



Internship Report

Spring '16



robi



Internship Report

On

Comparative Analysis of ROBI AXIATA Ltd.



Submitted to:

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27 March, 2016

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Subject: Submission of Internship Report

Dear Madam,

As part of BUS400: Internship and under your supervision, I have completed my twelve week Internship Program at ROBI AXIATA Ltd. Hence, I am submitting my internship report on the assigned topic “Comparative Analysis of ROBI AXIATA Ltd”.

It was a great experience while working on this paper. However, I would like to mention that as per the limitations of resources in terms of accessibility and confidentiality of documentations, I have tried my best to provide information relevant to the required field. Therefore, I hope that you would excuse any minor errors which may have occurred while accumulating and interpreting my findings.

I hope you will accept this effort with this report coming out as the outcome of my learning and thereby assess my progress during the course of my Bachelors in Business Administration degree.

Sincerely,

Tanzim Rafiq

ID: 13304149

BRAC Business School

BRAC University

Acknowledgement

As part of my internship for BUS400 from BRAC University I have been assigned this report to reflect my learning and it is with great pleasure that I express my gratitude to following institutions and individuals.

Firstly I would thank BRAC University and the BRAC Business School for enlightening me over the period of my Bachelors in Business Administration. Every faculty of the BRAC Business School receives my greatest honor because of all their teachings which created an interest in me to stand out.

My gratitude goes to ROBI AXIATA Ltd – for selecting me as intern out of a highly competitive environment – consequently allowing me to learn from one of the leading Telecomm companies in Bangladesh and from managers who are undoubtedly experts in their fields. The learning has been paramount and immensely enlightening.

At ROBI AXIATA Ltd I had the opportunity to learn from Mr. Md Tofazzol Husain, Manager, Corporate Strategy, Strategic Planning Department in Market Operations Division at ROBI, who was my line manager. My line manager had been extremely cordial, supportive and optimistic with me and my efforts since the day I joined. Along with that I would also like to show my heartfelt gratitude to all the members of Corporate Strategy who have always been very supportive towards. They helped and encouraged me to learn from them regarding any task given. All of them had been extremely cordial, supportive and optimistic with my efforts and me since the day I joined.

Last but not the least I must reserve my heartfelt gratitude for Mrs. Nusrat Hafiz, Lecturer, BRAC Business School and my Internship Supervisor on behalf of BRAC University. Her optimism and faith in me and my abilities gave me massive confidence in myself and my work. My internship report itself has been analyzed and dissected meticulously under her supervision and I believe the success of this report is largely due to her contributions in identifying and cooperating with me to do the analysis.

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Executive Summary

Robi Axiata Limited, a leading telecommunications service provider in Bangladesh has always been in the forefront of when it came to innovation. As part of my academic requirement and completion of my BBA program, I needed to complete a twelve week Internship program. I got the opportunity to do my Internship at ROBI AXIATA Ltd. This report focuses mainly on the project I was assigned to, followed by the different responsibilities I was given by my line manager and the comparative analysis done on the company. The project was customer experience strategy which focuses on making a framework implementing strategies to provide excellent customer experience. There are different analysis done on ROBI like market share analysis, performance analysis, PESTLE and SWOT analysis and lastly the Porter's competitive advantage analysis to get the whole idea of the telecommunication industry of Bangladesh and to identify the position ROBI holds in the market. The report will give the future prospect of the company and the things they need to improve in order to stay in the competition and grab more market share in the industry.



Chapter 1: Introduction

Origin of the report

This is an Internship report. Bachelor of Business Administration (BBA) program of BRAC Business School requires a twelve weeks attachment with an organization followed by a report assigned by the supervisor in the organization and endorsed by the faculty advisor. I took the opportunity to do my internship in an international telecom company what is one of the leading telecom service provider in Bangladesh, “ROBI AXIATA Ltd”.

Under the proper guidance of onsite supervisor Mr. Md Tofazzol Hussain, I have conducted the Comparative Analysis of ROBI. My faculty supervisor Mrs Nusrat Hafiz, Lecturer of BRAC University, also approved the topic and authorized me to prepare this report as part of the fulfillment of internship requirement and gave me proper guidance and assistance over time.

Objective

Broad Objective

The broad objective is to know about the contribution of ROBI AXIATA Ltd in Telecom Industry of Bangladesh.

Specific Objective

- To focus on the overall condition of telecom industry of Bangladesh.
- To know the position of ROBI AXIATA Ltd in Telecom industry regarding market share and profit.
- To analyze the performance of ROBI.
- To identify the future prospect of ROBI in Telecom Industry of Bangladesh.

Methodology

Primary Source

The primary sources are-

- Onsite Task
- Face to face interview with the supervisor of ROBI
- Observation

Secondary Source

The secondary sources are-

- Official Website: <https://www.robi.com.bd/>
- BTRC website: <http://www.btrc.gov.bd/>
- Other relevant websites
- Different Reports, Articles and different publications of ROBI and the other operators in Bangladesh.
- Management profile of ROBI AXIATA Ltd.

Scope

The report deals with the Comparative Analysis in terms of theoretical point of view and the practical use of it. The study allows learning about the current scenario of the telecom industry. It will also help to learn the practical procedures followed by the leading organizations. The team members at my department had the best knowledge about the subject and were able to provide adequate information.

Limitations

While making this report there were a lot of limitations. The major limitation was the availability of information. Most of my job related information was confidential and to maintain that I had to be always careful about which information I am providing.

The other limitation was the project assigned to me when I first joined ROBI as an intern; I had a small opportunity in working on that project. For that reason, I could not write anything about that project in this report. Instead of that, I had to go through another project and get the information from my supervisor which was pretty hard because that project also had confidential information.



Chapter 2: The Organization

Company Overview

Robi Axiata Limited is a joint venture of two leading telecom group, Malaysia's Axiata Group Berhad and Japan's NTT DoCoMo Inc. Axiata holds the majority 91.59% share of Robi and NTT Docomo have the rest 8.41%.



Axiata Group Berhad: Axiata is an emerging leader in Asian telecommunications with significant presence in Malaysia, Indonesia, India, Sri Lanka, Bangladesh and Cambodia. Axiata Group Berhad, including its subsidiaries and associates, has approximately 120 million mobile subscribers in Asia, and is listed on Malaysia's stock exchange (Bursa Malaysia).



NTT DOCOMO INC: NTT DOCOMO INC is the world's leading mobile communications company and the largest mobile communications company in Japan. DOCOMO serves over 56 million customers, including 44 million people subscribing to FOMA™, launched as the world's first 3G mobile service based on W-CDMA in 2001.

It's one of the most dynamic telecommunication operators in Bangladesh, which has seen rapid growth in the past five year after it was rebranded from 'AkteL' to 'Robi'. The company has hugely developed its services to meet the rising needs of customers, ranging from voice and high speed Internet services to customized telecommunications services. As a customer-focused information communications company, Robi believes in providing superior service that leads to good business and good development in the society. They believe that quality is continuous and never ending journey. Hence, every step Robi takes is continuously upgraded and expands their network for better and more efficient services to subscribers

Their services include 2G and 3.5G voice, CAMEL Phase II and III and 3.5G Data/GPRS/EDGE service high-speed internet connectivity. Its GSM service is based on the robust network infrastructure and cutting edge technology. The company has the widest International Roaming coverage in Bangladesh connecting 600 operators across more than 200 countries. The customer centric solution includes value added services (VAS), quality customer care, digital network security and flexible tariffs, with an addition of mobile apps to make customer experience even better.

History

Robi Axiata Limited commenced operation in 1997 as Telekom Malaysia International (Bangladesh) with the brand name ‘Aktel’. In 2010 the company was rebranded to ‘Robi’ and the company changed its name to Robi Axiata Limited.



Since its beginning in 1996, Axiata Group and its predecessor Telekom Malaysia has invested around BDT 11,000 crore in the form of equity till 2012. Moreover the company has contributed almost BDT 10,000 crore to the Bangladesh Exchequer in the same period. As a subsidiary of Axiata Berhad Malaysia, Robi draws on leading edge technology to provide its service in Bangladesh, covering almost 100% of the population, Robi is committed to provide best data and voice quality and will continue to ensure that its customers are able to enjoy the best experience through leading edge technology and innovative products and services.

Product and Service Offerings

Robi offers a wide range of products that include prepaid and postpaid packages that give customers the flexibility to choose one that suite their preferences.

Prepaid: Robi has recently simplified its prepaid offering to make it more convenient for its customers to choose a package that suites their needs best. Its prepaid plans are Robi Club, Robi Prothom, Muhurto, Shoccho, Shasroyee and Sorol. Robi has also prepaid plans for PCOs and small business entrepreneurs.

Postpaid: Postpaid package is mainly of two type base on tariff. They are Simple Plan and Normal Plan. Robi corporate is the package for corporate business users.

Internet: Robi offers high speed internet through their robust 3.5G network infrastructure that has a wide coverage map. Robi 3.5G is the third generation of mobile communication technology that will allow customers to surf the internet with speeds of more than three times faster than 2G technologies. Robi 3.5G is the enhanced version of 3G that offers higher mobile Internet speed of up to 21Mbps, while 3G offers mobile Internet speed of up to only 384Kbps. Nevertheless, the average download data speed available is usually in the region of 1-3 Mbps.

Value Added Services (VAS): Robi offers many value added services (VAS) for its customers. Robi introduces many VAS service first in Bangladesh among them Phone backup, Call block, Café 8000, Balance Transfer, Robi Radio, Missed call alert , Push mail are few. The VAS services are categorized as Music, Entertainment, Download, Messaging, Community and Chat, Information services, Mobile assistance, Education and career, Life Style and Finance. Robi is the pioneer in VAS products.

Operational Network Organogram

Robi Axiata Ltd. has a meticulously structured tall organogram, which allows each division to work independently within the guidelines set by the top management. The organogram hierarchy is as follows:

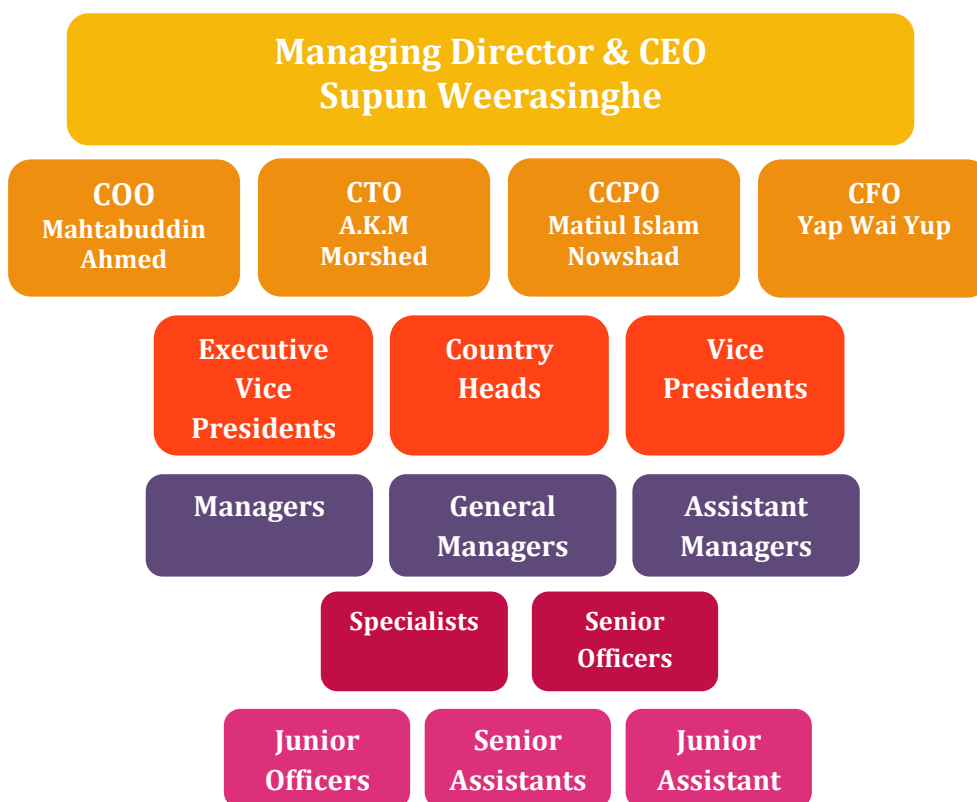


Figure 1: Organizational Organogram of ROBI AXIATA Ltd

Principles & Purpose

Robi Axiata Ltd. is guided by three guiding principles. These principles define the company's purpose and direct its employees in the right direction.

Uncompromising Integrity

- We will be legally, ethically, and morally correct.
- Our conduct will be fair and honest.
- We will listen, seek understanding and encourage open dialogue.
- We will be passionate in pursuing our beliefs.
- We will treat others with dignity, valuing and benefiting from diversity.
- We will be accountable for our actions and behaviors on fellow employees, customers, shareholders, and the communities in which we operate.
- We will be courageous in sharing our work and bold to learn and improve from our mistakes.
- We will adhere to our Code of Conduct, protect and uphold it.

Customer at the Centre

- We will be customer centric delivering their needs in terms of value, quality and satisfaction.
- Our customer focus will be unrelenting in creating positive experience, at every point of interface, sale and post-sale.
- Simplicity will be the key for the customer to learn about us, buy from us, and get support from us whenever, wherever.
- We will strive for continuous innovative solutions in every sphere of our work.
- We will engage with the customers to know their demands and design our actions to care for them better than our competitors can.
- We will not be distracted from creating and providing value for our customers.

I Can, I Will

- Ensure our efforts produce desired results.
- Seize opportunities at the right time and execute them on time.
- Go beyond our scope, strive for and achieve excellence.
- Do what it takes to ensure delivery of results not waiting for delegation.
- Go that extra mile, setting ambitious goals to ensure our efforts bring success.
- Have the courage to say and do what it takes in order to ensure success.



Chapter 3: Job Overview

Designation: Intern at Corporate Strategy (Market Operations)

I was assigned as an intern in the strategic planning department, which is a part of corporate strategy division. The primary objective of Corporate Strategy Division is to develop strategic plan and initiate strategic execution, manage enterprise performance and create new business opportunities for Robi. Divisional Performance Management, Enterprise Risk Management, and Quality Management Systems (through ISO) are the other functional areas of this division. By setting strategic direction of the company Corporate Strategy support the business to gain strategic advantages. Strategic Planning mostly do the long range business plan, critical strategy development and execution, new venture or partnership project management and data & trend analysis

Specific Responsibility

I was assigned to a department which has so many functions keeping everyone busy all the times. My case was not any different than the others. Every day I was assigned to some tasks to deliver. The tasks were daily, weekly and monthly basis. By the end of my internship period, I was able to cover many of the smaller tasks that took up a lot of time of the managers in the strategic planning department. The responsibilities that were handed to me were as follows:

- **Market Share Analysis:** As an intern the first task that was given to me was to collect data which are published in Bangladesh Telecommunication Regulatory Commission (BTRC) website every month. The data includes active Mobile Phone Subscribers and Internet Subscribers in Bangladesh. Mobile Phone Subscribers data includes the number of mobile phone subscribers of all the operators which are Grameen Phone Ltd. (GP), Robi Axiata Limited (Robi), Banglalink Digital Communications Limited, Airtel Bangladesh Limited (Airtel), Pacific Bangladesh

Telecom Limited (Citycell), Teletalk Bangladesh Ltd (Teletalk). The Internet Subscribers data includes the number of subscribers of Mobile Internet, Worldwide Interoperability for Microwave Access (WiMAX), Internet Service Provider (ISP) + Public Switched Telephone Network (PSTN).

As these data are published monthly, so I had to update it every month but as the first task I had to collect data from 2012-2015 and also the current and projected data of 2016 and make the data base on quarter basis. There are four quarters in a year each consisting of three months. After collecting all these data, my task was to find out the Market Shares, Net Add, Revenue Market Share, Customer Market Share and quarter basis growth and analyze all the data.

- Analyze The Financial Performance and Market Key Drivers: Once I was done collecting all the data from BTRC, I was given to analyze revenues of all the operators from which I had to find out the growth of mobile revenue, data revenue, voice revenue on quarter basis to see the progress of the operators. Along with this, I was also assigned to analyze the Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) margin and Profit after Tax (PAT) margin. Besides, I had to find out the growth of the market key drivers which are Revenue Per Minute, Minutes of Use, Average Price Per Minute, Average Revenue Per User etc.
- Preparing a Competitive Outlook: The first two responsibilities were given to me so that I can learn how to analyze the data and later on I was assigned to make a master data base which will have all the data from 2012 to 2015 along with the projected data of 2016 and forecasted data of the year 2017 and 2018. I was in charge of making this data base as this will be a competitive outlook of all the operators' information which can be used in any kind of analysis, critical strategy development and execution. It was my responsibility to update this data base every time there's a new updated data available and keep track of all the ups and downs happening in the industry.

- Axiata Performance Comparison: The Vice President of Strategic Planning, Mr. Iftakharul Islam assigned me to do a performance comparison of Axiata's Operating Companies (OpCos). The companies which I was assigned to do the performance comparison are Celcom (Malaysia), Robi (Bangladesh), XL (Indonesia) and Dialog (Sri Lanka). In this case, I was not only assigned to collect the data but also to make a presentation on it and present it to the Vice president. The task was very simple but it contained a lot of data and graphs to show this comparison between each companies. The performance comparison was done by seeing the Revenue Growth, Subscribers' Growth, Data Revenue Growth and Smartphone Growth.
- Quarterly Forecast Market Dynamics: Market dynamics are always forecasted before each quarter. As I have joined in the first quarter, I had to forecast the market dynamics of the second quarter. There are three main factors which are economic backdrop, current trend, and seasonal impact, considered as market growth matrix. Keeping this market growth matrix in mind, the PESTLE analysis was done for the second quarter. These forecasts helps by monitoring PEST trends which can affect retail business and direct business strategy
- Outdoor Activities: It was not always the desk job I had to do. There were times when I was sent to do some outdoor activities. At first I had to do a survey on the LTE enabled handsets available in the market for which I had to go to the different mobile phone stores and collect information. This survey was done for future strategy development.
Secondly, the VP handed over me a task of finalizing the venue by taking care of all the arrangements for a one day workshop. As one of the managers, Mrs. Shaima Hoque was absent, who was actually the in charge of this workshop, I was given the task to handle. As per the instructions, I went to Four Seasons Hotel and had a conversation with the manager giving him all the instructions for the workshop mentioning all the instruments and materials they need to provide along with the

final selection of the meals and also gave him the schedule of the whole workshop to let him know how it will run. The moment I was going to office, I got a call that I was sent to the wrong venue and I had to go there again to cancel the booking. This was a challenging situation for me to handle. I took it as my prior responsibility and went back there. Handled the situation by telling them that the workshop has been postponed due to some unavoidable circumstances and we would contact them when it will be rescheduled. I apologized in a positive gesture and left with a smiling face as I convinced them to believe that the workshop has really been postponed. Then I went to Long Beach Suites, another renowned hotel and repeated the same task all over again but this time it was a confirmed task. Fortunately, the workshop went smoothly with all the arrangements done properly and I was appreciated by the whole team for the way I handled the situation and completed the work I was given.

- Other Responsibilities: There were some small tasks I was given at different times. When my line manager was asked to make the market overview and strategic planning for the second quarter, I helped by providing him different information I found on the web. As he was also in charge of making a Long range Business Plan (LRP), he assigned me to collect the relevant data of different countries.

Different Aspects of Job Performance

Since my tasks were constantly related to collecting data and do analysis with those data, it was very important to keep the data base up-to-date so that whenever my line manager want any facts or figures for making any model or strategy, I can give him the information right away. For this reason, I always had to check different websites regularly. During my time at ROBI AXIATA Ltd, my manager stressed the importance of time and keeping the data updated because of the nature of work in this department.

For instance, when I was asked to make the Axiata OpCos Performance Comparison Presentation, I had a limited time frame to complete the task. As I had the data collected before, it took me only one hour to complete the task where I had the whole afternoon to finish it. I was appreciated for my work as I not only finished it early but also the presentation was just the way the VP wanted.

Another part which I had to take care of was the PEST trend of the second quarter. For this analysis I had to go through all the aspects considered in the first quarter and do the analysis of the second quarter by getting information from the web well.

Whenever I was given any task, I tried my best to do it efficiently and effectively. As my responsibilities became quite clear within the first month, I made sure I perform those properly and leave an impression of my sincerity.

Critical Observations and Recommendation

As an intern at ROBI AXIATA Ltd. I had the chance to observe different aspects of the company in these twelve weeks internship period.

The very first thing I observed was that the process of getting approval for a small or simple task is very lengthy in ROBI. After joining ROBI as an intern, I received my laptop three days later but without any internet connection. In order to meet my job responsibilities, I needed internet connection from the very first day. To get the internet connection my line manager had to apply online which had to be approved by four other people. When I thought I was about to get the internet connection, one approval was declined as I am an Intern and I cannot get access to all the websites, where my manager had already mentioned the reasons for which I needed the internet connection. It took almost three weeks to get the internet connection properly.

In this case my recommendation would be, to redesign the whole process. The process should start by providing a list of interns to the IT department where the laptops will be ready to handover to the interns on their first day. The laptops should be well equipped and have internet connection giving access to some limited websites which will be same for all interns. If a certain intern needs to get access of some other websites then only the line manager will apply online which will be approved by maximum two people. The approval needs to be given within one or two working days which can save a lot of time and make the process an easier one.

Secondly, the software used for internal communications is currently Lync by Microsoft, which is based on an outdated Instant Messaging Platform. ROBI needs to upgrade it to a more useful and updated software. It will be very helpful for the employees if ROBI redesigned its software to allow tasks to be performed efficiently and effectively.



Chapter 4: Project - Customer Experience Strategy

Overview of the Project

If we take all the different aspects of a commoditised world then everything is pretty similar: similar products, similar people, similar technology and similar pricing. The differences are in the brand, the perception and the feel of a company, all of which are delivered through the customer experience. It's the customer experience that differentiates a company.

We've entered the age of the customer — an era when focusing on customers is more important than any other strategic imperative. Every executive knows that customers matter. But most companies don't approach their customer interactions in a disciplined way. It requires a fundamentally different mindset. It requires you letting go of old paradigms and embrace new ones. But the reality is the companies now don't have a choice. Customer experience is the new strategic battlefield.

When ROBI realized the importance of customer experience, given the ambition to provide the best-in-class experience to its customers, there was a need to formulate a long-term service experience strategy plan, mapping Robi's existing capabilities to the corporate vision of becoming a data leader. This Customer Experience strategy has been prepared, based on internal and external analysis as well as considering global best practices, focusing primarily on service experience. Using this strategy as the framework, Customer Experience function will develop the operational plan for the coming years.

As this project will be a three year strategy to run to give the best customer experience, most of the information has been kept confidential. The team working on this project has been modifying the strategies to make the best framework. Once this framework is finalized then the strategies will be implemented in the coming years. For the year 2016, so far the key milestones for functional team are to get the functional plan, Opex (Operational Expenditure) budget and Capex (Capital Expenditure) budget approved.

Objective of the project

To develop a three-year Customer Experience Strategy, which will help Robi create a competitive advantage and differentiation through service experience in line with Robi's long range vision of small screen data leadership.

As the project has been running by a team who is working everyday to make the best plan and achieve the objective within the framework properly and then implement the strategies effectively, they have found that there are some improvements needed in the future which now they are considering as their primary objectives. One of those objectives is to clarify the company's long term goal on consumer centricity and tying up different functional strategies with the overall experience strategy. There's a need for organization wide drive for establishing best-in-class experience (across all brand and experience touch points) to give a seamless experience. The objective is to ensure customer focus by building a customer-centric organizational culture and mindset for cross-functional collaboration as key enablers

Methodology

Although the project customer experience strategy is still undergoing modification and one of the main objectives of this project is to provide excellent service to the customers to make them experience the best quality services. There are four keys to service excellence through customer experience management. Although most of the information are confidential, these four keys work in different segments in any kind of customer experience management.



Figure 2: Service Excellence through Customer Experience Management

1) Measure:

- Gather data on customer experience
- Use Customer Experience Index (CEI) to identify, organise and communicate expectations
- Identify and map emotional touch points

2) Engage

- Establish customer experience Vision & Strategy
- Launch leadership and management education & development program
- Launch employee engagement program

3) Mobilize

- Teach and model service and Service Recovery skills
- Provide reinforcing and developmental feedback
- Conduct coaching conversations to build ownership and judgment

4) Sustain

- Identify important retention factors
- Apply tactics to increase retention and commitment

Limitations

To make sure that customers experience the best quality service, it's not an easy task to make the strategies for it. As I have not been a part of this project very closely but the limitation I have found while working and going through this project is that, the number of service center or the retailer shops from where people get the services of ROBI is huge. It's hard to maintain this amount of centers and keep the same quality in every place. In order to provide the same customer experience in every place, employees will have to be trained properly. Otherwise it will be very hard to implement the customer experience strategy. One another limitation of this project is the merger of ROBI with AIRTEL. First of all there are a lot of people, who does not know about the merger and even if some knows about it, this will create some confusion among them in terms of getting services. The customers of both the operators will get confused about from where they should get the proper service. Both the operator will face problems handling each others' customers and will be hard to meet their expectations. Here comes the necessity of customer experience management which will help both the operators to hold the customers and provide quality services.



Chapter 5: Analysis

Market Share Analysis

The telecommunications sector of Bangladesh is rapidly emerging into a market hub full of potential local and foreign investors. This sector had seen growth in mobile penetration that has exceeded all expectations by having over 65.1 million subscribers in September 2010 compared to only 4 million in 2004. Initially most of the operators focused on the economically bustling cities like Dhaka and Chittagong, as the booming market, many operators are now focusing on other districts, tapping new territories, rural and remote areas for mobile subscribers. This rapid growth in mobile telephony affected the economy immensely in terms of aggregate investment, FDI and productivity levels, improvement in communication, networking and social cohesion.

Currently there are six telecommunication companies in Bangladesh. These are:

1. Grameen Phone Ltd. (GP)
2. Robi Axiata Limited (Robi)
3. Banglalink Digital Communications Limited
4. Airtel Bangladesh Limited (Airtel)
5. Pacific Bangladesh Telecom Limited (Citycell)
6. Teletalk Bangladesh Ltd (Teletalk)

Subscriber Base (in millions)	2011	2012	2013	2014	2015
Grameenphone	36.5	41	47.1	51.5	56.7
Banglalink	23.8	26.8	28.8	30.9	32.9
Robi	16.1	20.8	25.4	25.3	28.3
Airtel	6.0	6.9	8.3	7.5	10.7
Teletalk	1.2	1.4	2.8	3.9	4.1
Citycell	1.8	1.7	1.4	1.3	1.0

Table 1: Subscriber Base of the Operator in Bangladesh (Source: BTRC website)

Market Share %	2011	2012	2013	2014	2015
GP	42.7%	41.6%	41.4%	42.8%	42.4%
BL	27.8%	27.2%	25.3%	25.7%	24.6%
Robi	18.9%	21.1%	22.3%	21.0%	21.2%
AT	7.1%	7.0%	7.3%	6.2%	8.0%
TT	1.4%	1.4%	2.5%	3.2%	3.1%
CC	2.1%	1.7%	1.2%	1.1%	0.8%

Table 2: Market Share of the Operators in the Telecom Industry



According to the data published in BTRC, in 2015 Grameenphone stands in the first position having 42.4% share of the market. In the second position Banglalink stands with 24.6% market share where Robi is in the third position having 21.2% of the market share. Airtel, Teletalk and Citycell has 8%, 3.1% and 0.8% of the market share respectively.

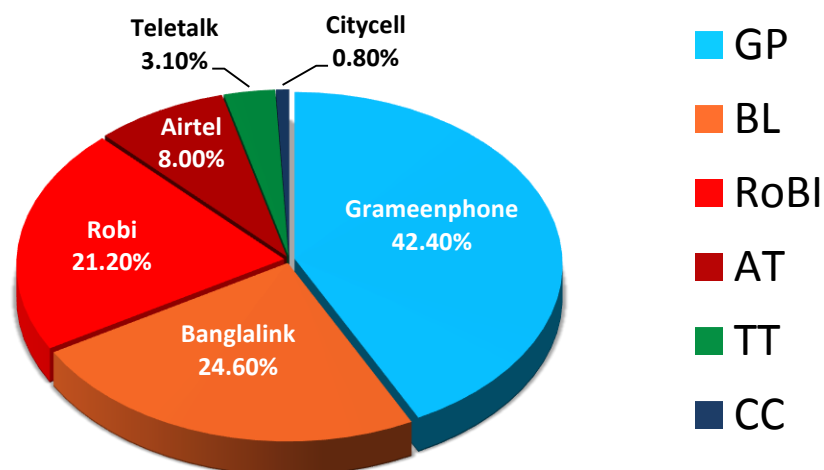


Figure 3: Market Share of the Operators in Telecom Industry of Bangladesh in 2015

Performance Analysis

ROBI AXIATA Ltd, after it was rebranded from “Aktel”, has seen rapid growth in the past five years. The company vastly developed its services to meet the growing needs of customers, ranging from voice and high speed internet services to customize telecommunications services. The growth it showed throughout these years is quite good. While the industry has been witnessing decreasing growth rates, ROBI is actually experiencing an increasing growth rate. Although the growth decreased

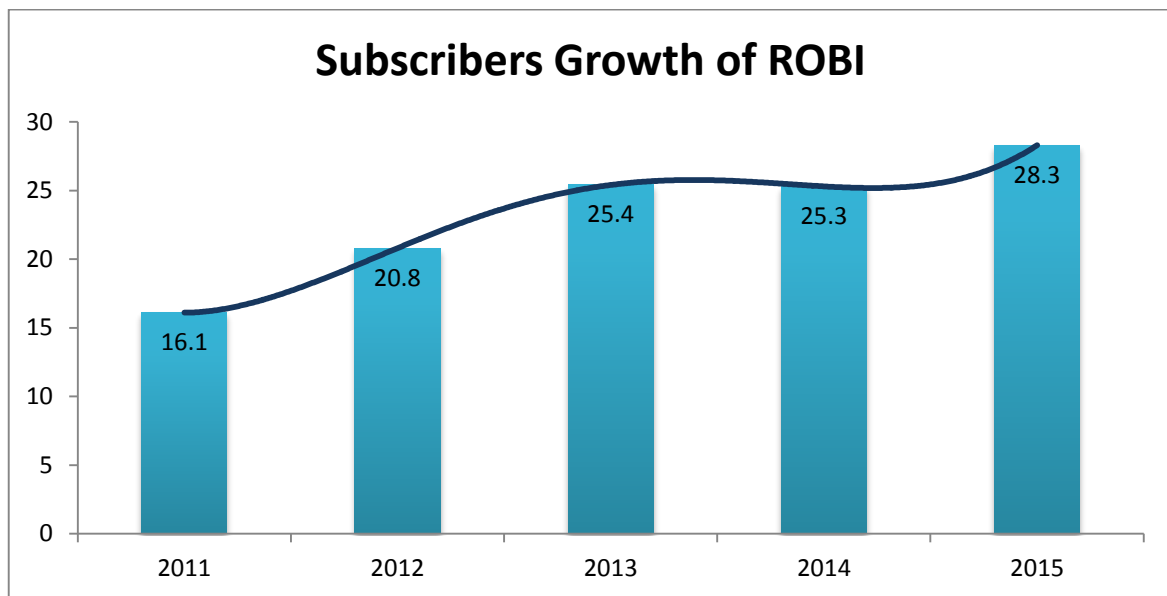


Figure 4: Subscribers Growth of ROBI AXIATA Ltd (Source: BTRC website)

PESTLE Analysis

The **PESTLE Analysis** is a framework used to scan the organization's external macro environment. The letters stand for Political, Economical, Socio-cultural, Technological, Legal and Environmental. In ROBI, I got the opportunity to do this analysis for the second quarter. This analysis is done to see the different factor which can affect both in positive and negative way and thus get prepared for the situation.

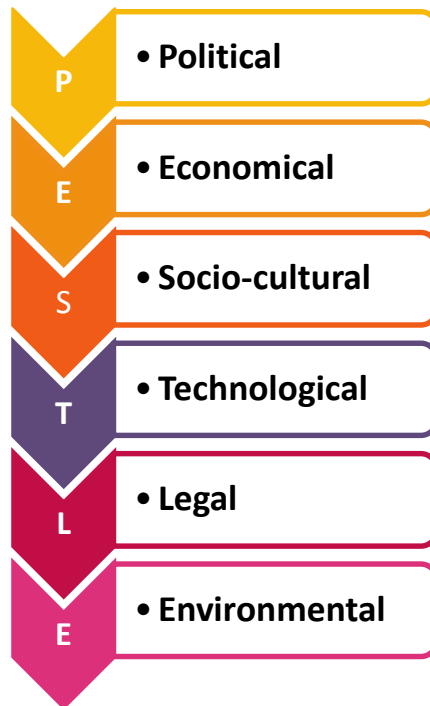


Figure 5: PESTLE Analysis for ROBI AXIATA Ltd.

Political: Political scenario for the second quarter which is consisted of the month April, May and June is expected to remain stable. There's a possibility that the Union Parishad Election may take place in this quarter.

Economical: Due to the good economic growth with foreign reserve, the economical condition of this quarter seems pretty good. GDP growth is expected to reach 6.75% by 2016 as the World Bank projected.

Socio-cultural: Bangla New Year, May Day, Ramadan will be taking place in this quarter. Even the ICC World Twenty20 Final will take place in April 2016.

Technology: Technological innovation is happening almost every other day. The technologies needed for the operators to run their business and also the gadget to use their services updates very fast. The upcoming mobile phones for the second quarter are HTC One M10, LG G5 and Huawei P9 etc.

Legal: Biometric SIM registration may have impact in declining numbers of connections in this quarter. Spectrum auctions may take place with M&A. Robi Airtel M&A may lead further aggressive price war.

Environmental: Regional summer weather may occur which will have a seasonal impact on the overall industry revenue.

SWOT Analysis

In comparison with the top two telecom companies in Bangladesh I tried to come up with a SWOT analysis of Robi Axiata Ltd. The SWOT Analysis is described below:-

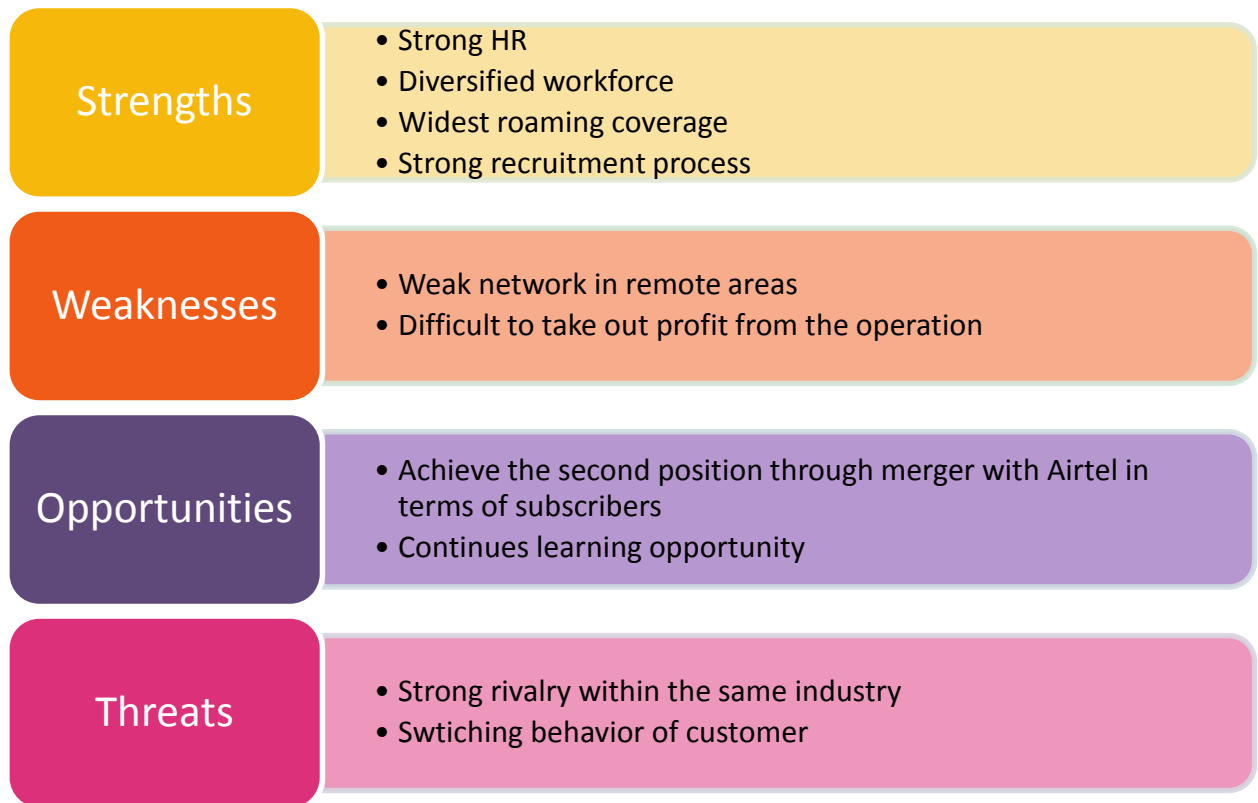


Figure 6: SWOT Analysis of ROBI AXIATA Ltd.

Strengths:

First of all Robi has a very strong Human Resource division. Employees working in HR are expert into their specific field. They provide appropriate guideline to manage the human resources of the organization. They motivate employees to exert high energy levels through different ways. They raise employee's commitment and loyalty to the organization. Even they also bring diversified workforce to the organizations. The requirement process is taken care by the HR and it's a very strong process as they follow different recruitment tools. Robi

has the widest international roaming coverage which makes it one of the strengths of the organization.

Weaknesses:

When it comes to weaknesses, the topic of network coverage comes first in the mind. ROBI's network coverage in the remote areas is very poor. The strongest coverage is in Chittagong, but there are many remote areas where ROBI still needs to improve their network to give the customers good service. Average revenue of Subscribe life cycle is all most equal to the SIM tax. As a result it becomes very difficult to take out profit from the operation.

Opportunities:

In telecom sector Robi currently holds the third position in terms of subscribers and the second position in terms of revenue. After the merger with Airtel, the company will be able to hold the second position in terms of subscribers. As Robi has a very strong HR into their organization, so they have the opportunity to set new strategies about creating learning opportunities for the employees. It is to make them competent in front of the competitors.

Threats:

Grameenphone and Banglalink are the strong competitors for Robi in terms of subscribers and revenue. Also many talents are working on those organizations. For those today these two companies are in top positions. It will be a tough job to compete them. To face these two strong competitors Robi should always make alternative plan so that they can easily face them. Moreover, there are customers who has this tendency to switch to different operators are a threat for ROBI which may cause to lose their market share.

Porters Diamond Theory- Analysis

Michael Porter's theory of the competitive advantage of nations provides a sophisticated look for analyzing competitiveness with all its implications. Porter's theory contributes to understanding the competitive advantage of nations in international trade and production. Its core, however, focuses upon individual industries, or clusters of industries, in which the principles of competitive advantage are applied. His theory begins from individual industries and builds up to the economy as a whole. As the report is based on the telecom industry of Bangladesh, the focal part is to make an analysis of this industry with the assist of Porter's Diamond Theory.

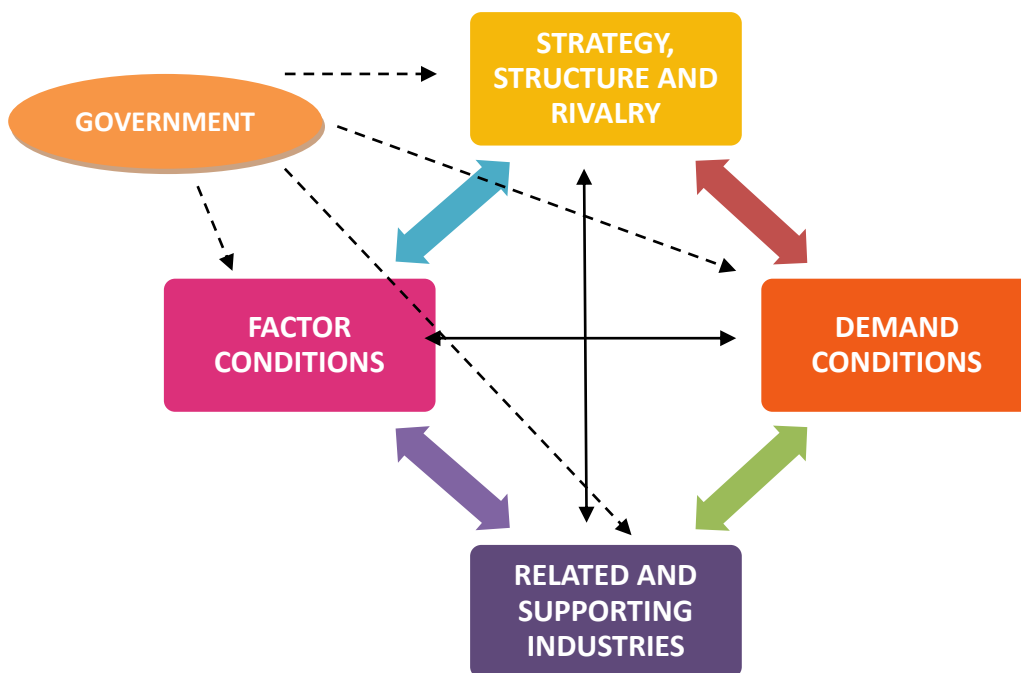


Figure 7: Porter's Diamond Theory

Factor Endowments:

Porter identifies hierarchies among factors, distinguishing between basic and advanced factors. Basic factors are natural resources, climate, location and demographics and advanced factors are communications infrastructure, sophisticated and skilled labor, research facilities and technological know-how. The most significant factor is the advanced factor for competitive advantages. The telecommunication industry of Bangladesh is a potential one for successful reforms, job creation, industry growth and high spillover effects to other sector as well as improving governance and facilitating inclusion. This industry has a lot of skilled resources and technological base and these factors are upgraded /deployed over time to meet the demand. The operators compete each other having skilled labor, advanced technology but there are still improvements needed. To get the competitive advantage over other operators one needs to upgrade itself before one grabs the opportunity.

Demand Conditions: The role of home demand plays in advancement of the competitive advantages. The characteristics of home demand are particularly important in determining the attributes of domestically made products and creating pressure for innovation and quality. A nation firms can achieve the competitive advantages if their domestic consumers are sophisticated and demanding and it leads to a national advantage. A strong trend setting local market helps local firms anticipate global trends. Bangladesh's fast growing telecommunication market has high potentiality for growth. The demand for this is very high as the urgency for technological advancement is increasing which surely will bring unprecedented revolutionary alteration in the standard of people as well as escalating the economic development and improve the communication between rural and urban.

Related and Supporting Industries: The third board feature of national advantage in an industry is the presence of suppliers or related industries that are internationally competitive. The benefits of investments in advanced factors of production by related and supporting industries can spill over into an industry, thereby helping it achieve a strong competitive position internationally. Local competition creates innovations and cost effectiveness. This also puts pressure on local suppliers to lift their game. In Bangladesh the related and supporting industry like chip, hardware and Internet industry are flourishing. All the hardware needed for the operating companies are now available at a cost-effective price cause the supporting industry is booming and a lot of scope is there for them to flourish. Bangladesh has had a huge number of call centers set up with a combined a huge capacity of seats. Since 2007, Bangladesh has experiencing exponential Internet Market growth. This steep growth in Internet penetration since 2007 was driven by two main factors namely tariff reduction and introduction of broadband Internet Technology. And now that Smartphones and 3G technology has taken the position, it's growing faster every single day with new innovation coming so often.

Firm Strategy, Structure and Rivalry: Porter makes two important points here. First, different nations are characterized by different management ideologies that help them or do not help them to build national competitive advantages. Second point is that there is a strong association between vigorous domestic rivalry and the creation and persistence of competitive advantage in an industry. Local rivalry forces firm to move beyond basic advantages. In Bangladesh there are six operators in the telecommunication industry. This rapid growth in mobile telephony has had a colossal effect on the economy in terms of aggregate investment, FDI and productivity levels, not to mention improvements in communication, networking and social cohesion. All these operators' strategies and structures are upgrading with time and advancement of new technology and thus creating good competition which leads to domestic rivalry also.

The Government: All the policies and regulations made by policymakers at all levels of government can benefit or adversely affect the competency of a country and an industry. The emerge of Telecommunication Industry in Bangladesh is inevitable. In the initial stages manifold congruous policies are taken by the government, it surely assists to make a revolutionary change in this sector. Government should concentrate on infrastructure development and ultimately it generates an avenue to strengthen this sector. Government defined infrastructure development is fundamentally an important factor for becoming “Digital Bangladesh” so that simultaneously an initiative need to be taken for improving by conglomeration of an inevitable resources like skill labor forces, administrative arrangement, policy formulation and so on. A range of action has been taken for considering 2015 as a medium plan as well as 2021 for long term. Government has imposed 15% VAT on Internet service although it is very high; bur government has the plan to reduce it for acceleration of Internet users.



Chapter 6: Recommendations

From the twelve week internship program in ROBI AXIATA Ltd, I have learnt that the company is at a very good position and working hard to expand, grow and excel in the market. However, the main concern is to acquire talented workforce, improve customer experience, merging with Airtel and grab the number one position in the telecommunication market. In order to make sure all these, the company engages many activities but I would like to add some recommendations for the company that I feel it should take into consideration. They are as follows:

- ROBI should give more opportunities for fresh graduates for entry level.
- They should concentrate on succession planning.
- ROBI should maintain a steady flow of sponsoring events at popular and well-known institutions.
- ROBI should organize such programs where they can involve their current workforce from department apart from HR and marketing only.
- They should carry out surveys from time to time in Universities to understand their perception and the demand of the market.
- They promotional activities need to be a little bit modern to grab the attention of the new customers and hold the old customers.
- The company needs to give more importance on the network coverage in the rural areas.



Chapter 7: Conclusion

One of the major players in the telecommunication industry in Bangladesh is ROBI and it's in the market which constantly experiencing changes. In order to stay competitive in the market, the company has adhered to the trends and made changes that it felt were important to stay ahead in the market. In the past they have invested large amounts to improve their network infrastructure to make way for wider coverage and faster Internet access.

The report shows the position of ROBI AXIATA Ltd in the market which is second in terms of revenue and third in terms of subscribers. The company is hoping to increase the competition after merging with Airtel. The analysis shows promising future for ROBI if it continues to apply different modern strategies like the project customer experience strategy. This project can take the company's value to a different level. My journey in ROBI was an amazing one as I had the opportunity to learn a lot of different things working with a talented team. By improving different factors mentioned in this report keeping pace with the new technology and providing quality services to the customers, ROBI has a very bright future ahead.

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