depiction of Media Expenditure(Annually)</b>				
	<b>July12-June13</b>	<b>July13-June14</b>	<b>July14-June15</b>	<b>July15-June16</b>
<b>Grameen Phone Ltd.</b>	5,830,221,136	5,835,309,283	3,985,802,559	2,935,066,704
<b>Banglalink</b>	3,563,225,431	4,381,122,882	2,757,863,649	1,625,038,620
<b>Robi Axiata Limited</b>	2,692,417,636	2,764,114,311	2,429,060,697	2,068,328,990
<b>Airtel</b>	943,274,746	727,285,514	1,296,107,661	1,486,444,451

(Ryans Media)

This chart illustrates the annual media expenditure of the four major telecom companies for the years of July'12-June'16. We can see from July'12-June'16, more or less, over the four years GP invested the highest amount in media. Secondly, Banglalink invested the second highest amount. Thirdly Robi Axiata and fourthly Airtel. Exception is, on July'15-June'16, Robi invested the second highest amount and Banglalink invested the third highest amount.

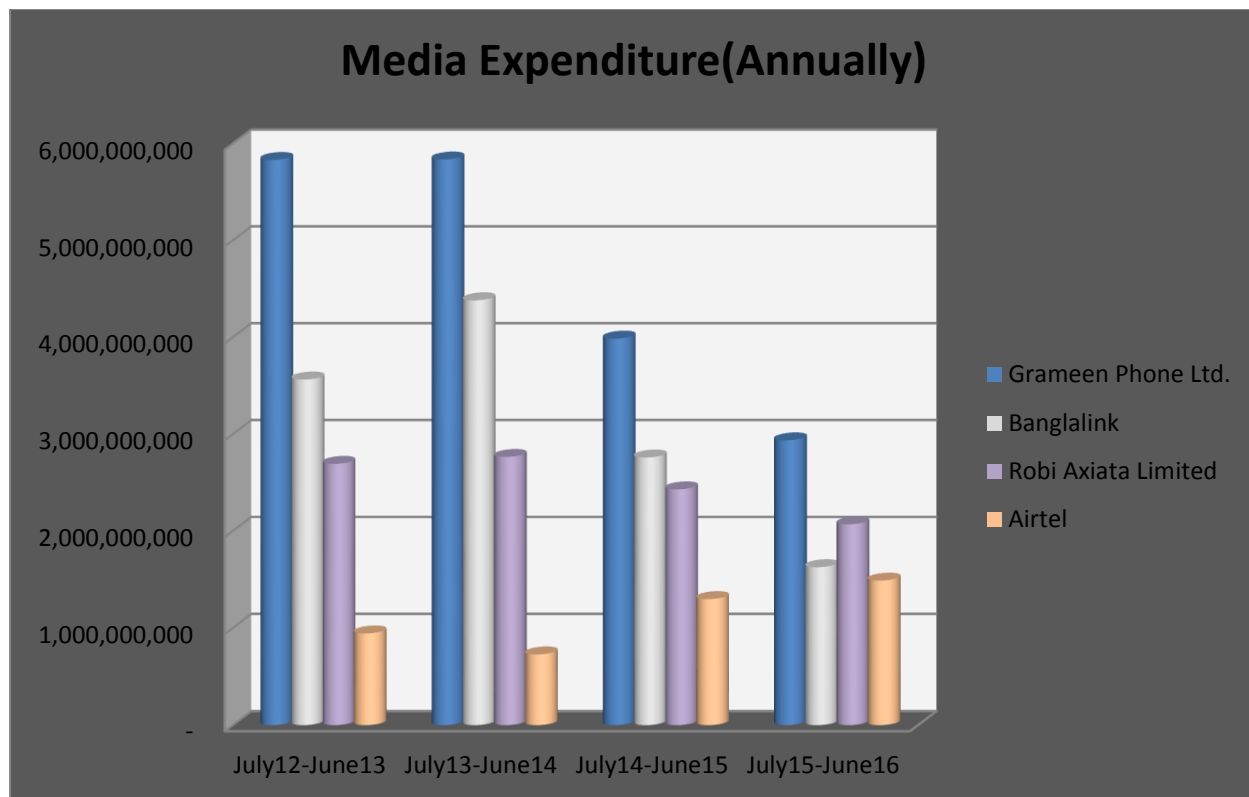


Figure: Depiction of Media Expenditure

From this graph we see that, over the last four years, GP reduced the expense on media. For the first two years it was kind of same but from the mid of 2014, they radically reduced their investment on media expenditure. Banglalink increased their expense in media in the year 2013-2014 and in 2015 and 2016 they decreased their expense drastically. Robi Axiata Limited maintained almost the same expenditure in media in 2012-2014 and after the mid of 2014, they slightly decreased the investment in media till the mid of 2016. Airtel slightly reduced their expenditure in media from the mid of 2013-2014. After the mid of 2014, they increased their investment in a consistent way till the mid of 2016.

### Growth analysis:

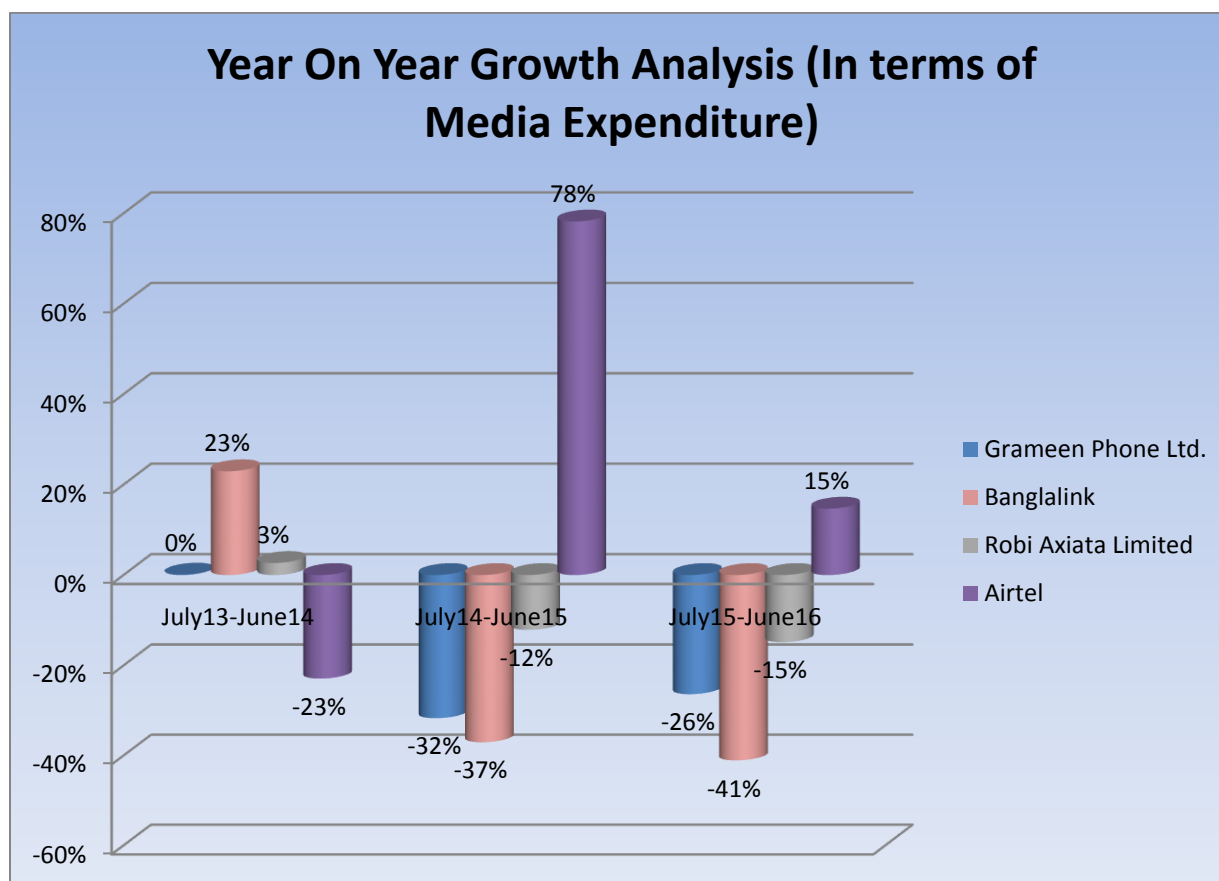


Figure: Year On Year Growth Analysis (In terms of Media Expenditure)

Year On Year Growth Analysis (In terms of Media Expenditure)			
	July13-June14	July14-June15	July15-June16
Grameen Phone Ltd.	0%	-32%	-26%
Banglalink	23%	-37%	-41%
Robi Axiata Limited	3%	-12%	-15%
Airtel	-23%	78%	15%

This table illustrates the yearly growth analysis of the major telecom companies in Bangladesh. An yearly growth percentage of the four companies are given starting from July'13 till June'16. Firstly, Grameenphone did not raise their media expenditure significantly in the session of

Juy'13-June'14 then experiencing a negative 32% growth and another negative 26% growth in the session of July'14-June'15 and July'15-June'16 respectively. So, from the last two years growth we see that, they are experiencing a negative growth but the growth is increasing in a decreasing rate. Secondly, Banglalink faced a growth of 23% in the session of July'13-June'14 and then faced a negative growth of 37% in July'14-June'15 and then resulting in another negative growth of 41% in July'15-June'16. So, from the last two years growth we see that, they are experiencing a negative growth which is increasing in a increasing rate. Robi also faced the similar situation where they faced a positive growth in July'13-June'14 and two consecutive negative growths in July'14-June'15 and July '15-June'16 respectively as mentioned in the table above. So, from the last two years growth we see that, they are experiencing a negative growth which is increasing in a increasing rate. Lastly, Airtel faced a totally opposite situation where they experienced a negative growth of 23% in the first year (13-14) and a positive growth of 78% and 15% respectively in the following years.

### **Key Findings:**

There are certain reasons behind this trend analysis:

- For Grameenphone, Banglalink and Robi, the trend analysis was near about the same since these companies has already reached the growth stage in its product life cycle. At this stage, they do not need to invest more on media to attract more customers since they have already reached their target customer base.
- Grameenphone, Robi and Banglalink will not experience any negative impact due to the negative growth in media expenditure level since their major competitors are also following the same strategy by reducing the media expenditure.
- For Airtel, the reasons are a bit different. Since they were new in Bangladesh telecom sector, they weren't aware about the proper strategy to reach their target customer base. So, after realizing the fact that to establish their brand properly they need to promote themselves more in media, they started investing a huge amount than before in the last two years.

### 3.6.3 DEPICTION OF MARKET SHARE IN TELECOM INDUSTRY

In this part, I tried to depict the trend of market share done in the telecom industry of Bangladesh over the last four years. I have collected the market share of subscribers in the telecom industry by each month from the website of BTRC mobile subscribers. In this trend analysis, basically I have tried to show the increase or decrease of the market share of the four major telecom companies, Grameenphone, Banglalink, Robi and Airtel. After showing the trend analysis, I tried to show the year by year growth in market share from July2012-June2016. From this analysis, I mostly found positive growth for these operators.

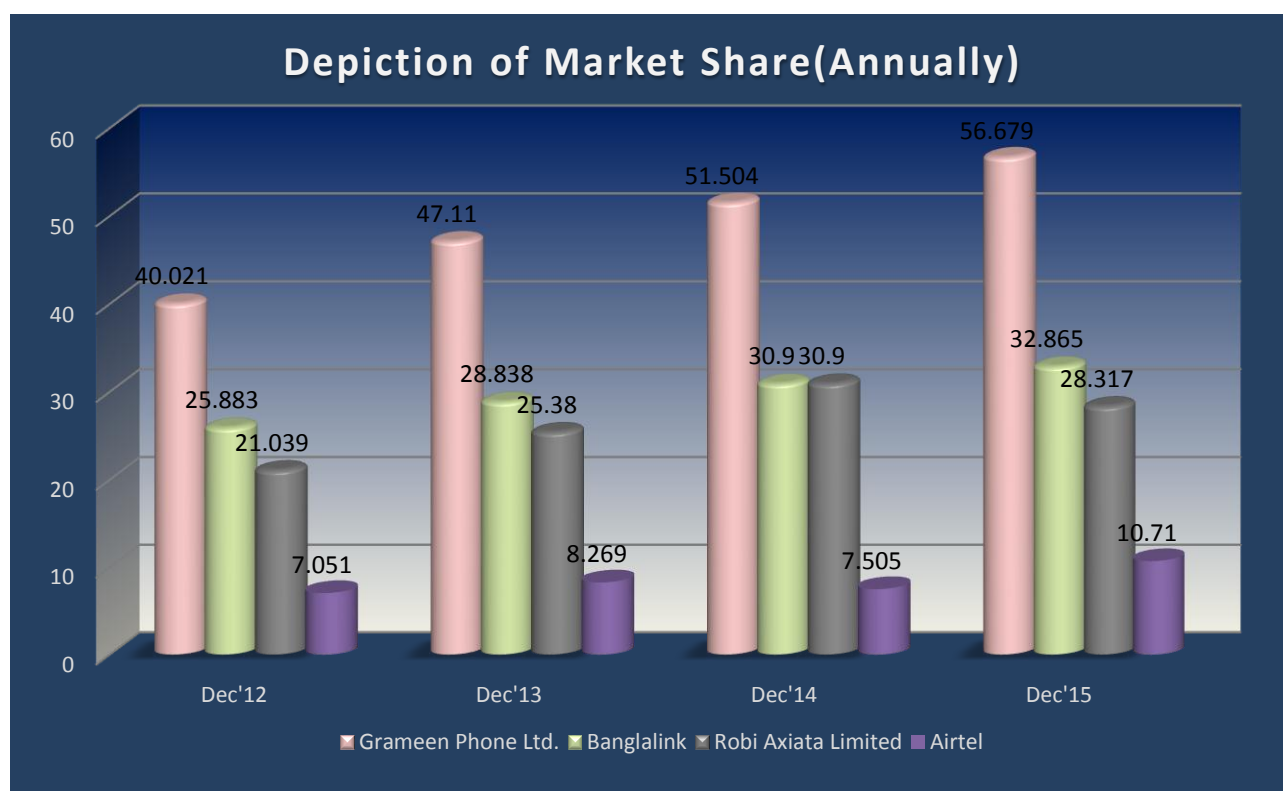


Figure: Depiction of Market Share

This chart illustrates the annual market share of the four major telecom companies for the years of 2012-2016. We have taken the market share for every year's December month as a benchmark of the whole year. We can see from the graph that Grameenphone has been holding almost the half of the market share for the last four years. For GP, in Dec'12 it was 40.021 which increased gradually and in Dec'15 it has come to 56.679. Banglalink and Robi Axiata Limited have been the competitors throughout these four years as we see from the chart. Banglalink holds slightly a

bit more share than Robi Axiata does. For Banglalink, in Dec'12 it was 25.883 which increased gradually and in Dec'15 it has come to 32.865. And for Robi xiata Limited, in Dec'12 it was 21.039 which increased gradually and in Dec'15 it has come to 28.317. In Dec'14, the share was exactly same for Banglalink and Robi which was 30.9. Airtel holds the least share in telecom industry and it is more or less same throughout the last four years. It kind of fluctuated a bit in 2013-2014 and in Dec'12 it was 7.051 which increased very slightly till Dec'15 which is 10.71. (Bangladesh Telecommunication Regulatory Commission, 2012-2016)

### Growth analysis:

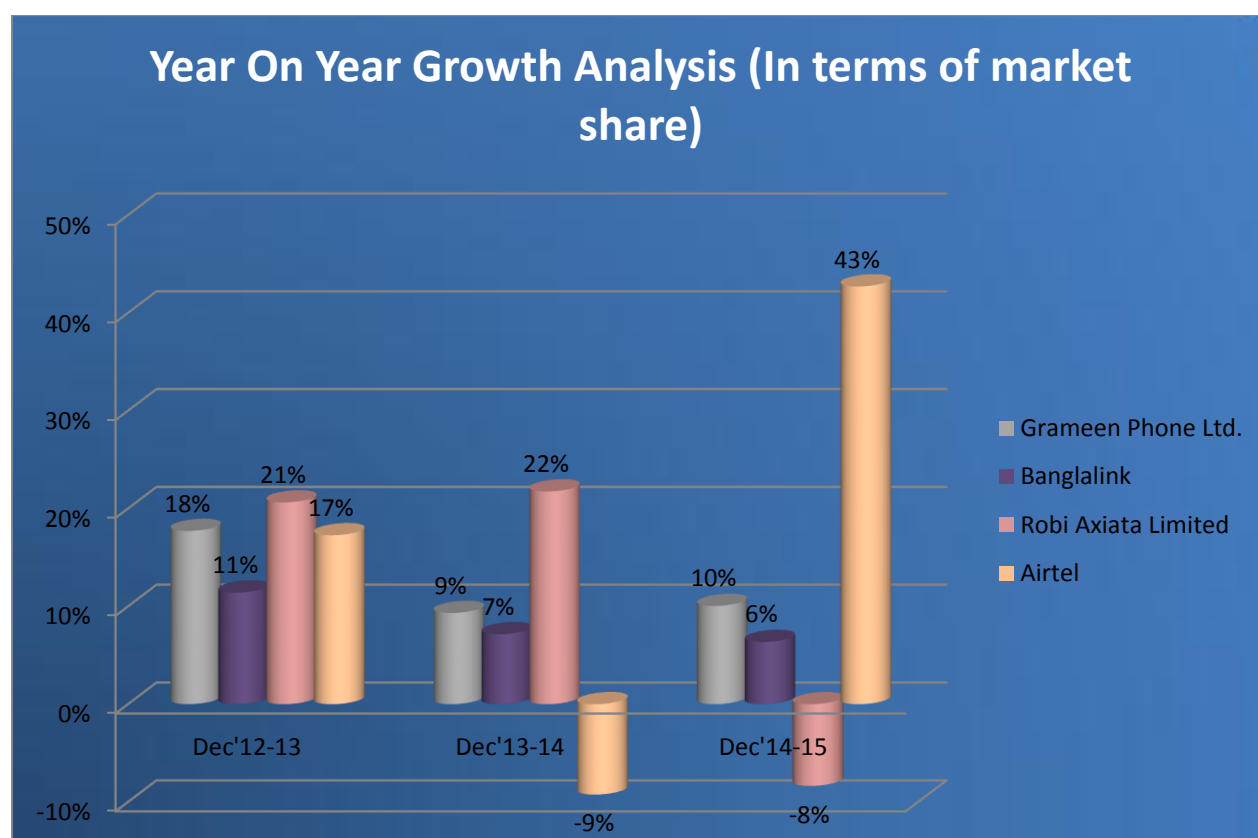


Figure: Year On Year Growth Analysis (In terms of Market Share)



Year On Year Growth Analysis (In terms of market share)			
	Dec'12-13	Dec'13-14	Dec'14-15
Grameen Phone Ltd.	18%	9%	10%
Banglalink	11%	7%	6%
Robi Axiata Limited	21%	22%	-8%
Airtel	17%	-9%	43%

This table illustrates the yearly growth analysis of the major telecom companies in Bangladesh. For GP, the growth rate increased by 18% in December 2012-2013, 9% in 2013-2014 which means, there was a growth, but the rate was half times less than that of the last year. And in 2014-2015, the growth was almost like the previous year's rate. For Banglalink, the scenario was almost like GP, where their growth rate increased by 11% in 2012-2013, 7% in 2013-2014 and 6% in 2014-2015. For Robi Axiata Limited, the growth was almost same in 2012-2013 and 2013-2014 which was 21% and 22%. And drastically in 2014-2015 they experienced a negative growth of -8% which means, they couldn't retain their customer base properly because of their lacking in network coverage, internet services compared to other telecom operators. For Airtel, the growth rate increased by 17% in December 2012-2013, but in the next year, it drastically fell to -9% because of their lacking in understanding customer needs which they overcame in the next year and grab more than their previous market share which resulted in a growth of 43% in December 2014-2015.

#### Key Findings:

- Grameenphone and Banglalink are almost in the similar position of retaining market share. They are retaining their customers with the latest innovations and fastest growing technologies.
- Airtel is gaining more market share gradually which is a good sign for them.
- From the study of last four years we can see that Robi Axiata was in a constant slow growth from 2012-2014 and it has lost its market share recently. The reason behind their losing of market share is their poor network coverage throughout the whole country. In Dhaka, they have good network coverage but in other districts their network is not up to date compared to GP and Banglalink. Another reason could be Robi's internet packages are not enriched compared to their competitors. Their internet packages are less affordable to customers compared to their competitors.

### 3.6.4 THE IMPACT OF MEDIA EXPENDITURE ON MARKET SHARE IN TELECOM INDUSTRY

My target was to find out if there is any relationship between market share and media expenditure and if there is, what the impact of media expenditure on market share is. To find out the relationship and impact of media expenditure on market share I took a reliability test using SPSS. As I wanted to see the impact of media expenditure on market share, so I took the media expenditure as independent variable and the market share as dependent variable. For undertaking a regression analysis is to ensure the number of independent variables to sample size should at least be in the ratio of 1 is to 5, so I took the sample size as the media expenditure of telecom industry July2013-June2016.

The result of the reliability test is depicted and explained below-

#### Model Development

One of the basic assumptions for undertaking a regression analysis is to ensure the number of independent variables to sample size should at least be in the ratio of 1 is to 5. Our sample size comprehensively satisfies the requirement set by the predictor, namely media expenditure.

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.606 <sup>a</sup>	.367	.362	12.30330

a. Predictors: (Constant), Media Expenditure

The adjusted R Square (Coefficient of determination) value of .362 explains that around 36% variability of market share is explained by the variability of the media expenditure.

ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12274.089	1	12274.089	81.086	.000 <sup>a</sup>
	Residual	21191.981	140	151.371		
	Total	33466.070	141			

a. Predictors: (Constant), Media Expenditure

b. Dependent Variable: Market Share

### Hypothesis Testing- Model

To check the usefulness of the model we had to run a hypothesis test.

Ho: There is no supported relationship between media expenditure and market share.

From the analysis, one can decide to reject the null hypothesis as p value of 0.00 is less than that of level of significance set. Therefore, there is significant relationship between the media expenditure and market share. Thus, the model is utilitarian.

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.180	2.052		6.424	.000
	Media Expenditure	5.885E-8	.000	.606	9.005	.000

a. Dependent Variable: Market Share

The equation from regression model is:  $Y = 13.180 + 5.885E-8 * X1$

Where: Y= Market Share      X1= Media Expenditure

### Hypothesis Testing

Ho: There is no supported evidence between market share and media share.

From our analysis we can infer that p value is less than that of level of significance set. Thus, we can interpret that there is significant relationship between market share and media expenditure.

### 3.7 RECOMMENDATION

- On a broader scope, we can say that any company which wants to gain market share must invest in media expenditure. It is even emphasized by our model that there is significant relationship between media expenditure and market share.
- It should be bore in mind that media expenditure on explains 36% of the variability in impacting market share. The rest is due to other factors which are beyond the scope of this report. Thus, growth analysis showed erratic behavior.
- Any company looking for increase in market share should look in invest in above the line (ATL) and below the line (BTL) strategies. So, thus investing in media expenditure is a must. But, for retention of subscription, this plays a secondary role and here forth, the product service is more important.
- As the sector reaches maturity, all companies including Robi Axiata Limited should focus more on retention of clients than on gaining new ones. Customer loyalty will bring in revenues as 20 percent of clients bring in 80 percent revenue.
- Furthermore, all companies including Robi Axiata Limited should introduce more value added services (VAS) as a means of diversification and means of increasing the bottom line of the company.

### 3.8 CONCLUSION

To conclude, I can finally say that, Media industry has a good impact in telecom industry of Bangladesh. To reach to the customer base, media plays an important role. So, at least certain amount of investment must have done on the media sector to retain the customers properly. After analyzing the impact of media expenditure on market share with the records of previous four years and by the regression analysis, we have come to know that more or less 36% of the market share depends on the expenditure of media. So, certain amount of expenditure must be done for the media. Robi is currently losing some of its market share for some reasons. So, they should be concerned to retain its customer base. Recently, Robi has been merged with Airtel which is a very good plus point for them. Now they are in the second position in the market which will lead them to be more competitive in future. Robi should invest in different media following some strategy so that they can grab more market share by investing less. They should focus more on the demand of the customers and with upgraded technologies.

## **4. SUPPLEMENTARY PART**

### **4.1 LIST OF ABBREVIATIONS**

MOB: Market Operation Buying

ATL: Above the line

BTL: Below the line

BOQ: Bill of Quality

BTRC: Bangladesh Telecommunication Regulatory Commission

CEO: Chief Executive Officer

CFO: Chief Finance Officer

GSM: Global System for Mobile Communication

ICT: Information and Communication Technology

KPI: Key Performance Indicator

LC: Letter of Credit

PA: Purchase Approval

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