



A study on the recent challenges of the telecommunication sector in
Bangladesh: Robi-Airtel merger



Inspiring Excellence

Internship Report

A study on the recent challenges of the telecommunication sector in Bangladesh: Robi-Airtel merger

Submitted to:

Mr. Fairuz Chowdhury

Lecturer

BRAC Business School

BRAC University

Submitted by:

Jainul Abedin

ID: 13204034

BUS 400

BRAC Business School

BRAC University

**Date of
Submission**

Letter of Transmittal

, 2016

Fairuz Chowdhury

Lecturer, BRAC Business School,

BRAC University

Mohakhali, Dhaka

Subject: Submission of Internship Report

Dear Sir,

I am here by submitting my Internship Report on “**A study on the recent challenges of the telecommunication sector in Bangladesh: Robi-Airtel merger**” which is a part of the BBA program curriculum. Besides, I also include about my experience on the project regarding “cheque collection and monitoring “in Robi Axiatra Limited in FAMR unit under Finance Division for 3 months, under the supervision of Enamul Haque, General Manager, Finance division.

I, therefore hope and pray that you are kind enough to receive this report and provide your valuable judgment. And also it would be pleasure for me if you find this report helpful.

Sincerely,

Jainul Abedin

ID: 13204034

ACKNOWLEDGEMENT

Firstly, I am thankful to Almighty ALLAH for giving me the opportunity to work with a MNC as an Intern and also Robi Axiata ltd for selecting me. I am also grateful towards my Internship Advisor Mr. Fairuz Chowdhury, Lecturer, BRAC Business School, and BRAC University for his supervision during my organizational attachment period. Besides, I am also grateful to my supervisor Mr. Enamul Haque for his guidance, without his help it would be difficult for me to prepare the report. Moreover, I would also like to thank my Robi Axiata Ltd fellows, seniors and colleagues for their suggestion, motivation, advice and guideline. They not only provide guideline but also helped me to cope-up with the corporate culture which will help me in my near future.

EXECUTIVE SUMMARY

Two telecom administrators Robi Axiata Ltd and Airtel Bangladesh Ltd wants to combine their business operation in Bangladesh. This will be the first and biggest telecom merger ever. It is said that, after merger Robi will be the telecom administrator with 39 million supporters and 29% of piece of the overall industry and hold second position in the telecom business secondary selling pioneer Grameenphone. As indicated by Moody's speculator benefit this merger will be credit positive for both parent organizations. A great deal of issues identified with merger still need profound thought. In this paper, I have scanned for some vital issues like goals, advantages and chances of this merger. Moreover, I examined what shortcoming and dangers will confront through the merger. I have researched two administrators budgetary position to survey the purpose for this merger additionally dissected whether it will help them to contend with other administrator and what develop. I did a study to assess customer's demand of Robi and Airtel from this merger. I likewise utilized two organizations most recent five years money related execution to assess their quality to be a decent joint venture.

My discoveries are a considerable measure, I found that Robi will be second biggest telecom brand and Merger will build Robi's administration quality, quicker web, arrange scope, new innovation appropriation and capacity to serve client better. Be that as it may, if Robi can't deal with every one of the assets successfully then merger will be a weight for it. Likewise Robi will confront a ton of issue with immense supporters, ranges, cell towers, and client request. I think my exploration paper will profit the individuals who will work for previously, then after the fact merger examinations of the market and entire telecom industry of Bangladesh.

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CHAPTER I

Introduction

1.1 Background of Study

All the students of BRAC Business School has to go through the internship program. It's a three months program where the students work under different organizations and gets a glimpse of corporate life before entering into one. It is an immense pleasure for us to get practical experiences of the theoretical knowledge that we have gathered in our four years Undergraduate life. Moreover, we have to submit a final report on the specific organization assigned by our respective supervisor. I have done my project in merger and accusation analysis.

The topic of my project paper is —The recent challenges of the telecommunication sector in Bangladesh: Robi-Airtel merger. Two telecom operators Robi Axiata ltd and Bharti Airtel are going to merge their business operation in Bangladesh within few months. The merger talks stated from September 2015. This will be the highest in amount and most important merger that ever happened in Bangladesh. Robi will experience a lot of challenges, opportunities for their stakeholders. This merger will generate positive or negative impact on the full telecom industry of Bangladesh. There are also a lot of issues to emphasis on such as employee decision, executive compensation and many more.

1.2 Origin of Study

This report is a required for a partial fulfillment of the internship program for my undergraduate degree. In this report, I have tried to integrate classroom knowledge with real life experience that I have congregated while my time at Robi Axiata Ltd.

1.4 Scope

The primary intention of the report is to analyze how the merger between Robi and Airtel will impact the telecom industry in Bangladesh. I sincerely hope this report will be a cornerstone in understanding the impact of mergers in the near future in Bangladesh.

1.3 Objective

- To determine the major objectives and benefits of this merger.
- Benefits of the merger for Robi in competing with market leader Grameenphone.
- To find whether the merger will develop the telecommunication sector of Bangladesh and what extend.
- Major opportunities and threats of this merger that will help two companies to develop a good customer satisfaction.

- Major legal obstacles that Robi will face in case of merging.
- Presence of Poison pill and Golden parachute applied by Airtel to discourage Robi from merging.

1.5 Methodology

The way to deal with the venture will be portrayed by approach area. Keeping in mind the end goal to empower a basic survey of the validity of the last results, I depicted the procedure of the social event and gathering data for the venture act as unmistakably as could be expected under the circumstances. The way of the examination, its motivation and issue articulation pick a definitive methodological approach of the venture. The primary approach was dictated by the rules for work. The issue proclamation and reason for the venture was built up first and foremost. It has guided the work from gathering of data to investigation of discoveries in connection to hypothesis and application.

Primary Data

I have gathered essential information to answer my own particular detailed research questions. I utilized principle strategy for gathering essential data by sending email with open inquiries to mindful authorities from the organization furthermore to the Telecom administrative leading group of Bangladesh. The fundamental explanation behind picking this technique is that the data identified with merger is classified. I attempted to comprehend the present circumstance of the market of two telecom administrators through inquiries. A few inquiries might not have coordinate association with the speculations but rather were important to see some basic circumstances.

Secondary Data

Secondary Data are those information that has been gathered by others for a totally extraordinary or minimal like this exploration issue. Some exploration inquiries can be addressed just by optional information however there are conceivable dangers as those information were gathered for an alternate reason and can be one-sided. I directed this venture base on vital perspective to assess acquirer's future open doors and development. I additionally examined its monetary proclamation information for optional purposes. Be that as it may, both essential and auxiliary information will be utilized to build up a far reaching research base. Secondary data has been gathered from sources including:

- Annual Report

- Journals And Articles
- Websites
- Interview

1.6 Limitations

As this merger issue is an intriguing issue of the media transmission segment of Bangladesh. All the important records and data are secret now and I don't have a ton of information to examination profoundly. I will accumulate essential information from their yearly report and money related explanation additionally from different electronic media and daily paper.

1. I did investigation on pre-merger circumstance; post-merger case can be distinctive.
2. Here I foresee a few circumstances that can be diverse after merger.
3. The merger issue is a top mystery for the general individuals and there are no enough wellsprings of information.
4. Bureaucratic process will lead it lengthier.
5. The optional information source is constrained.
6. The combining organization may not unveil their definitive objective of the merger.

1.7 The Research Process

The exploration is led to answer those inquiries said in the goals segment. A lot of issues like hostile takeover, poison pill, golden parachute, legal obstacles were considered when doing the research process. Based on research methods I grouped this process into two basic types.

Quantitative research

Quantitative research process basically includes numbers and figures like tables, graphs, hypothesis test and etc. In order to identify and analyze the pre-merger and post-merger conditions I surveyed market position by semi-structured questionnaire with 12 questions from 30 subscribers sample from random population. This questionnaire helped me to get a specific response which can be presented briefly to understand the estimation. Mail, personal interview, telephone interview can be methods to conduct this kind of information collection.

Qualitative research

Qualitative research is about the breaking down the speculations and heading off to a significant conclusion. As a matter of first importance I dissected the purpose for this merger and what motivations drive Robi to blend their operation with Airtel. I analyzed a lot of theories about some of the leading merger like LafargeHolcim merger and some merger in Bangladesh like Beximco and Padma textile. I did SWOT analysis of this merger from every aspects. I also analyzed their market position before merger and assess what will be the market position of Robi after merger.

1.8 Literature Review

Telecom industry is a standout amongst the most developing area in Bangladesh. Everyday more than five hundred subscribers enter into this industry. Individuals are looking for new and helpful administration now with lower cost. The interest for the web is old here and subscribers need an adaptable information and quick correspondence to send their sentiments and trust. The aggregate number of cell phone memberships has achieved 121.860 million toward the end of January 2015 as indicated by the Bangladesh Telecommunication Regulatory Commission and 51.453 million individuals utilize versatile web for their correspondence. The vast majority of the exploration begins with writing audit that is the early investigations of that examination point. The studies incorporate books, Journals articles, and online pages for instance government site like BTRC, corporate site and index like Robi Axiata Ltd and Bharti Airtel Ltd, investopedia sites. I have finished the writing seek identified with the exploration subject to bolster and direct the examination. The pursuit was chiefly led in the University database, Journal database, Library diaries, Websites and Text books. I have improved my writing about merger from two great books —Applied Mergers and Acquisitions¹ by Robert F. Bruner and —Mergers and Acquisitions: Mergers and Acquisitions Guide to Understanding Mergers and Acquisitions and Profiting from Mergers and Acquisitions² by John McQuilkin. Since two telecom administrators have not blended yet and the examination identified with the Robi-Airtel merger is absolutely new point, a considerable measure of issues are there to investigate encourage. I have dissected Robi's future open doors and dangers by this exploration and I additionally proposed a few speculations here for profound comprehension. I think reader will be benefited by this research to do further research after completion of the merger.

CHAPTER II

Organizational Overview

2.1 Robi Airtel Market Condition

Two media transmission giants Robi and Airtel are discussing to consolidate their business operation in Bangladesh. The joint venture will be perceived as Robi. Two administrators began their merger talks in the last September and presented their joint merger application to BTRC. A high court branch gave eight weeks to the administration telecom controller to come to ultimate choice on merger on 25 January 2016. It is said that after merger Robi will be the second biggest telecom administrator after Grameenphone limited. As indicated by the proposed merger Robi will be the administrator of 3.9 crores subscribers, 29% market share and Tk 7000 crore of market income.

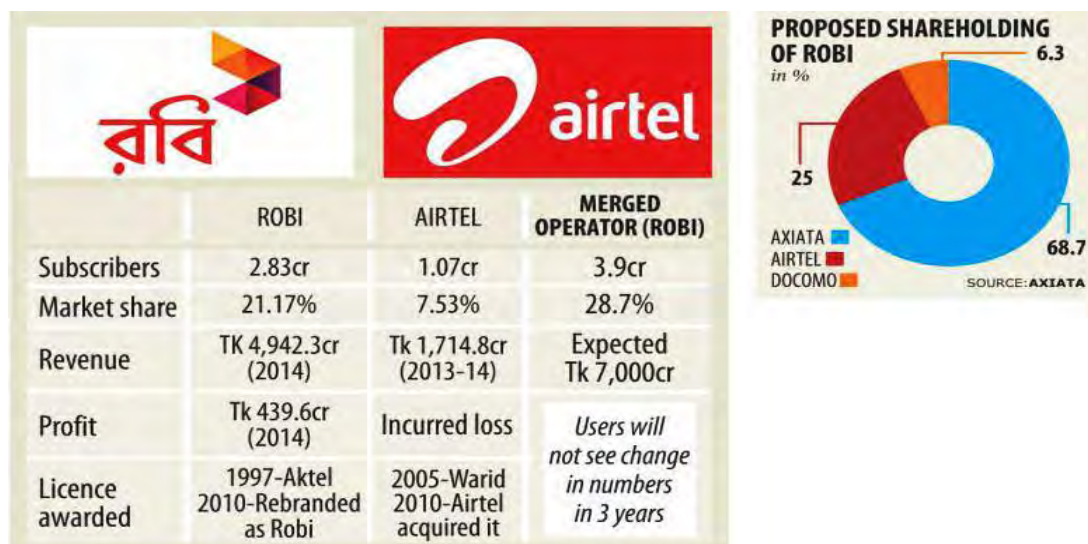


Figure 1: Robi-Airtel Market Comparison

Bangladesh Telecommunication Regulatory Commission (BTRC) made a declaration to hold an open hearing on Robi-Airtel merger on 17 February 2016 to settle the merger issue. All partners including others administrators head, legal advisor, supporters affiliations were available to finish the arrangement. A sum of 98 experts partook in the listening to managed by BTRC Chairman Shahjahan Mahmood. Of them, 34 individuals gave their perspectives and 28 of them talked for merger. Robi Axiata Ltd reported, subsequent to marking the merger bargain on Thursday, the new organization will work under the name Robi. Robi and Airtel got fundamental endorsement of their arrangement in 31st August, 2016.

2.2 Robi Axiata Ltd.



Robi Axiata Limited, Robi, is the second biggest cell phone administrator of Bangladesh. It is a joint venture between Axiata Group Berhad, of Malaysia, Bharti Airtel Limited, of India and NTT DoCoMo Inc., of Japan. Axiata holds 68.7% controlling stake in the element, Bharti holds 25% while the staying 6.3% is held by NTT DOCOMO of Japan. The principal merger of Bangladesh's telecom part has become effective with the start of the operation of Robi Axiata Limited as the combined organization on November 16, 2016. Taking after the merger of Robi and Airtel, the combined organization is currently known as Robi Axiata Limited. Having effectively finished the merger procedure, Robi has developed as the second biggest cell phone administrator in Bangladesh with around 32.2 million dynamic supporters. The blended organization has the most extensive system scope to 99% of the populace with more than 13,900 on-air destinations of which more than 8,000 are 3.5G locales. The organization started operation in 1997 as Telekom Malaysia International (Bangladesh) with the brand name 'AKTEL'. In 2010 the organization was rebranded to "Robi" and the organization changed its name to Robi Axiata Limited. Robi Axiata utilizes two brands "robi" and "airtel" for its portable administrations. "Airtel" is an independent product brand of Robi Axiata. Robi Axiata Ltd. adds up to 34.8 MHz range on GSM 900, 1800 and 2100 MHz groups. Robi Axiata Limited started as a joint venture company between Telekom Malaysia and AK Khan and Company. It was formerly known as Telekom Malaysia International Bangladesh Limited which commenced operations in Bangladesh in 1997 with the brand name 'AKTEL'. In 2008, AK Khan and Company exited the business by selling its 30% stake to Japan's NTT Docomo for US\$350 million. On March 28, 2010, 'AKTEL' became 'Robi' which means Sun in Bengali. It also took the logo of parent company Axiata Group which itself also went through a major rebranding in 2009. In 2013, after five years of presence, Docomo reduced its ownership to 8% for Axiata to take 92%. On 28 January 2016, it was announced that Robi Axiata and Airtel Bangladesh will merge in Q1 2016. The combined entity will be called Robi, to serve about 40 million subscribers combined by both networks. Axiata Group will

own 68.3% share, while Bharti Group will own 25%. The remaining shares will be owned by NTT Docomo. Finally Robi and Airtel merged on November 16, 2016 and Robi set sail as the merged company (Robi, 2016).

2.3 Airtel Bangladesh Ltd.



Airtel is a worldwide brand of Bharti Enterprise of India - one of the world's biggest cell phone administrators as far as supporter base. Axiata Group of Malaysia and Bharti Enterprise of India had consented to combine their particular operations in Bangladesh on January 28, 2016. Robi as the blended organization started its business operation from November 16, 2016. Taking after the merger of Robi and Airtel, Robi was allowed permit to utilize "airtel" mark in Bangladesh for the clients having 016 number series. Robi Axiata Limited is a joint venture between Axiata Group of Malaysia, Bharti Airtel, of India and NTT Docomo Inc., of Japan. Axiata holds 68.7% controlling stake in the element, Bharti holds 25% while the staying 6.3% is held by NTT Docomo of Japan. It is the second biggest cell phone administrator of Bangladesh with around 32.2 million dynamic supporters as of October, 2016. The organization gives amplest system scope to 99% of the populace with more than 13,900 on-air destinations of which more than 8,000 are 3.5G locales. The "airtel" mark in Bangladesh was previously possessed via Airtel Bangladesh Ltd. DBA airtel, already known as Warid Telecom which was a GSM and 3G based versatile administrator. In 2010, Warid Telecom sold a greater part 70% stake in the organization to India's Bharti Airtel Limited for US\$ 100,000. Bharti's proposition additionally incorporated an underlying \$300-million interest in Warid for making new partakes in the organization. The Bangladesh Telecommunication Regulatory Commission affirmed the arrangement on Jan 4, 2010. Bharti Airtel Limited took administration control of the organization and its board, and rebranded the organization's administrations under its own "airtel" image from December 20, 2010. In March, 2013, Warid Telecom sold its rest 30% share to Bharti Airtel's Singapore-based concern Bharti Airtel Holdings Pte Limited for US\$ 85 million. On September 8, 2013, Airtel Bangladesh got 5 MHz of 3G range at US\$ 1.25 million. On January 28, 2016, it was authoritatively declared that Robi and Airtel Bangladesh will blend their operations in

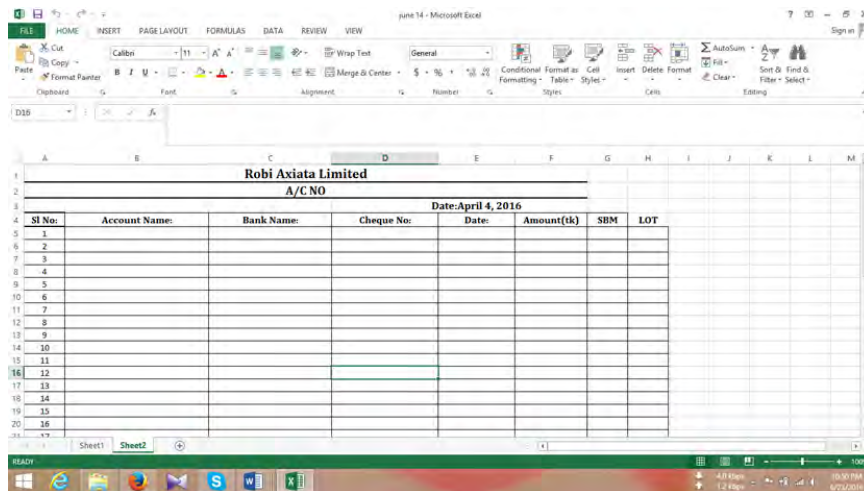
Bangladesh. The joined substance will be called Robi, to serve around 32 million supporters. Axiata Group will claim 68.7% share, while Bharti Group will possess 25%. The rest of the shares will be possessed by NTT DoCoMo. Robi and Airtel finished merger on November 16, 2016(Airtel,2016).

2.4 Internship Experience

I was chosen as an Intern in Finance division of Robi axiata Ltd. Under fund division it has diverse office, for example, corporate back, budgetary bookkeeping and administration reporting, production network administration, Revenue confirmation, Financial Compliance and Process Improvement thus on. I was understudy under Channel administration unit under FAMR office under "gadget deals accumulation and monitoring". Main topic of this venture was gathering the checks from SME deals and pay it to the banks. My obligation was to sort out it as indicated by date, than sort the checks to exceed expectations yet not more than 50 and send it to banks. Mainly Robi got this check from SME deals and its a month to month installment. But the primary portion is done from money and whatever is left of the portion installments are done through cheque. And this check installment are done either in ONE Bank or in Eastern bank ltd (EBL).

2.4.1 Responsibilities of the job

- a) First I needed to gather checks of the ongoing month and sort out them as indicated by dates.
- b) Than I needed to make a heap of a cheque which comprised of 50 cheques.
- c) Everyday my first obligation was the installment of checks to the bank. For instance, firstly I needed to fill in the cheque details which comprised of the account name, bank name, date, sbm and lot number.



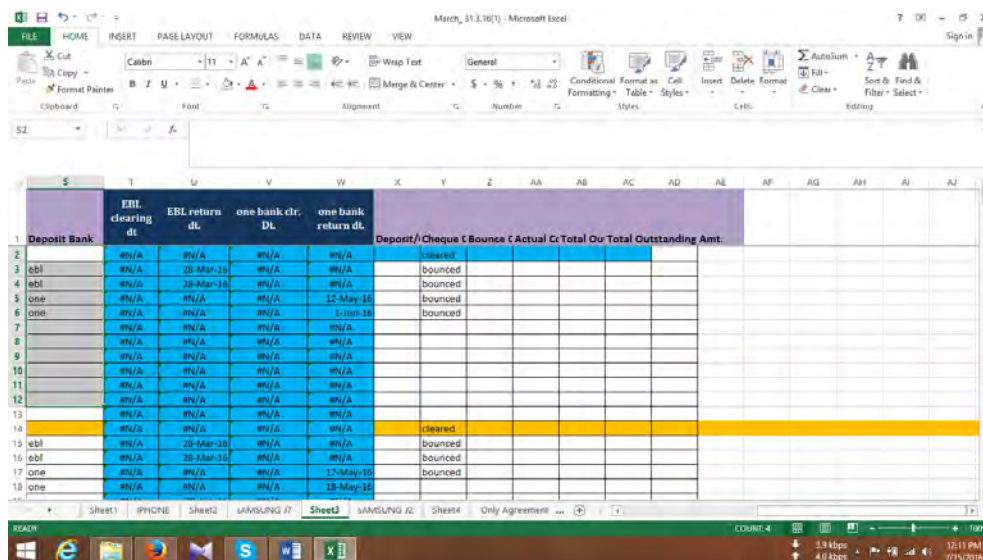
The screenshot shows a Microsoft Excel spreadsheet titled "Robi Axiata Limited". The table has columns for "Sl No.", "Account Name", "Bank Name", "Cheque No.", "Date", "Amount(kt)", "SBM", and "LOT". The date is set to "April 4, 2016". The table is currently empty, with rows numbered 1 through 20.

Figure 2 Account Update Structure

d) After writing the cheques than I needed to make aggregate of the sum.

e) Then I used to put seal at the embraced territory of the typed cheques both of one bank or EBL.

f) At the end of the month I got two record. One record comprises of EBL return and clearing other document comprises of one bank return to check whether the cheque is bounced or not.



The screenshot shows a Microsoft Excel spreadsheet titled "March_31.3.16(1) - Microsoft Excel". The table has columns for "Deposit Bank", "EBL clearing dt", "EBL return dt", "one bank clr. dt", "one bank return dt", "Deposit/Cheque C Bounced", "Actual C", "Total C", "Outstanding Amt.", and "Total Outstanding Amt.". The table is filled with data, including dates and amounts, and is color-coded with blue and yellow rows.

Figure 3 Checque Clearing data base

g) I was also provided with an Sme file to check where the cheque was cleared or if its bounced or not.

h) Besides, occasionally I used to disburse the commission through SAP software.

h) Moreover, I needed to do "Bank Allocation". For example, in which branch of Bank was the cheque cleared and on which date. If I found the check than I need to put tick next to the data

CHAPTER III

A study on the recent challenges of the telecommunication sector in Bangladesh: Robi-Airtel merger

3.1 Bangladesh Telecom Market

Telecommunication sector is the most growing sector in Bangladesh. The aggregate number of subscribers is more than 133.72 million where populace of Bangladesh is around 160 million (with a yearly development rate of around 1%) and considering the addressable market of the populace pyramids (BTRC, 2015). Throughout the most recent four years, the compound month to month development rate of the aggregate endorsers in Bangladesh is very nearly 1% and we have seen by and large over this period more than a million supporters were being added to the market each month. According to December 2015, six administrator's aggregate endorsers and rate of aggregate market is given underneath.

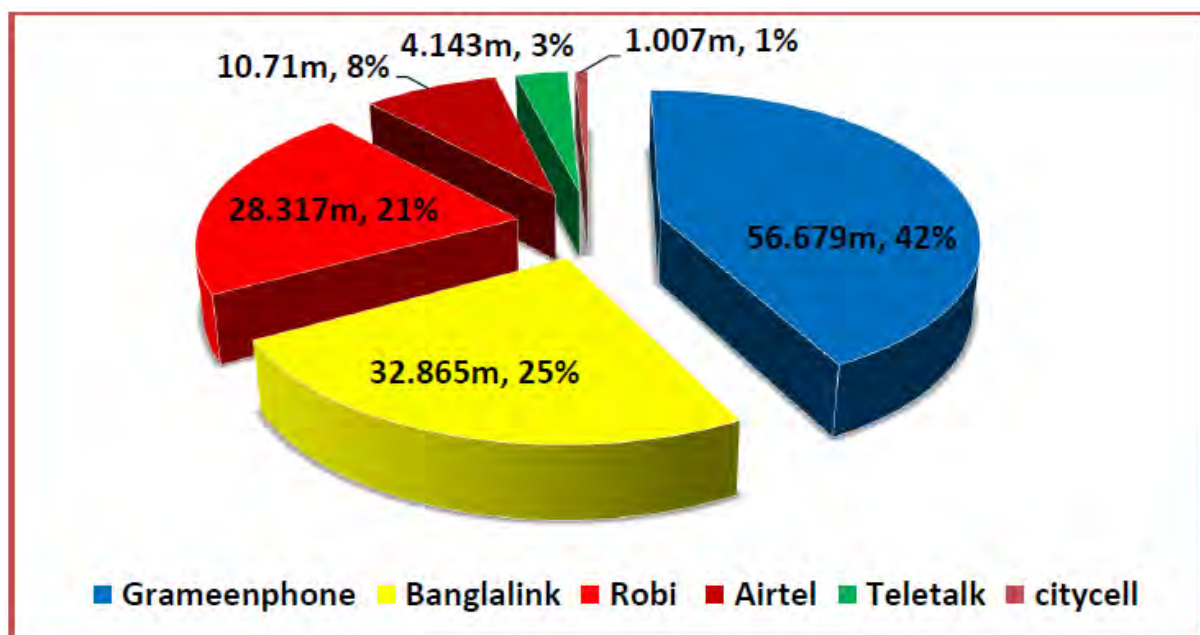


Figure 4 Bangladesh Telecom Market Overview

Here we see that Grameenphone catch 56.679 million subscribers which is 42% of aggregate market and with 32.865 million subscribers, Banglalink hold the second position in the market (The Daily Star, 2016).

3.2 Robi Market Position

Robi Axiata Ltd is the third biggest media transmission administrator in Bangladesh with 28.317 million subscribers (BTRC, 2015). With 25% share of the overall industry Robi earned Tk 4942 million income and Tk 440 million benefits in 2013-2014 monetary year. Robi Axiata Ltd has 16% YoY development in last financial year and rose as second biggest income in the market. The current possession/value structure of Robi is given underneath.

Current shareholding structure

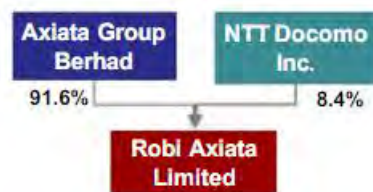


Figure 5 Shareholding Structure of Robi

Robi is the principal media transmission administrator to dispatch 3.5G Network in Bangladesh. The major aggressive calculate 2014 was 3G business that assumed an imperative part for system rollout, new item advancement, and strategic battles. It was a basic circumstance for all administrators to keep the development force. There was market buildup on 3G administrations and Robi needed to adapt on this open door with a specific end goal to amplify degree of profitability.

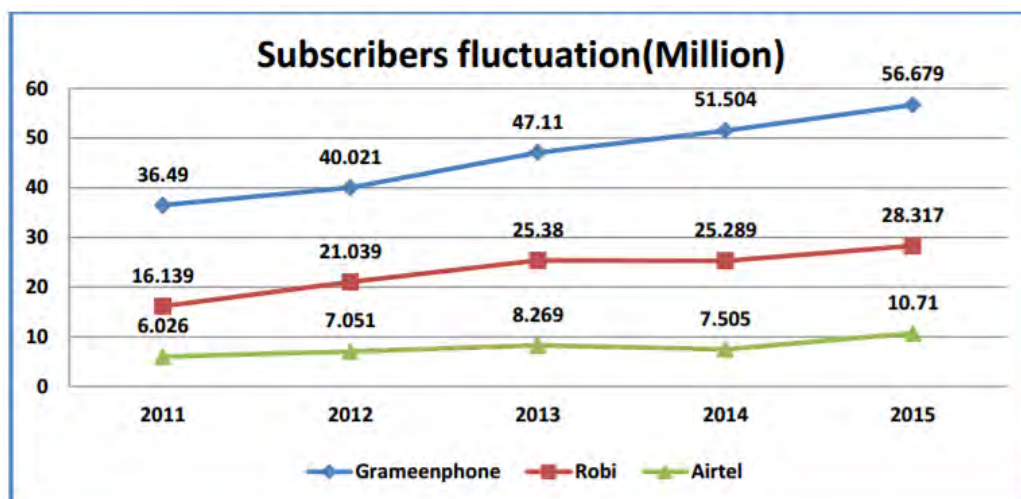


Figure 6 Subscriber Fluctuation of Robi and Airtel

From above chart we see that the subscribers of Robi is tend to upward from 2011 to 2013, But in 2014 Robi lost little bit of subscribers around 0.091 million. In December 2105 Robi had 28.317 million of subscribers.

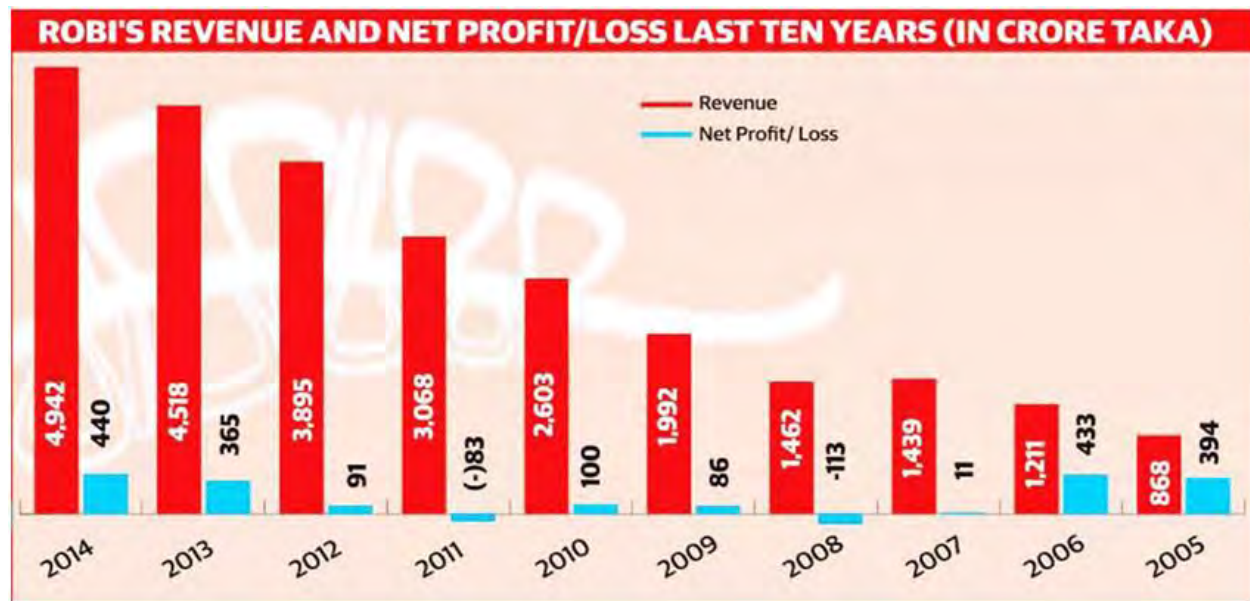


Figure 7 Robi's Revenue overview

From above table we see that amid its most recent five year Robi's income is always uprising yet if there should arise an occurrence of benefit after 2007 Robi did not make enough benefit and in 2008 and 2011 Robi made misfortune Tk113 and Tk83 crore successively. In any case, in the wake of propelling 3G Robi made benefit of Tk 365 crore in 2013, 440 crore in 2014, which is certain idea to the market catching. Joint possession structure of Robi comprises of two speculators one is Axiata Group Berhad and the other is NTT DoCoMo Ltd from Japan.

3.3 Airtel Market Position

Airtel Bangladesh Ltd is the fourth biggest media transmission administrator in Bangladesh with 10.710 million subscribers (BTRC, 2015) . Airtel manufacture a solid consumer loyalty to the youthful client and gives a wide assortment of item and administrations get ready for all endorser. Airtel is a well-known telecom mark among the adolescent and win a decent bit of the income from this class. In any case, in late financial year Airtel did not broaden their system and 3G benefit, therefore Airtel neglects to catches the web market and lost a decent segment of their income. The present possession/value structure of Airtel is given underneath.

Sl. No.	Name of shareholder	Group	% of share holding
1.	Bharti Airtel Holdings (Singapore) pvt. Ltd	Bharti Airtel	100%
2.	Mr. Sunil Bharti Mittal	Nominee shareholders of Bharti Airtel	
3.	Mr. Ajai puri		
4.	Mr. Monoj Kumar Kohli		
5.	Mr. Devendra khanna		
6.	Mr. Prasanta Das Sarma		
Total			100%

Figure 8 Shareholder Structure of Airtel

Airtel likewise neglected to give great system scope for the mass client that negatively affect their income and benefit. Hence Airtel is thinking about a merger with Robi Axiata Ltd for operational effectiveness and better client administrations.

Subscribers Growth Rate of Airtel Bangladesh Ltd					
Years	2011	2012	2013	2014	2015
Growth Rate	102%	52%	17%	0.27%	16%

Figure 9 Subscriber Growth of Airtel Bangladesh Ltd.

From above table we see the supporters' status of Airtel Bangladesh Ltd; we see that in 2014 Airtel subscriber's development went to exceptionally immaterial level. This is the reason Airtel is restless about their future potential outcomes, in last two financial years Airtel has a little measure of benefit, it might be a vital purpose behind merger.

3.5 Main Objective of the Merger for Both Operators

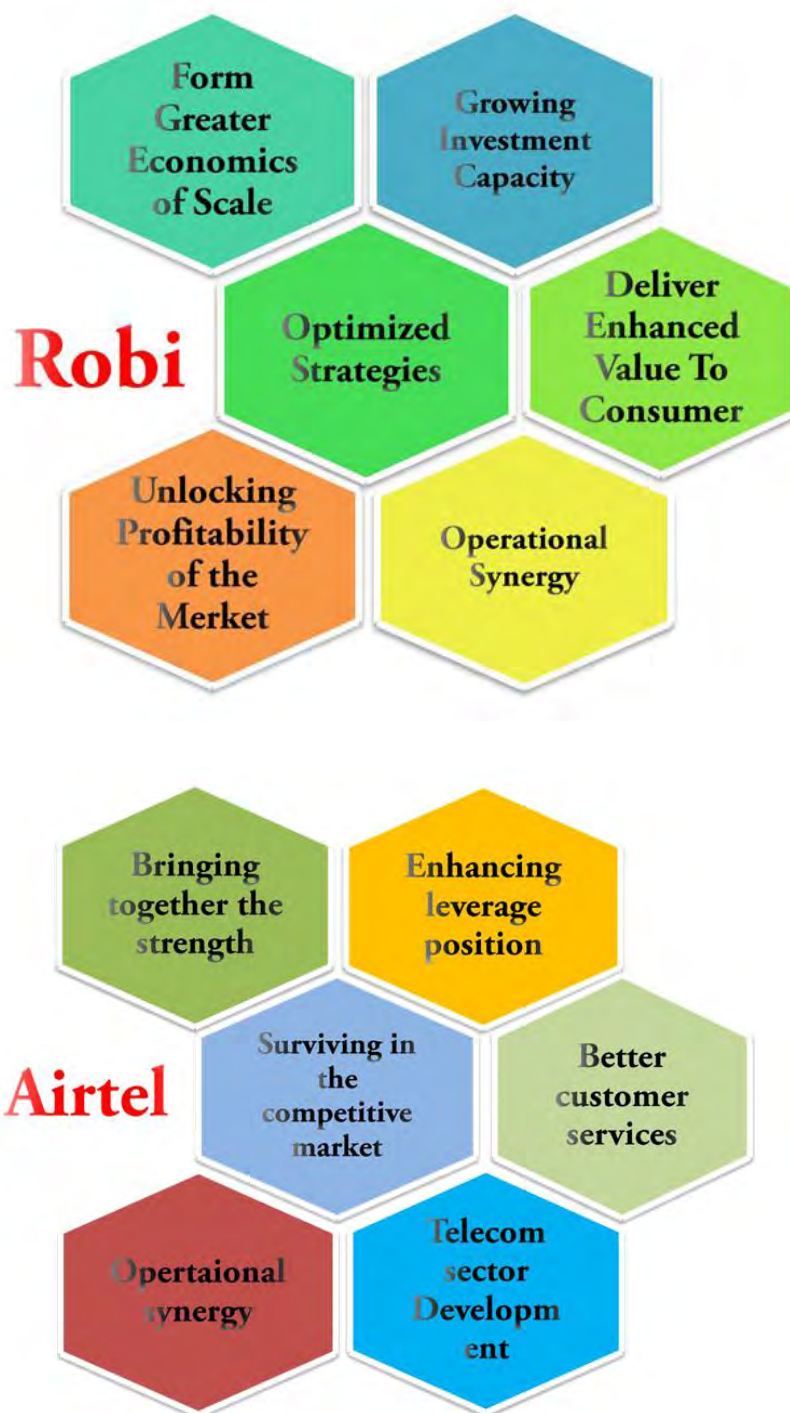


Figure 10 Robi-Airtel Merger Objective

3.6 Approaches to merger

3.6.1 Poison Pill

A strategy used by corporations to discourage hostile takeovers. With a poison pill, the target company attempts to make its stock less attractive to the acquirer. There are two types of poison pills- flip-in and flip-over. Flip in allows existing shareholders (except the acquirer) to buy more shares at a discount. In this case we did not see such act by Airtel because of voluntary merger.

3.6.2 Golden Parachute

Golden parachute is giving substantial benefit to existing employee such as CEO, directors, managers and general employee of the company. Moreover Airtel is suffering from a significant decrease in their revenue and profit in recent years. If Robi apply any hostile approach they may pursue golden parachute to discourage Robi, but in real sense Airtel is willing to be merged.

3.7 Advantages and Disadvantages of the Merger

3.7.1 Advantages

- Robi will be a telecom administrator with subscriber base of more than 38 million and 29% of the market share (BTRC, 2015).
- This subscribers and piece of the pie will place it in the second position in the market after Grameenphone.

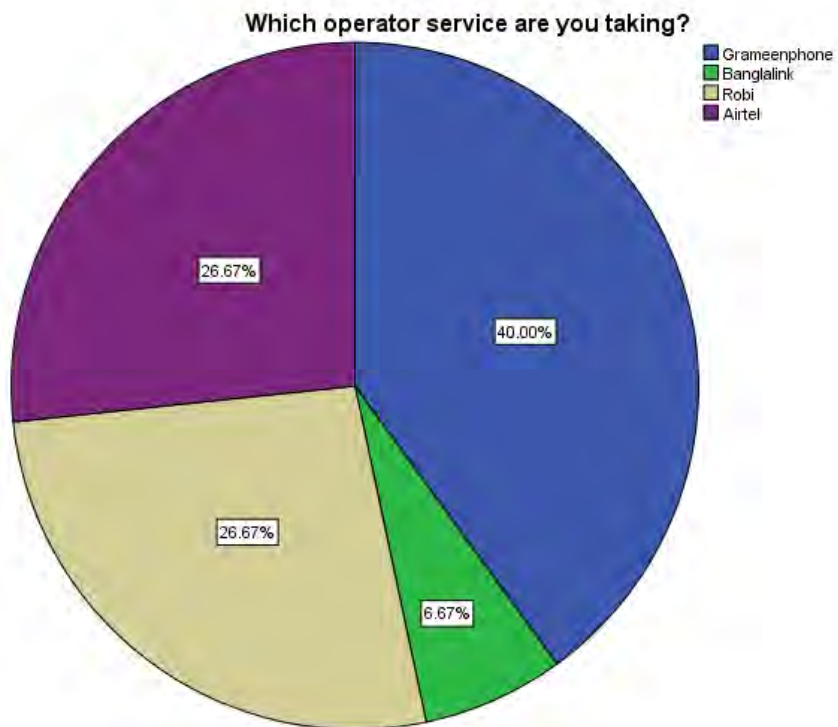
- After merger Robi Axiata Ltd will obtain 39.8MHz with 17.4MHz in the imperative 1800MHz band. Right now Grameenphone has the most astounding range MHz band in Bangladesh.
- Conveying the most stretched out system scope and better versatile web understanding than 40 million clients.
- Making a more extensive deals and dissemination reach through the most broad channels that will be upheld by the biggest system of client administration focuses the nation over.
- Remunerating clients through lower inside system (on-net) call rates by being a piece of the 40 million-in number client base.
- Encouraging accessibility of web access crosswise over Bangladesh and enhancing reasonableness of portable administrations through the improved size of consolidated operations.
- Encourage Government's vision of Digital Bangladesh and drive Foreign Direct Investments (FDI) into Bangladesh.
- The proposed merger will reinforce the long haul supportability of the Bangladesh telecom scene and market structure, secure quicker across the country rollout of versatile broadband and contribute essentially to the general economy and income of the nation.
- Enhanced portable information and broadband administrations will have a multiplier impact on efficiency of the economy, neighborhood contiguous versatile and united administrations eco-framework, and drive new FDIs towards different parts also Improved Scale of Operations Leading to Better Business Viability and Shareholder Returns.

- Enhancing the cost of operations and business suitability that will prompt to more noteworthy comes back to the shareholders bringing about the capacity to additionally contribute towards development of media transmission benefits the nation over.

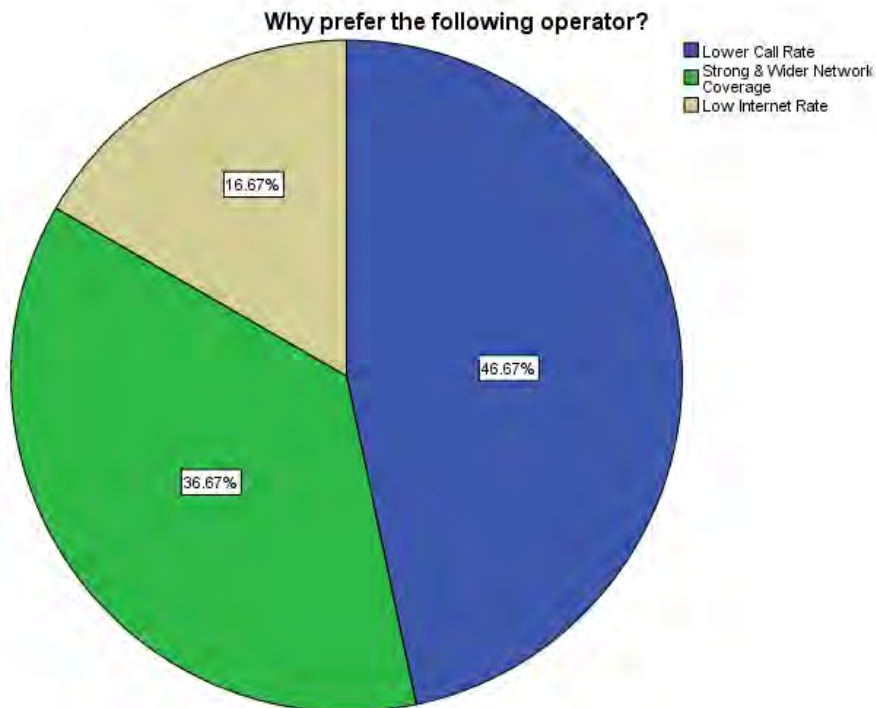
3.7.2 Disadvantages

- No decrease in work drive. BTRC gave this condition after their merger application. Robi needs to consent to that the present representatives who are working in Robi and Airtel now won't be let go in view of merger arrangement.
- Robi should assume money related liability for Airtel's risk. Airtel does not report its benefit/misfortune independently and Airtel Bangladesh Ltd and Bharti Airtel of Sri Lanka has had misfortunes as of late.
- BTRC likewise gave a condition that substance must have telecom service's endorsement additionally Pri-Minister ICT counselor requesting that BTRC look for popular assessment on merger.
- Government may defer the basic leadership on merger in light of bureaucratic and different purposes.
- Government may postpone the merger arrangement to have the bartering first to acquire income from closeout.
- BTRC needs to take supposition from other administrator before open hearing however this will make merger lengthier.
- In the event that merger lessen rivalry that will at last not profit shopper then government may take other choice.

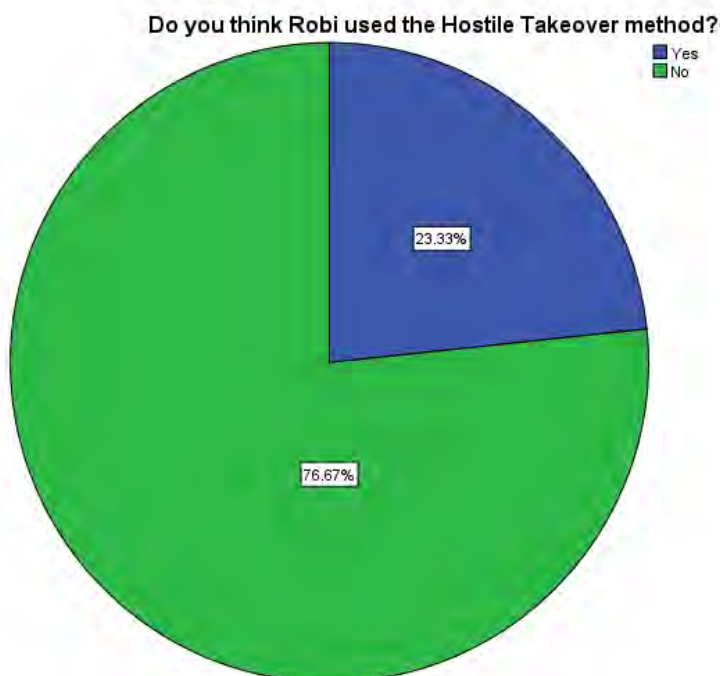
3.8 Quantitative Analysis



During the survey it was seen that most of the people use Grameenphone. Robi and Airtel users were 26.67% and 26.67% respectively. But merging them will help them get the lead.



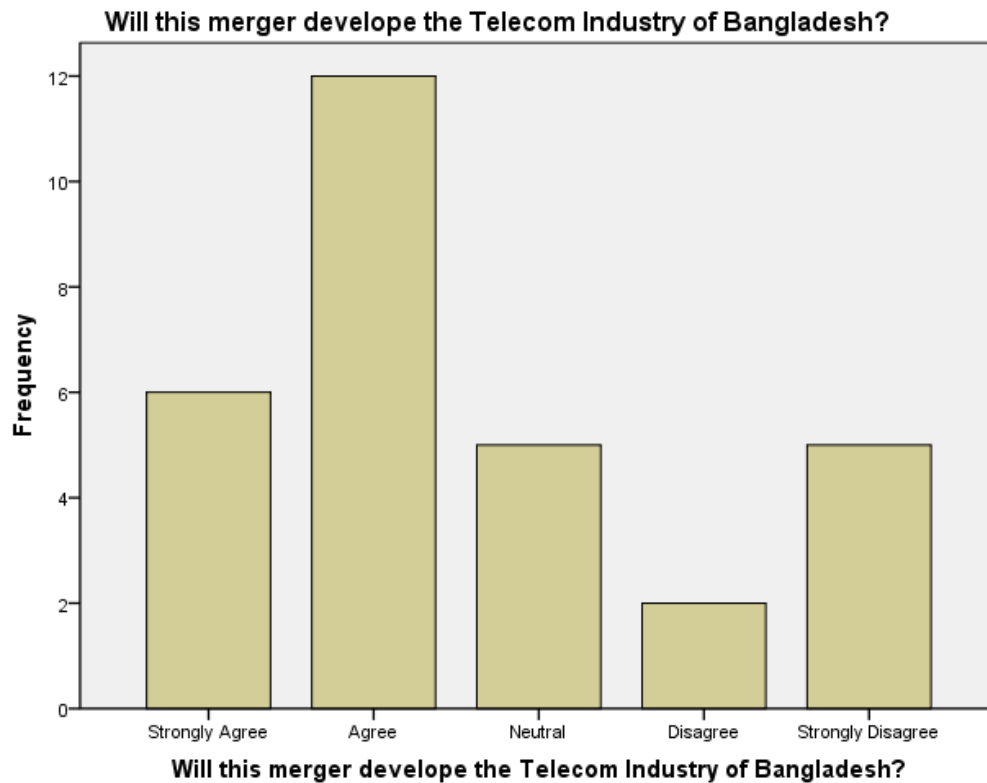
Here, it is seen that people mostly uses the following operators due to lower call rate.



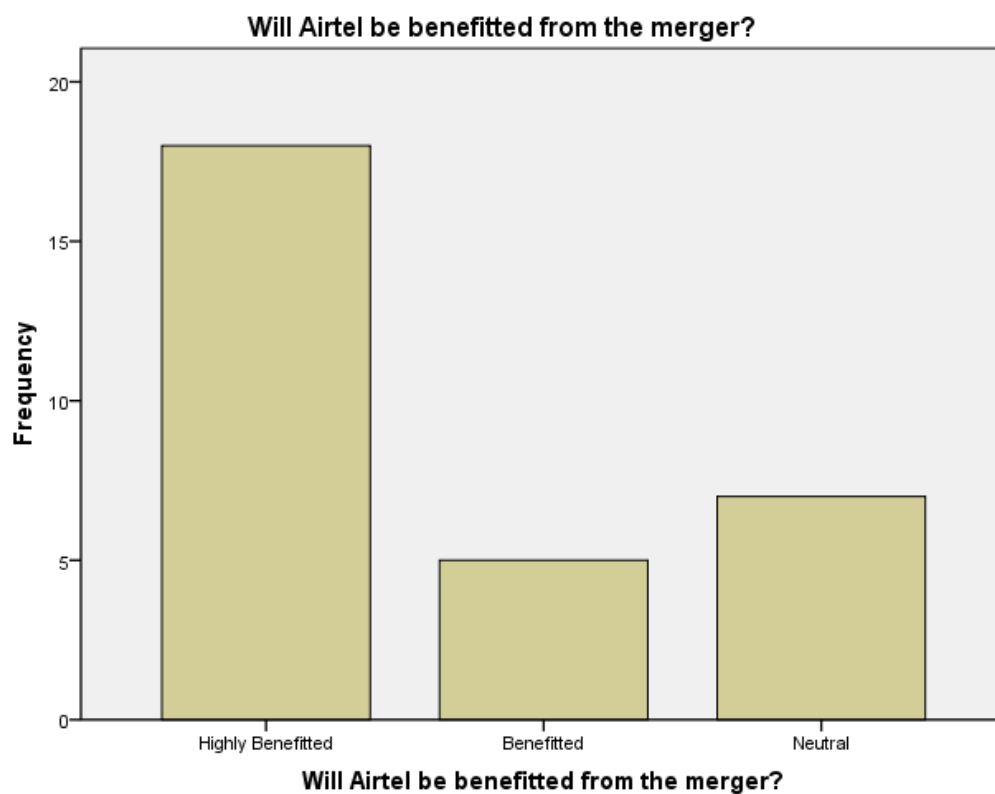
Here, it is also seen that 76.67% of the people think there was no hostile takeover method taken by Robi.



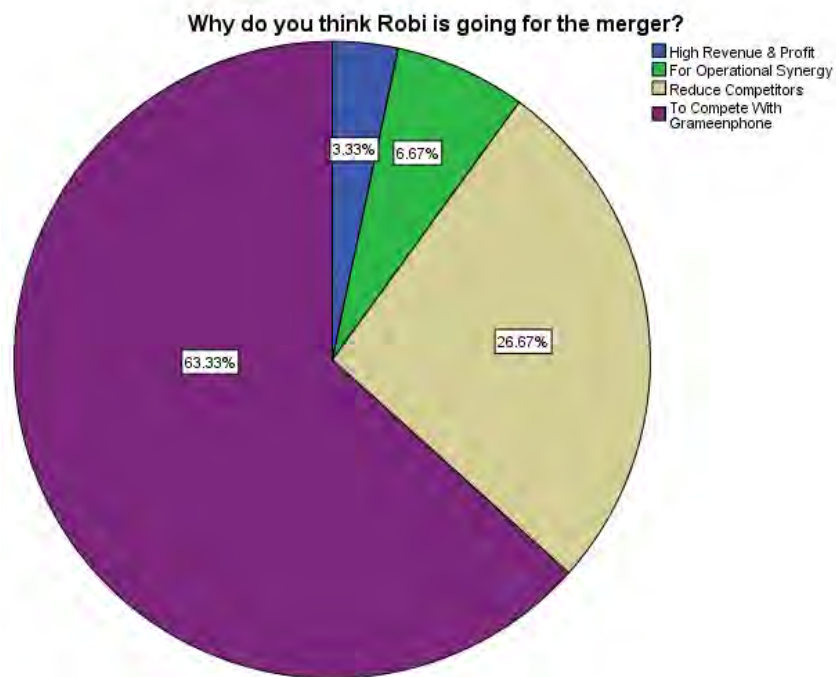
From the survey we found that 36.67% of the people believe that the merger will help to improve their network and service quality.



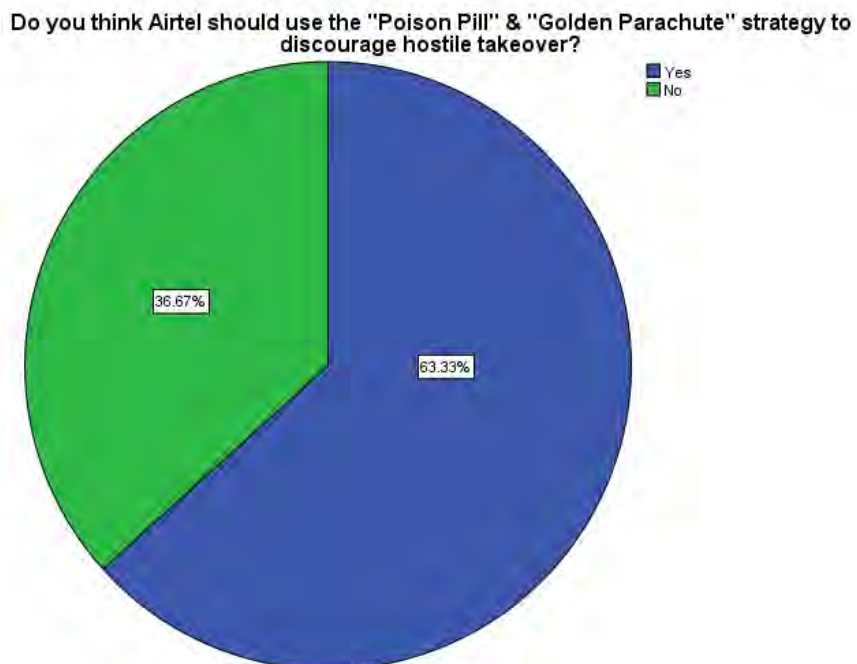
Here, it is seen that people doesn't have a strong feeling but somewhat agrees that the merger will develop the Telecom Industry in Bangladesh.



During the survey, it was seen that Airtel will be benefitted from the Robi-Airtel merger.

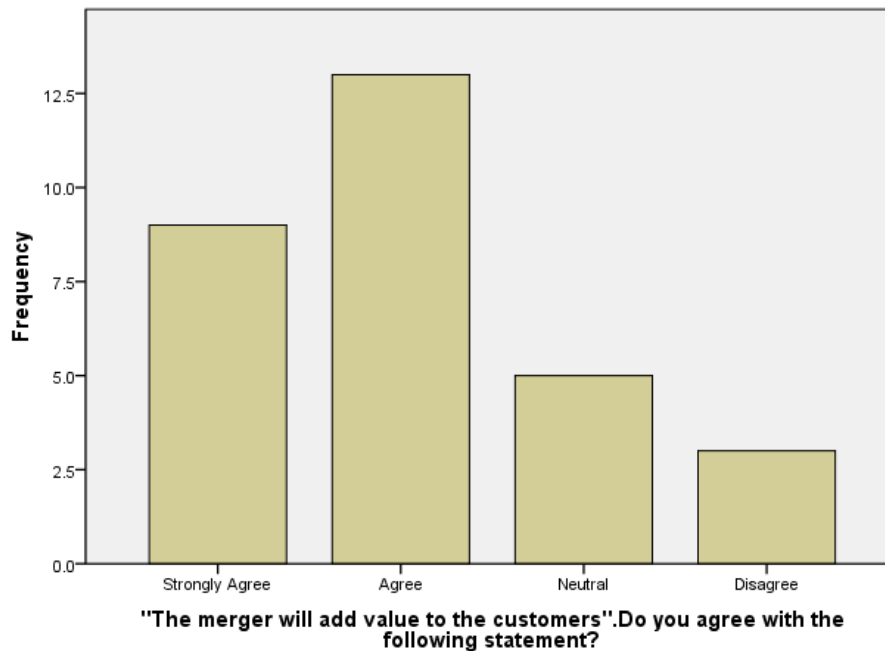


Here, it is seen that people think Robi is mainly doing the merger to compete with Grameenphone.



From the survey it is seen that people believe Airtel should use the following strategies to avoid hostile takeover.

"The merger will add value to the customers". Do you agree with the following statement?



Here, it's seen that people believe that this merger will add value to the customers.

Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.616	9

The reliability test shows a result of .616 which the results are reliable. As the surveys were done by mostly students, they had a better idea about the merger and different strategies of merger. This makes the survey more credible.

3.9 SWOT Analysis

3.9.1 Strength of Robi-Airtel Merger

- Robi Axiata Ltd will be the second biggest telecommunication brand with 38 million supporters and 29% market share of the overall industry (Dhaka Tribune, 2016).
 - Robi can utilize 39.8MHz range with 17.4MHz in the critical of 1800MHz (Dhaka Tribune, 2016).
 - As a consequence of merger subscribers will encounter better client experience, for example, better voice quality, less drop calls, speedier information rates.
 - Merger will decrease cost for utilization and business.
 - Acquirer Company can give their supporters with better system scope.
 - Merger will be the extra financial aspects of scales for both elements.
 - After merger Robi can prevail in the market and ready to create solid association.
- Weakness of Robi-Airtel Merger

3.9.2 Weakness of the Merger

- Acquirer Company can't bear the cost of a lot of client with better administration on account of lower proficiency.
- Absence of productive representatives might be another imperative issue. It will hamper Robi to improve a position in the market.
- An excess of representative can be a weight for Robi to oversee viably.
- From multiple points of view the issue connected with attempting to make merger organizations work is very complex.

3.9.3 Opportunities

- More noteworthy development capacity will give extra extension to the element with no capital consumptions
- Airtel can get by this merger in light of the fact that exclusive enormous player will make due in more aggressive world.
- Largest system scope and unrivaled portable web can make the merger productive.
- Making a more extensive deals and circulation reach through the most broad channel
- Proposed merger will strengthen the long term sustainability and market structure.
- Enhancing expense of operations and business practicality that will prompt to a more prominent return.
- Taken a toll advantage through specialized financial aspects.

3.9.4 Threats

- The monetary value of target can be too high to afford by Acquirer Company.
- Terms and conditions make a merger more complex to work because two third of big merger will disappoint on their own term, loose value in the stock market.
- Differences in culture and strategy make merger unfruitful.
- Can hamper productivity due to change in working environment.
- Bureaucratic procedures can make merger more complex in terms of cost.
- Government may apply more conditions if 38.9Hz is too much for one operator.
- The legal obstacle can make it lengthier.
- Government may impose some extra regulation on the business, and then merger can fail.
- Merger can create an oligopolistic situation in the market.

CHAPTER IV

Key Findings

4.1 Spectrum Utility

After merger the entire spectrum assigned to Airtel and Robi shall be used by amalgamated entity (Robi) as part of assets.

Table 1 Spectrum Utility of Telecom Service Providers

Mobile Operator	Spectrum in 900Mhz Band	Spectrum in 1800Mhz Band	Spectrum in 2100Mhz Band	Total Spectrum
Robi	7.4MHz	7.4MHz	5Mhz	19.8MHz
Airtel	5MHz	10MHz	5Mhz	20Mhz
Grameen Phone	7.4MHz	14.6MHz	10MHz	32MHz

After merger range of Robi will be 39.8 MHz with 17.4 MHz in the vital 1800MHz band. Grameenphone Ltd now hold 32MHz with 14.6 MHz in the 1800 MHz band. Right now Grameenphone has the most noteworthy range band in the telecom business of Bangladesh. Here government choice on range will be the import issue of this merger (The Daily Star, 2016).

4.2 Number Planning

Merging Entity, Robi will take important changes with no cost of current client. Airtel subscribers will keep on using MSISDN prefix of 016 (portable administrator code) and new issue of Airtel SIM will be prevent following 3 years from amalgamation (The Daily Star, 2016).

4.3 Transition of subscribers from Airtel to Robi

Two operators assure that the transition process to implement and effect the aforesaid merger shall in not impact the subscribers nor cause in any major disruption of services. After

merger, Robi will agree completely with its authorizing condition, as Robi tried to do and to keep on complying with the administrative prerequisite (The Daily Star, 2016).

4.4 Survey

From the survey, I tried to find out the perception of the people towards the Robi-Airtel merger. According to them, this merger will not only benefit the operators themselves but will benefit the customers too. They will enjoy the outcomes of the merger i.e better service quality in case of both network and service. Everyone has a positive attitude towards the merger

CHAPTER V

Recommendation & Conclusion

5.2 Recommendation

Mergers are more or less expensive and in this case this is not different. With a record breaking figure of \$4.7 trillion in total worth in 2015, mergers have been one of the most potent way of expanding a business (Hassan, 2016), this will be no different for Robi-Airtel merger. Moreover the added pressure by BTRC not to cut in work force will further increase costs. The only way this can be combatted is by either decreasing operation costs or by increasing service fee. Given the fact that of the fierce competition in the telecom industry this will not be viable as customers will be more willing to shift to their competitive firm if prices are increased. Therefore, the only way the merger can nullify this is by cutting off operational costs.

Another important aspect of Robi-Airtel merger is the fact that, the Airtel employees who will be entering the newly formed entity will be exposed to a different work environment at Robi, which will impact their workflow when they join since it will take time to come to terms with new work environment. The only way for Robi to ensure that this transition can be smooth is by providing the employees a basic training on the job about Robi's Code of Conduct and their Workplace norms in order to incorporate the new employees faster and ensure the flow of work returns to normalcy.

Moreover, the merger could cause concern it the mass delirium among the customers. Since the prefix used by Airtel and Robi are different which are 016 and 018 respectively, so after the merger what will they use? This can also give rise to customer dissatisfaction and the only way this can be solved is by ensuring and letting customers know what could happen before hand and also notifying them of the changes that can occur after the merger.

5.2 Conclusion

Robi-Airtel merger move in Bangladesh will be a turning point for the broadcast communications segment of the nation. Universally, it has been demonstrated that bigger players contribute increasingly and along these lines one ought to consider this merger with a positive mentality. Give us a chance to evaluate the result and desires from this merger from the points of view of-effect on the inside workforce, effect on the brand estimation of the specialist organization, effect on the opposition, and last yet maybe the most imperative, effect on the buyers.

The merger has the chance to climb the step and concentrate on turning into a trailblazer and market pioneer as opposed to being a maker of _me-too items. Merger will bring about financial aspects of scale and more noteworthy entrance through unification of expanded market. In the event that everything goes in right track then supporters of Bangladesh telecom industry will meet with existing Robi with better administration and world class development.

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- 3) Mobile Phone Subscribers in Bangladesh. Retrieved from <http://www.btrc.gov.bd/content/mobile-phone-subscribers-bangladesh-december-2015>
- 4) Hussain, 2016. Robi-Airtel merger gets final nod from BTRC. Retrieved from <http://www.dhakatribune.com/bangladesh/2016/10/18/robi-airtel-merger-gets-btrc-nod/>
- 5) Islam, 2016. Robi-Airtel merger will complete in a month. Retrieved from <http://www.thedailystar.net/business/robi-airtel-merger-will-complete-month-1289746>
- 6) Hassan, 2016. Retrieved from <http://www.thedailystar.net/business/merger-and-acquisition-hits-all-time-high-1242925>
- 7) Company Profile <https://www.robi.com.bd/corporate/company-profile/?lang=eng>
- 8) <http://www.bd.airtel.com/about-airtel>

Appendix

Robi-Airtel Merger

* Required

1. Which operator service are you taking? *

Mark only one oval.

- ☐ Grameenphone
- ☐ Airtel
- ☐ Banglalink
- ☐ Robi
- ☐ Other: _____

2. Why do you prefer the following network? *

Mark only one oval.

- ☐ Lower Call Rate
- ☐ Strong and Wider Network Coverage
- ☐ Low Internet Rate

3. Do you think Robi used Hostile Takeover Method? *

Mark only one oval.

- ☐ Yes
- ☐ No

4. What are your expectation from the merger? *

Mark only one oval.

- ☐ Improvement In Service
- ☐ Lower Call Rate
- ☐ Strong and Wider Network Service

5. Will this merger develop the Telecom Industry in Bangladesh? *

Mark only one oval.

	1	2	3	4	5	
Strongly Agree	☐	☐	☐	☐	☐	Strongly Disagree

6. Will Airtel be benefited from the merger? *

Mark only one oval.

	1	2	3	
Highly Benefited	☐	☐	☐	Neutral

7. Why do you think Robi is going for the merger? *

Mark only one oval.

- ☐ High Revenue and Profit
- ☐ For Operational Synergy
- ☐ Reduce Competition
- ☐ To Compete with Grameenphone

8. Do you think Airtel should use "Poison Pill" or "Golden Parachute" method to avoid hostile takeover? *

Mark only one oval.

- ☐ Yes
- ☐ No

9. "The merger will add value to the customer". Do you agree with the following statement? *

Mark only one oval.

	1	2	3	4	
Strongly Agree	☐	☐	☐	☐	Disagree