

Planning the Marketing Mix of Proposed AKTEL SME Package



Internship Report on
Planning the Marketing Mix of Proposed
AKTEL SME (Small and Medium Enterprises) Package

Submitted To

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16th August, 2008

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Sub: Submission of Internship Report on AKTEL SME.

Dear Sir,

It is a great pleasure for me to submit the report on “Planning the marketing mix of proposed AKTEL SME package”. I am submitting this report as the part of my internship in AKTEL. This report will help the organization to understand the present SME scenario in Bangladesh and the recommended marketing mix will help to develop a new SME package for AKTEL.

This is an exploratory study and I have tried my best to complete the study in proper format. It is true that it could have been done in better way if there would not be any limitations.

I hope you will asses my report considering the limitations of the study. Your kind advice will encourage me to do further research in future.

Sincerely yours,

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Acknowledgement

In the preparation and completion of this internship report, I acknowledge the encouragement and assistance given by a number of people and institution. I am most grateful to the AKTEL corporate business to give me the opportunity to complete my internship in their organization.

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Executive Summary

AKTEL, since its inception has experienced increasing growth trend. At present, AKTEL has achieved a subscriber base of approximately 7.36 million. The company has a number of plans for the forthcoming future years.

Currently AKTEL is concentrating on the SME (small and medium enterprise) market in Bangladesh. This research intends to explore the current SME scenario in our country and the need of that segment which would provide an over all idea about the outline of the proposed AKTEL SME package. In addition, company background part added for the readers to know more about the company, its products and services.

This research used a semi-structured questionnaire. Total 55 respondents from Dhaka city were taken for this research. Based on their response, the analysis has been made.

Based on the findings and analysis, a proposed marketing mix for the AKTEL SME is given. These recommendations will definitely help the company to develop the AKTEL SME package.

Finally, this research will encourage further study and useful guidelines for these types of researches.

Chapter 1

The Organization 'AKTEL'

AKTEL: Organization Details

Introduction:

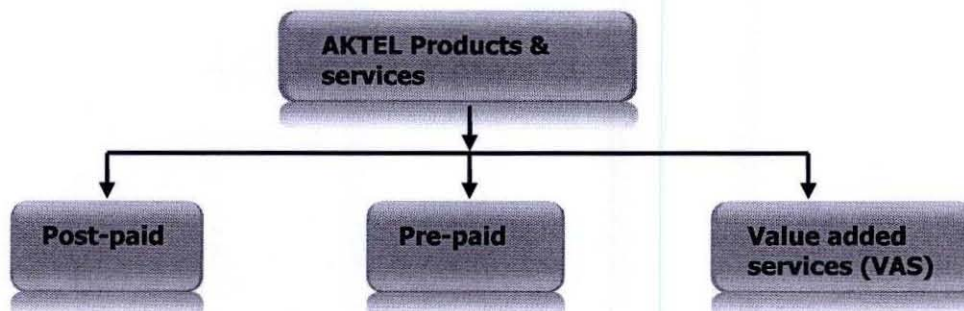
The revolution in the telecommunication sector in Bangladesh in the twenty first century has changed the life of all Bangladeshis a lot. Among the key players who are having a significant role to telecommunication revolution in Bangladesh, AKTEL is one of them. Currently, AKTEL is the third market leader in the telecommunication sector in Bangladesh. The company has achieved remarkable success during its long period from 1997 to 2007. It also has the Third biggest subscriber base and more value added services than any other mobile phone operators in Bangladesh.

History:

TM International (Bangladesh) Ltd. (TMIB), established in 1996, is a joint venture company between Telecom Malaysia Berhad (TM) and A. K. Khan & Co. Ltd. It operates under the brand name 'AKTEL', which is one of the most dynamic end-to-end countrywide GSM mobile communications solutions brands. After that AKTEL stars its Initial operation in 1997 in Dhaka. And AKTEL was the first to introduce BTTB incoming in mobile communication market in 1999. And in 2000 they establish a backbone network connection between Dhaka and Chittagong. In 2001 AKTEL introduce the prepaid package for their subscriber, and in 2001 they enable the Short Message Service (SMS). By the year of 2004 AKTEL started to increase their network coverage up to 61 districts country wide. And from than on to till now AKTEL is successfully serving their subscriber.

Products and Services of AKTEL

We can classify the product into three categories they are prepaid post paid and value added service



1. Post-Paid Services



Previously, there were many sub-categories under the post-paid package of AKTEL. Recently, in the month of August' 06 the company has redefined its post-paid package and named it as "Signature".

Under this package, all the post-paid M2M subscribers have been auto upgraded to Post-paid Standard NWD, Post-paid M+ to Post-paid Standard NWD and Post-paid Standard NWD to Post-paid Standard IDD at free of cost. The subscribers are also going to enjoy the reduced line rent.

Signature allows the customers to enjoy the following the services: -

- BTTB outgoing & free incoming
- NWD and IDD facility.
- Per second billing facility.
- Reduced Line Rent (150 Tk per month).
- Smart Pay - to enjoy uninterrupted service by paying monthly bill even staying at home.
- 5 FnF numbers to different number that allow talking at a reduced rate.
- All other additional facilities of AKTEL Post-Paid.

AKTEL



Infinity is dedicated to those who are the leaders and architects of the society. Aktel Infinity is unlike any other cellular phone service in the market, and Aktel wants its customers to be among the first to reap the benefits of this revolutionary offer, as it is a truly facilitating partner for the busy responsible individual. There are some truly unique features that the customers will be enjoying from Infinity include:

Emergency service; such as roadside automobile assistance, medical consultancy, Doctors-on-call service, engineers etc.

- Extended FnF service with up to 5 mobile numbers to different operator.
- Complimentary AKTEL Infinity reward card.
- No SIM connection price and no monthly line rent.
- Simplified flat tariff rate.
- Dedicated Infinity helpdesk at all AKTEL customer care centers.
- 100 free sms.
- 1 second pulse from the 1st minute.
- Smart pay facility through sms.

With AKTEL Infinity connection, customer can enjoy GPRS facility and subscribe to Aktel International Roaming Services (AIRS), which allows customer to make and receive calls with Infinity number even when traveling abroad.

2. Pre-Paid Services

- AKTEL JOY
- AKTEL Power
- AKTEL Furti

3. Value Added Services (VAS)

The value added services are those that are additional services available upon request:

1. Voice mail Service (VMS) Kothar Chithi

Voice Mail Service (VMS) is an easy to use personal answering service. It answers the calls when someone is not available to take them. The unanswered calls are forwarded to voicemail. Caller will hear a recorded voice or his/her personalized greetings requesting them to leave a message. The receiver may retrieve these messages later.

2. International SMS

A few months back AKTEL has launched its International SMS service with more than 500 operators globally. It will facilitate the customers to communicate internationally without the high expenses of voice calls.

3. AKTEL Spice (GPRS)

AKTEL GPRS is only available for those who have post-paid connections. These customers can send and receive multimedia messages such as color pictures. The subscribers also have the facility to download colorful logos, animations, wallpapers, screensavers, real music (MP3), polyphonic tones, video clips, and can browse WAP enabled websites with their handset.

4. AKTEL Fun Dose

AKTEL Fun Dose is an enhanced IVR (Interactive Voice Response) voice greetings platform through which the users can send a voice greeting to your desired number. By dialing 8FUN, the subscribers have to follow the voice prompts and choose from several categories available in Bangla and English. Each category will have different greetings

5. AKTEL GoonGoon

The newly launched AKTEL GoonGoon is a Ring-Back tone service that allows the users to set a song, tone, music, funny messages or sounds as a Ring-Back Tone for their callers at a monthly subscription tariff of Tk 30.

6. AKTEL Café 8000

AKTEL Cafe 8000 is an IVR (Interactive Voice Response) voice based platform through. In Café 8000, voice based services such as News, Information, Entertainment, Religion, International Roaming etc. will be available. AKTEL customers can speak out the desired service option to avail the service.

7. Club Magnate

Club Magnate is something that has never been experienced before in the mobile industry in Bangladesh, which rewards and pampers the individual post-paid customers of AKTEL. Its objective is to serve those customers who have been the pillar of the success of AKTEL. The members-only Club will have Platinum, Gold and Silver Cardholders. Membership is based on loyalty to AKTEL and to qualify, one has to be an AKTEL customer for a minimum six months. Membership is also based on the payment of bills on time and in full. With the launch of Club magnate, AKTEL expresses its special appreciation to longstanding customers, and reiterates its pledge to be the most preferred telecom operator in the country.

Club magnate entitles members to a range of privileges not limited to AKTEL services only, but with other partner organizations as well, such as Dhaka Sheraton Hotel, hotel Seagull, Medinova Medical Services, Hertz, Malaysian Airlines and many more. Memberships are valid for one year. Cardholders re entitled to the following:

- Free SIM replacement in case of loss, theft or damage
- Free monthly Itemized Bill.
- One additional Post-Paid Standard IDD connection.
- One additional Pre-Paid Standard IDD connection with Tk.300 voucher
- One-stop service at dedicated priority counters at all AKTEL Customer Care Cent

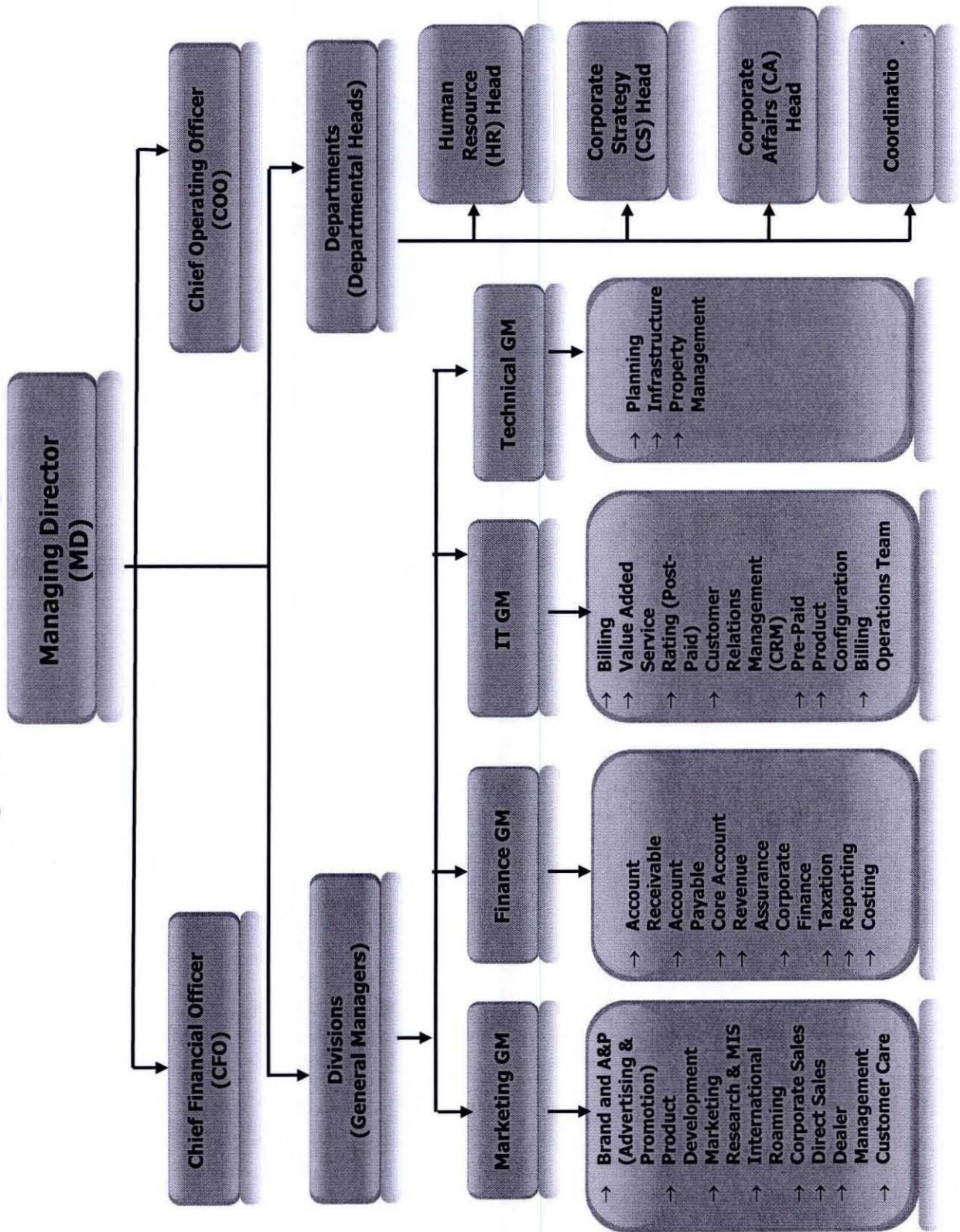
Organizational Structure of AKTEL

AKTEL places a high value on human resource development and the contributions made by its employees. They preserve to maintain a productive and harmonious working environment in the whole organization. AKTEL always continues with its efforts to improve the efficiency of its employees and align them to the right positions with well-defined responsibilities.

Because of the rapid expansions of its networks and enormous growth of its subscriber base, the company has increased its workforce. AKTEL has successfully hired some key senior managers who were recruited on the basis of their professional expertise and experience. In order to cope up with the dynamic nature of the company's business, initiatives are always taken to restructure and recognize the company's existing set up. It always evolves standardized management systems and procedures across functional divisions, focusing in particular, on the effective integration and assimilation of all the organizational units. AKTEL has 7 departments; they are:

- Marketing Division.
- Information Technology Division.
- Finance Division.
- Technical Division.
- Human Resource Division.
- Corporate Strategy Department.
- Coordination Department.

Organizational Network Diagram of AKTEL:



Market share of the Mobile Phone Operators in Bangladesh

In this competitive market, all the companies are adopting different policies to draw the customers towards them by offering so many varieties of products & services. Currently, GrameenPhone is the market leader with almost 10 million subscribers' base till December AKTEL is holding their position in the second place and trying hard to become the market leader within the year 2010. BanglaLink with their aggressive marketing strategy is creating chaos in the market through price war. TeleTalk & CityCell are struggling in the market to hold their positions, as both the companies need to concentrate on their product development and marketing research activities. Warid Telecom is yet to create any significant impact in the market as it still has a long way to go.

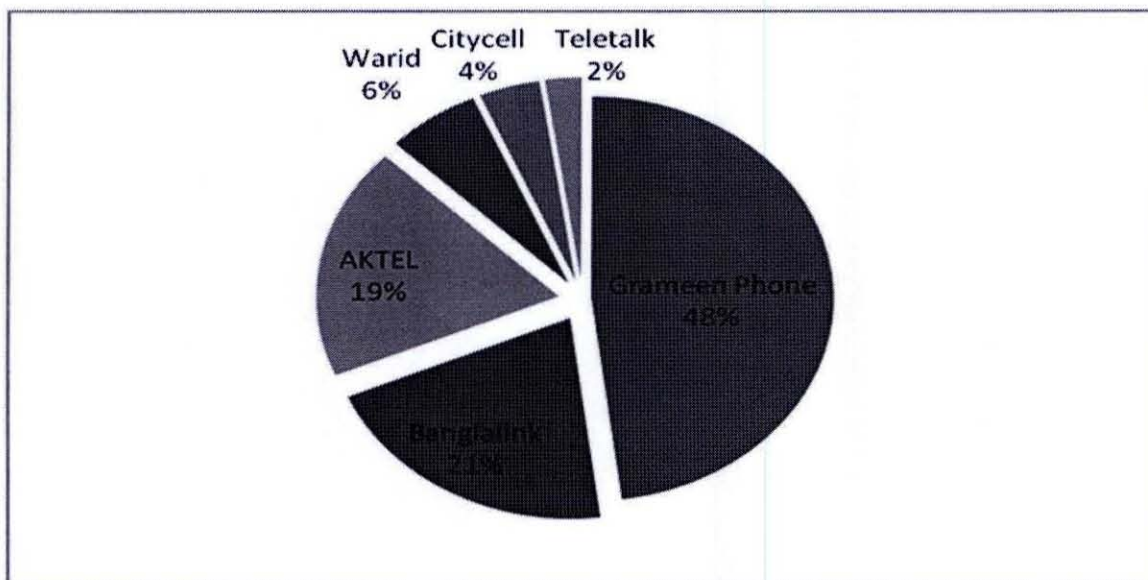


Figure 2: Market Share of all mobile phone operators

Source: BTRC website

AKTEL: Organization Details

- **The Beginning**

The revolution in the telecommunication sector in Bangladesh in the twenty first century has changed the life of all Bangladeshis a lot. Among the key players who are having a significant role to telecommunication revolution in Bangladesh, AKTEL is one of them. Currently, AKTEL is the third market leader in the telecommunication sector in Bangladesh. The company has achieved remarkable success during its long period from 1997 to 2007. It also has the Third biggest subscriber base and more value added services than any other mobile phone operators in Bangladesh

- **Organizational Background**

The ministry of post and telecommunication of the government of Bangladesh offered TM International Bangladesh Limited a nationwide digital cellular license in 1996. TM International Bangladesh Limited launched its services in Bangladesh on November 15, 1997 under the brand name AKTEL. Since then, AKTEL has developed its dynamic and leading end-to-end countrywide GSM mobile communication solutions under the direction of its parent company Telekom Malaysia International (Bangladesh) Limited.

Since the commencement of its operation, AKTEL has been a force to be reckoned with in the telecommunication industry of Bangladesh, being one of the fastest growing mobile communication companies offering comprehensive GSM mobile solutions to more than two million subscribers. Today, AKTEL boasts the widest International Roaming service in the market connecting 315 operators across 170 countries. With a network covering all the 61 (allowable) districts of Bangladesh, coupled with the first Intelligent Network (IN) prepaid platform in the country, AKTEL is geared to provide a wide range of products and services to customers all

over Bangladesh. At the heart of all of the success of AKTEL today, is a young dynamic workforce comprising of about 1,350 highly motivated and skilled professionals.

And now AKTEL is well recognized as one of the leading brands in Bangladesh and this is driven by its persistent pursuit and commitment of quality and technology, putting it clearly ahead of the rest. Through aggressive investment to extend network coverage and improving call quality, AKTEL has been in constant motion to maintain its commitment to provide subscribers the best possible cellular service. That is, the objective for AKTEL's communication seems to generate sales and to approach toward building a strong and consistent brand image in the mind of the consumers to provide them a reason to select AKTEL over others.

- **AKTEL Visions for the future:**

The revolution in the telecommunication sector in Bangladesh in the twenty first century has changed the life of all Bangladeshis a lot. Among the key players who are having a significant role to telecommunication revolution in Bangladesh, AKTEL is one of them. Currently, AKTEL is the third market leader in the telecommunication sector in Bangladesh. The company has achieved remarkable success during its long period from 1997 to 2007. It also has the Third biggest subscriber base and more value added services than any other mobile phone operators in Bangladesh.

- **AKTEL Vision:**

To be the most preferred GSM cellular provider in Bangladesh.

- **AKTEL Mission:**

To provide total customer satisfaction the company strives to become the most preferred GSM cellular service provider in Bangladesh. TMIB will achieve this through developing

people, products, and services of the highest quality and meeting the needs of its customers, employees, shareholders, and the nation.

- **AKTEL'S Theme:**

AKTEL always strives to uphold the dictum ***“Customer First”***

- **AKTEL'S Business Slogan:**

“Clearly Ahead”

- **AKTEL'S Objectives:**

- Total commitment to the needs of customers
- To follow the highest ethical standards
- Continuous improvement of all work processes
- Permanent improvement of all the employees' knowledge and skills
- Securing the quality of the service to match the quality of service offered by the world's most successful companies in the field
- Preserving the company's leading position in the national market of mobile telecommunications

- **AKTEL'S Global mission:**

AKTEL wants to provide its customers the best quality service in terms of: -

- Trusted technology around the world
- Wide coverage with digital clarity
- Various choices of value-added features
- Better customer service-not just promised, but delivered
- Competitive rate and better billing

- **AKTEL'S Long term Vision:**

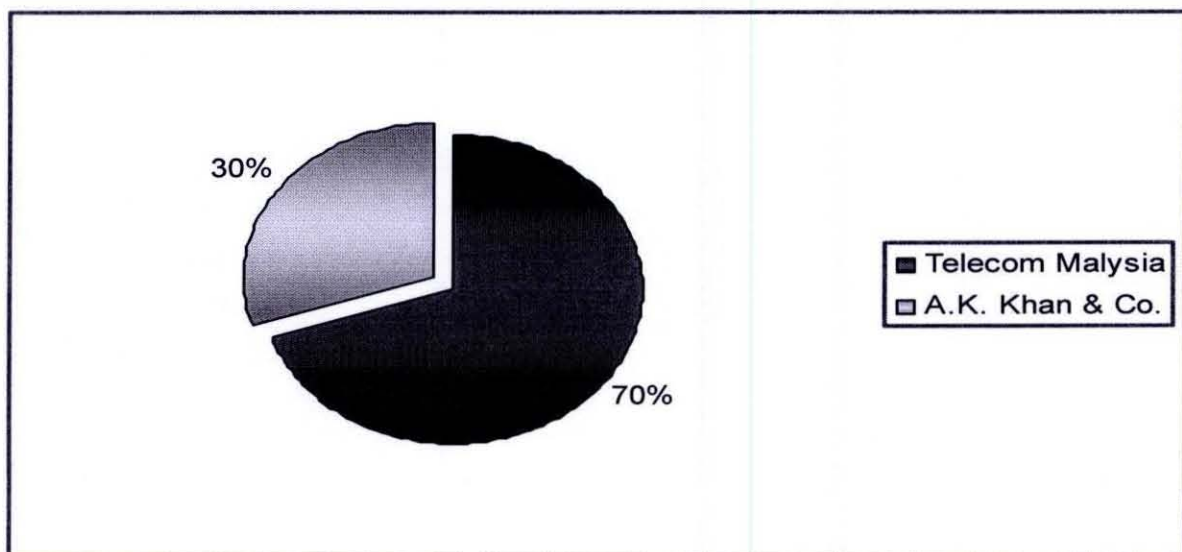
AKTEL strongly believes that subscribers are their most valuable assets. They have a strong Customer Service Center. To always be with their customers the AKTEL "Help Line 123" is available. AKTEL has successfully migrated to a new switch with higher capacities in terms of accommodating higher customer base and as well as to let them use all the basic supplementary services under GSM technology. That is why the expertise and experience of TMIB are acknowledged throughout the industry. Demand is growing all the time, not simply for the services it already provides, but for greater and more diversified services and even higher quality performance. The company introduced the both-way national roaming all through their network coverage. The pre-paid services with enhanced features have been commercially commenced successfully and now they are taking some projects to accumulate more advanced technological features in their network. In terms of network quality, the company will ensure not only the equipment are of world class standard but more importantly its size or capacity is catered to the right dimensioning of customer base, in order not to face the problems of drop calls or congestion. All these are done through proper planning, control and scheduled maintenance programs. They maintain the benchmark for providing the quality services. They monitor these through generating regular reports and on site survey. The customers have appreciated the recently launched 'Loyalty & Retention Program' to a large extent as they are getting the opportunity to share their opinions and objections regarding the service with the AKTEL staffs. Based on the customer complaints, if there are any weak signals or a call drop, the skilled engineers are providing services round the clock to resolve the problem instantly. The most important key resource factor in TMIB is its efficient human resource. Moreover, its decisions are based on facts from market research and coverage survey. And it is a clear fact that all the above objectives can only be achieved through the right people and eventually AKTEL is ensuring quality services by quality people. TMIB has the plan to give opportunity to every household in using cellular service in the country at the competitive price providing unparalleled quality service and customer care. In achieving this goal, they can't wait for more interconnection facilities with the fixed network. TMIB is planning to enforce their strong efforts to create their own independent network. They have already started the Dhaka-Chittagong

AKTEL backbone. The future plan is to vigorously expand the network, which was called cell-to-cell expansion covering almost all the regions of Bangladesh, and to set building blocks to become the market leader by 2010.

Shareholders of AKTEL

The Company AKTEL, with a full title being: TM International Bangladesh Ltd. was founded as a joint company of the Telecom Malaysia Berhad from Malaysia and the A. K. Khan & Co. of Dhaka, Bangladesh.

It operates as a Limited Liability Company, where a founder and a majority shareholder, the TMIB – member of the Telecom Malaysia, owns 70% shares, while the minority shares of 30% are being controlled by the A. K. Khan & Co. Bangladesh. AKTEL is proud to be associated as part of the Telecom Malaysia Group (TM), which is strong financially, and internationally renowned for its successful ventures like MTN, the market leader in the telecommunication industry in Sri Lanka. It has a global presence in 11 countries with staff strength of 30,000 Group wide. TM has recently made a couple of major acquisitions in India and Indonesia in the effort to stamp its presence internationally. In Indonesia, TM has acquired 27.3 per cent interest of PT Excelcomindo Pratama, the third largest mobile operator and in India, 47.7 per cent stake in Idea Cellular. TM hopes to extend its regional and global presence with these new acquisitions.



SWOT Analysis OF AKTEL

Strength

- Strong brand image.
- Non-political work environment.
- Collaboration with financial institutions.
- Distinctive service offers.
- Societal marketing.
- Membership club.

Weakness

- Limited customer care center.
- Poor customer service.
- Inadequate network coverage.
- Operational activity is slow.
- Insufficient dealer.
- Ineffective promotion.
- Higher rate of tariff.

Opportunity

- Incompetent public sector.
- Increasing income
- Business diversification opportunity.
- Easy loan access.
- Increasing standard of living
- Network coverage expansion.
- New and better interconnection agreement

Threat

- Widest coverage of Grameen phone.
- Price war by the competitors.
- Declining growth rate.
- 3rd generation technology of Warid.
- Aggressive marketing of competitors.
- Inflation in the economy.

CHAPTER 2

The Job in AKTEL

My Job in AKTEL Corporate sales

Organization: TM International (Bangladesh) Ltd.-AKTEL

Department: Corporate sales

Division: Sales

Position: Intern

Duration: 25th February to 25th May, 2008, (with one month extension)

Specific job Responsibilities

During my internship period in AKTEL my objective was to learn the office attitude keenness to my work and to be skilled and experience my self with the Organizational works to use my academic preparation. I worked in Corporate Business Unit under the Marketing division, from 25th February, to 25th May 2008, and during this period I have learned numerous of things which is not only work related but also helpful to building the professionalism into myself. Working in AKTEL Corporate sales also help me understand the philosophy of belongingness to the organization. I learned and worked there with my full pleasure and passion. All the job responsibilities are given bellow-

- Corporate Help Lines
- Lead generation
- Sales visit
- Support to SME Designing Team
- Support to Activation Team
- Support to Account Manager
- Tele Marketing
- Daily Reporting

Job Description

Handling Real-Time Customers through Corporate Help Line

One of my primary duties is to handle the customer queries and complaints through the three AKTEL corporate help lines. There are three help line in Corporate Sales Division. These help lines are dedicated only to the corporate customers of AKTEL. These help lines are open for 24 hour to support corporate customer. The customers have queries about tariff, billing information, new offers, Internet services and value added services for corporate users etc.

Lead Generation

Lead generation is an important part of my internship. As a representative of AKTEL I work with several organizations to find out and instigate their need for corporate connections. Generally I generate lead for the company which can be potential customer for AKTEL. This lead generation or the customer identification is done by the help of business directory, yellow pages, through web, over the phone, visiting cards and also from the personal relations of the account managers.

Sales Visit to Different Corporate Houses

As a part of my job responsibility, I visit to several corporate houses with the corporate sales team. These visits are made to the organizations which are considered as "lead". I visited to NVANA CNG, and several other corporate houses. This sales visit also includes the taking care of existing customer I often visited to NAAVANA CNG, and I listen to them and identify their queries and problems they are facing and comply with them, some time if the customer is satisfied they may demand more Corporate SIM, in that case I have to provide more SIM by following all the procedure and steps with a Account manager.

Working on the AKTEL SME Project

AKTEL corporate is a part of the marketing division in TMIB, which deals only with the corporate customers of AKTEL. Currently they are planning to introduce a new corporate product, which will be targeted to the small and medium enterprises of our country. The planning is in the initial phase. When I joined as an intern in the corporate business, I was assigned to help the strategic team that is working on the SME project. I participated in data collection and documentation part of this whole works.

Support to Activation Team

Generally activation team work to activate the corporate SIM which are sold to customer, and also to reactivate or deactivate the existing corporate SIM. In this case I did the documentation part of this work which includes the Phone number and fourteen digits SIM sorting and organizing and documentation. Activation tem is works directly with the credit control team under finance division, Activation team also works with the IT ad CMU unit of AKTEL to support the customer in terms of technical ant other purposes.

Support to Account manger

The whole corporate business unit is working in several teams. The total number of team is six, and each team has a leader under this leader all the account managers' work. Account manager's prime jobs are to take care of their existing corporate customer and new Led generation. My job was to help account manager's customer in various ways by helping them to solve problem and communicate with the account manager about the customer. Some times I delivered the SIM directly to corporate customer like NAVA CNG and did all the required facilities as per the office procedure.

Tele-Marketing

Telemarketing has been an integral part of my job responsibility. I contact the existing corporate customers of AKTEL over the telephone to identify their satisfaction level, to inform them about different value added service and to understand their future expectation about the product. Some time we have to identify the customers who doesn't pay the bill in time, in that case we have to call them and manage them to pay the due amount. This work is known as TWB calls. I have done telemarketing to Beximco pharmaceuticals, Libra infusion, Ejab group of companies, Bangladesh Navy and several other organizations.

Daily Reporting

Every day I have to do some specific job at the beginning of the morning among them they are checking mails and giving the reply, birth day marriage day list call, TWB/OWB call etc. Except those works I have to do task from our internal work schedule which is assigned by the account managers and other superiors. Some times I have to go to customer directly for SIM delivery or other purposes. And at the end of every day I have to report to my supervisor about jobs I did all through the day by using internal mailing system

Different aspect of the job

During my internship period I had to use various kind of key software's, which are very essential for any telecommunication company. I had to use that software in my daily works for the customer query and to solve the customer's frequent and non-frequent problem. And this software and how they works are describe as follows-

BSCS - Business Support and Control System:

This software is use for convergent billing system and customer care solution for the post-paid billing system. Generally pre paid users are able to know their bill in any time, which is called a Real Time Billing System, and that calculates the bill in every pulls of the time or every time the user make a phone call or send any SMS which also include the VAT every time. So there is no problem preparing of bill and also for the customer bill query. But the problem arises when a post-paid user want to know their current usage in middle of the billing cycle because post-paid bill is calculated at the end of the billing cycle, at the end of this billing cycle all charges is calculated and then added the VAT on total usage amount. So it's become difficult to let the customer know the bill during the billing cycle. To solve this problem AKTEL is using this BSCS software for the postpaid billing system, which gives the convergent bill of every customer, and this bill is updated in every one hour.

CMS - customer management service:

CMS is a kind of customer maintenance software which helps to comply with the non-frequent problem of customer by logging the problem more specifically to the CMU (Customer Maintenance Unit). This CMU unit works for the prompt reply to the customer's any sort of problem. If any customer complains about a specific non-frequent problem, it will be log in to the CMS in details, than the problem will be instantly CMU will be informed, than CMU will reply to that problem immediately. This is how the CMS is works for the superior customer services for the corporate user.

CMP- Corporate massaging platform:

This is a web based platform to communicate effectively and timely with the specific business unit around the country. Basically this kind of facility can only be given on demand to the big corporate company who has offices in different location over the country, and using the AKTEL Corporate SIM. Through this platform any company informed to a specific group of employee or business unit about their necessary. BEXIMCO Pharmaceutical is one of AKTEL's corporate client and they are using CMP. To give this facility to our customer first we divide the entire employee name and corporate phone number according their business unit and divisional/ zone wise. Than we upload the whole information into this CMP platform. After this entire works we hand over the platform to the company. And when the company wants to give a message to a specific group of employee they can sand SMS though this platform.

Critical Observation & Recommendation

Observations:

One of my primary duties is to handle the customer queries and complaints through the three AKTEL corporate help lines. There are three help line in Corporate Sales Division. And this help lines are the most important factor of competition for any mobile operator in the country. Customer service should be the prime concern for the corporate sales division in AKTEL. But in realty this help lines are ignored. Interns are responsible for handling the help lines but they don't have the expertise in handling such kind of customer query, they don't have any effective training, and the work environment is very noisy for attending the help lines. And most of the important thing is that a call centre should be fully equipped but the agent the person who is receiving the call is not fully equipped and have to be more informative and helpful to the corporate customer.

As the interns are handling the help lines they should have some authority to access to the IT division of AKTEL directly, some time intern needs to contact with IT to do some important job, but as they are not fully authorized with interns fail to comply with customer's requirements and needs.

Led generation is one of the key activities of interns and it is very important for increasing the divisional sales. Led generation means to creating new customer for AKTEL. The corporate sales authority is not emphasizing on this matter. If the interns are properly guided by the supervisor they can also generate led for the company to increase the overall sales of the division.

Tele Marketing is also an important factor of competition of the company some time when we make a phone call to our customer, on the other side the customer see an eleven digit phone number in their mobile display, which is very hard for us to make customer believe that we are calling from the AKTEL office.

Realization of work authority is very vital factor for any employee in the organization. Sometime we face trouble to work when any employee assigned us any job to do on immediate basis, but employee should understand the work of authority to assigned any job to interns according to the office procedure, they should assigned the job through the supervisor of the interns.

Recommendations:

Corporate Help Lines should be more equipped in terms of information and physical equipments like

- Hands Free mobile sets,

- Proper training for Interns

- Creating silent work environment as regular Call Centre has

Interns should have the authority to contact with IT division to solve customer's frequent and non frequent problems. In case of Easy Load, Value Added Services, Billing, International Roaming, Network problem, and Fraud Cases etc.

Interns are also responsible for led generation, but they do not get the proper guideline for this kind of work. At the beginning of their internship period interns are asked the quantity of lead, most of the time they can not fulfill their target, so it would be more convenient for interns if they have proper guideline for generating led. The supervisor should teach them how they will be able to make new customer or generate led.

In case of Tele Marketing AKTEL Corporate Sales should use some unique phone number so that customer can identify the caller is from AKTEL. For example Grameen Phone use some unique phone number which is known by their GP users. If the caller see a specific short number which is known to AKTEL users, it will be easier for AKTEL Corporate Sales to do Tele Marketing.

In case of realizing the work authority, all employee should be noticed how they should assigned job to interns. They can make work schedule where the job title, work dead line, quantity of work, assigned from and assigned to which interns this information are mentioned, and the interns will be responsible for the work only if the intern supervisor is signed on it.

CHAPTER 3

Current SME Scenario in Bangladesh

Small and Medium Enterprises (SME)

The abbreviation SME occurs commonly in the European Union and in international organizations, such as the World Bank, the United Nations and the WTO. The term small and medium-sized businesses or SMBs has become more standard in a few other countries.

Small and medium enterprises or SMEs, also called small and medium-sized enterprises and small and medium-sized businesses or small and medium businesses or SMBs are companies whose headcount or turnover falls below certain limits.

According to Industrial Policy	
Medium Industry	25 - 100 worker
Small Industry	Fewer than 25 worker
According to Policy Strategy	
Medium Industry	Investment up to 100 million
Small Industry	Investment up to 15 million
According to Bangladesh Bank	
Small Industry (On the basis of Employee Number)	2 - 9 Worker
Medium Industry (On the basis of Employee Number)	10 - 100 Worker
Small Industry (On the basis of Investment))	0 - 2 million
Medium Industry (On the basis of Investment)	2 - 100 million

Table3: definition of SME from different Perspective

Source:www.unescap.org

Different Sectors of SME

- Agriculture
- Poultry
- Fishery
- Food processing
- Agro-processing
- Furniture
- Transport
- Textile
- Chemical
- Computer and IT
- Plastic
- Service
- Small business
- Workshop
- Handloom
- Handicraft

SME Development in Bangladesh

Historically, Bangladesh followed a development strategy in which private investment was controlled through a host of regulations involving investment sanctioning, credit disbursement, import licensing, foreign exchange allocation, etc. While these regulatory barriers thwarted private investment in general, the impact fell unevenly on SMEs. This was because of the relative inability of the SMEs to cope with the regulations compared to their large-scale counterparts. Thus, the policy regime was largely biased against the SMEs although, paradoxically, promoting SME development was a stated objective of successive governments. In a bid to render its industrial sector internationally competitive and to move towards greater efficiency in its production structure, Bangladesh implemented a number of economic reforms during the 1980's, underwritten by the familiar structural adjustment policy. These included deregulation of sanctioning procedure and relaxation of other regulatory barriers, easing of import procedure, reducing trade barriers, following a market oriented exchange rate policy, and implementation of fiscal, monetary and public enterprise reforms. These reforms helped remove a large part of the policy bias against SMEs that prevailed earlier. Recent studies confirm that these reforms had positive impacts reflected in a fairly rapid growth of the sector during the past decade. However, because of their structural weaknesses, the SMEs may need more pro-active policies for their development in addition to the further removal of the policy biases.

SME in the National Economy of Bangladesh

Any precise quantitative estimate of the importance of SMEs in Bangladesh economy is precluded by non-availability of comprehensive statistical information about these industries at the national level.

The latest BSCIC estimates suggest that there are currently 55,916 small industries and 511,612 cottage industries excluding handlooms. Including handlooms, the number of cottage units shoots up to 600,000 units indicating numerical superabundance of the SCIs in Bangladesh. Quoting informal Planning Commission estimates, the SMDF puts the number of medium enterprises (undefined) to be around 20,000 and that of SCIs to be between 100,000 to 150,000. This wide variation in the BSCIC and Planning Commission estimates of the numerical, size of the SMEs might be due to at least two reasons: (a) different set of definitions of the SMEs and (b) different coverage of SME families. This strongly suggests the need for adopting and using an uniform set of definitions for SMEs by all Government agencies to help formulation of pro-active SME promotion policies. Whatever the correct magnitude, the SMEs are undoubtedly quite predominant in the industrial structure of Bangladesh comprising over 90% of all industrial units. This numerical predominance of the SMEs in Bangladesh's industrial sector becomes visible in all available sources of statistics on them.

Together, the various categories of SMEs are reported to contribute between 80 to 85 per cent of industrial employment and 23 per cent of total civilian employment (SEDF, 2003)². However, serious controversies surround their relative contribution to Bangladesh's industrial output due to paucity of reliable information and different methods used to estimate the magnitude. The most commonly quoted figure by different sources (ADB, World Bank, Planning Commission and BIDS) relating to value added contributions of the SMEs is seen to vary between 45 to 50 per cent of the total manufacturing value added. While the SMEs are characteristically highly diverse and

heterogeneous, their traditional dominance is in a few industrial sub-sectors such as food, textiles and light engineering and wood, care and bamboo products. According to SEDF sources quoted from ADB (2003), food and textile units including garments account for over 60% of the registered SMEs. However, as identified by various recent studies, (Ahme, M.U. 2001, ADB 2001, US-AID 2001) the SMEs have undergone significant structural changes in terms of product composition, degree of² The robustness of SME contributions to employment generation is a common phenomenon in most developing countries in that the magnitude varies between 70 to 95 per cent in Africa and 40 to 70 per cent in the countries of the Asia-Pacific region. ⁴ capitalization and market perpetration in order to adjust to changes in technology, market demand and market access brought by globalization and market worldwide are recognized as engines of economic growth. The commonly perceived merits often emphasized for their promotion especially in the developing countries like Bangladesh include their relatively high labor intensity, dependence on indigenous skills and technology, contributions to entrepreneurship development and innovativeness and growth of industrial linkages. The case for fostering SME growth in Bangladesh is irrefutable as these industries offer bright prospects for creating large-scale employment and income earning opportunities at relatively low cost for the un-and unemployed especially in the rural areas strengthening the efforts towards achieving high and sustained economic growth which are critically important prerequisites for triggering an exit from endemic poverty and socio-economic deprivation.

These promotional arguments for the SMEs, while universally emphasized are often put forward by their ardent advocates in a small versus large context and thus arouse serious debates concerning their economic viability. Much of such controversies may, however breakdown if the intrinsic virtues specific to SMEs and unavailable to large-scale industries are correctly identified and carefully exploited. A combined interaction of the forces of product-mix, locational factors, technological advantages and market advantages create opportunities for SMEs to grow and prosper at all levels of development which are often ignored by the traditional approach to their economic strengths and development potentials. The growing economic significance of the SMEs

as sources of new business creation and employment generation in the developed, OECD countries especially since 1970s is now widely recognized in an increasingly growing volume of literature. The recent structural shifts in industrial production from the approach of mass production to more flexible and adaptable production regime in response to constantly changing market opportunities have led to a notable resurgence of these industries in the West. The re-emergence of the SMEs in the developed world makes economic case for fostering development of these industries stronger than ever before.

SMEs have received disproportionately smaller support from the government in terms of policy or fiscal incentives. SMEs, as a group, are weak in echoing their needs and demands. There have been improvements in the sanctioning and other administrative procedures affecting SMEs; further simplification, transparency, and accountability are necessary to promote SME development. Legal barriers, poor law and order conditions, are some of the other problems that have adverse affect on SME development. Problems related to power and law and order conditions are well known, and continued pressure from the business community, NGOs and others are collectively needed to bring about improvements.

Chapter 4

The Project

Findings & Analysis

Introduction to the Study

The telecommunication sector in Bangladesh is the most attractive and booming sector at present. The concept of mobile telephone has become largely familiar and astonishing in our country since the early 90's with the ongoing technological advancement. Since then the entire mobile phone companies are trying to attract their subscribers through various new alternative offers.

AKTEL, one of the major players in the telecommunication industry is trying to diversify their offers and planning to target the small and medium enterprises as customers.

To design the AKTEL SME package, a research is required to identify the needs of the SME segment and planning the offer accordingly. The findings will help to design the blueprint of the proposed package.

Scope of the study

This research on AKTEL SME will require the opportunity of capturing the idea about the prospect of a new product for SME. From the context of Bangladesh, my aim is to go through an elaborate study of different SME sectors, their need identification and planning a new AKTEL product for them.

To better understand the need and want of the small and medium enterprises, a clear assessment of the current small and medium enterprise sector in our country is required. At the same time, I need to define the SME in terms of the telecommunication industry. Small and medium enterprise is a big sector and is geographically located all over the country.

To design a new product for AKTEL I also need to review various literature and journal regarding AKTEL. Without understanding the organization, its background, its current products and services, it is not possible to design a successful new product for AKTEL.

Research Objective

The primary objective of the research is to design product offering targeted for the SME segment.

In the course of research the following secondary objective will be reached

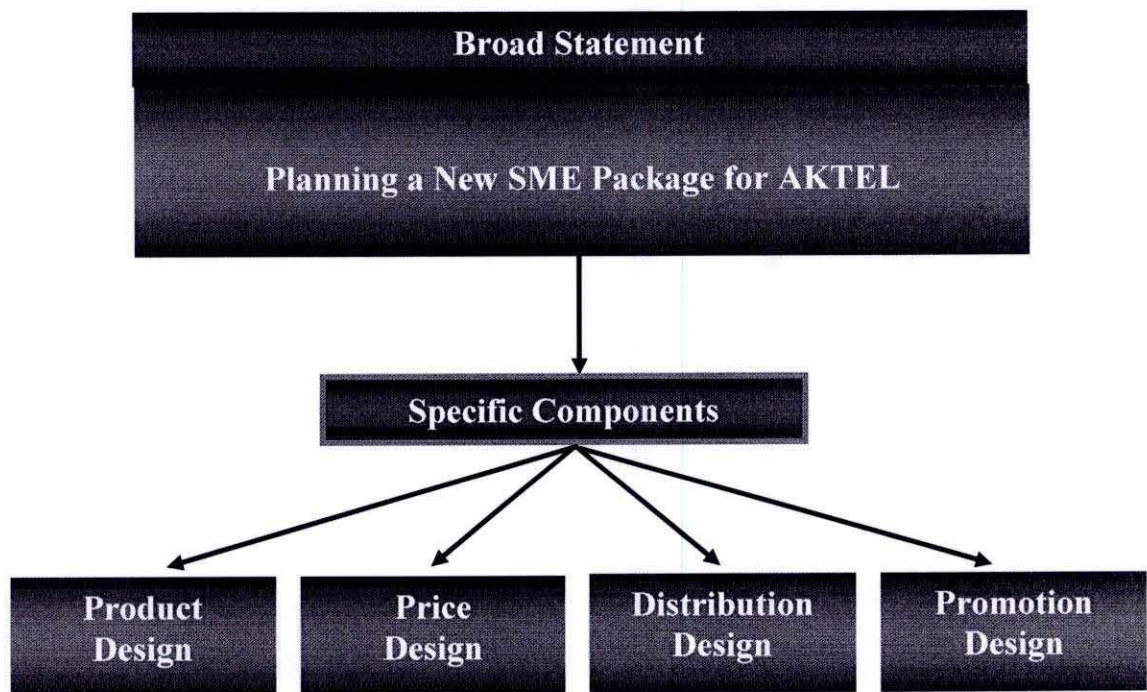
- Brief understanding of current SME scenario in Bangladesh
- To understand distinct telecommunication need for SME
- To understand target market and product positioning.
- To learn appropriate pricing strategy and set them for this package.
- To learn appropriate promotional strategy and set them.
- To develop a new AKTEL SME product.
- Finally, to relate my theoretical study into a practical implementation and properly fulfill my internship requirement.

Problem Statement

The SME is a large segment whose telecommunication need is different from other segments. AKTEL plans to target this sector and design a package according to the SME need.

This research is being conducted to identify the distinct and diverse need of the small and medium enterprises in order to design a new SME package for AKTEL.

To design the new package the research concentrates on designing a proposed product, its pricing and proposed tariff, its distribution and its promotion.



Methodology

This research is aimed at presenting the experiences gathered through surveying and observing a certain set of people. With this point of view, I have collected data in a structural method that is described in the following paragraphs.

Research timeline

Year	Month	Work
2008	February	literature review
2008	March	Data collection procedure
2008	April	Data analysis and interpretation of findings
2008	May, June, July	Report Writing
2008	August	Submission of research paper

Table 1: Research timeline

• Planning

The planning part was initiated when the project proposal was discussed with Mr. Ali Salman, BBA programs coordinator of BRAC University. Based on his suggested structure regarding the report and with proper guidance and fruitful suggestions, the report has been designed within three months time.

• **Sampling Plan**

The target group of SME customers for AKTEL is the different small and medium organization of different sectors that are located all over the country. I have decided to choose a sample size of 55 people. Due to lack of time and resource, I could not conduct the survey outside Dhaka. So all the samples are taken from different SMEs located only in Dhaka.

The sampling is done on a random basis. Also, the samples are collected according to the convenience of the researcher.

• **Data Collection Method**

Like some other research reports, there are both primary & secondary types of data.

The primary data contains the survey findings & analysis whereas the secondary data contains the company information from the organizational point of view, the current situation of the telecommunication industry and so on.

○ **Data collection Instrument**

The data collection instrument is the designed questionnaire. The questionnaire is semi-structured. The questionnaire has been made very carefully so that the accurate information came out from the respondents. There are total twenty six (26) questions where the respondents will have the option to choose their answers or they can also put their own answers in some questions.

○ **Primary data collection**

- ✓ For this particular part of this report writing, the key factor is the primary data collection.

- ✓ The primary data has been collected to understand the distinct and diversified telecommunication need of the SME sector.

✓ As my research process is flexible and unstructured, these primary data have been collected through **questionnaire surveying**.

✓ The survey has been conducted by **personal interview**.

○ **Secondary data collection:**

✓ The secondary data has been collected to gain insight about the overall SME industry, overall Telecommunication industry and in particular AKTEL.

✓ Secondary information has been collected from annual reports of AKTEL, different reports on AKTEL corporate and articles about Telecommunication and SME industry.

• **Questionnaire Sketching**

- As the objective is to design the marketing mix of a new SME package for AKTEL, so at the very beginning of my questionnaire I have asked for the demographic information such as age, sex, monthly income etc. It will help me to determine the target group for this particular SME package
- In the second part, I have designed some questions, which will give me the idea about monthly usage of a particular SME customer spends for his/her mobile usage and currently which service they are using.
- Then in the last part, the interviewee will be asked whether he or she feels the need of a special package designed for the distinct need of SME and what are the features and benefits he/she thinks suitable for that offer.

Data Analysis and Report Writing

After collecting all the required data and information, they were analyzed and presented the findings and analysis in the report.

Limitations

The major limitation that I have faced while conducting this research is the knowledge constraints about the subject matter. There were several other limitations that I needed to take care of like: -

Data Accuracy

For this research paper, the first & foremost limitation is data accuracy. It is a matter of fact that 100% accurate information cannot be provided because of random sampling error, non response error, inability error and unwillingness error.

Low Quality Response

While doing the interviews, most of the respondents were slow to understand the questionnaire. Hence, we had to deeply cooperate with those individual respondents while conducting the survey.

Limited coverage of survey

For a large scale project like this, a survey all over the country is very important. But due to time and resource constraints I could not go all over the country. That is why, customers outside Dhaka customers were not covered in this study.

Lack of time

As an intern, I had several other responsibilities except this SME project. These responsibilities required much of my time and effort. For this, I found it to be very difficult to devote the required amount of time and energy for the SME project. I believe the research could have been done in a better way if there would not be any limitations.

Findings & Analysis

Data Analysis

- As soon as the data gathering has been completed, I have analyzed the questionnaire (both closed-ended and open-ended). For the analysis of the collected data I have also used MS Excel.
- I have taken into consideration the different sector of the SME in Bangladesh and their specific needs.
- The target market of SME, their usage pattern of mobile phone, their income level is different from the general mobile phone user. This target market is also different from the corporate segment in terms of need, usage, number, income etc.
- Their geographical location is a matter of great importance. They are located all over the country and they are a huge segment.

Age Group

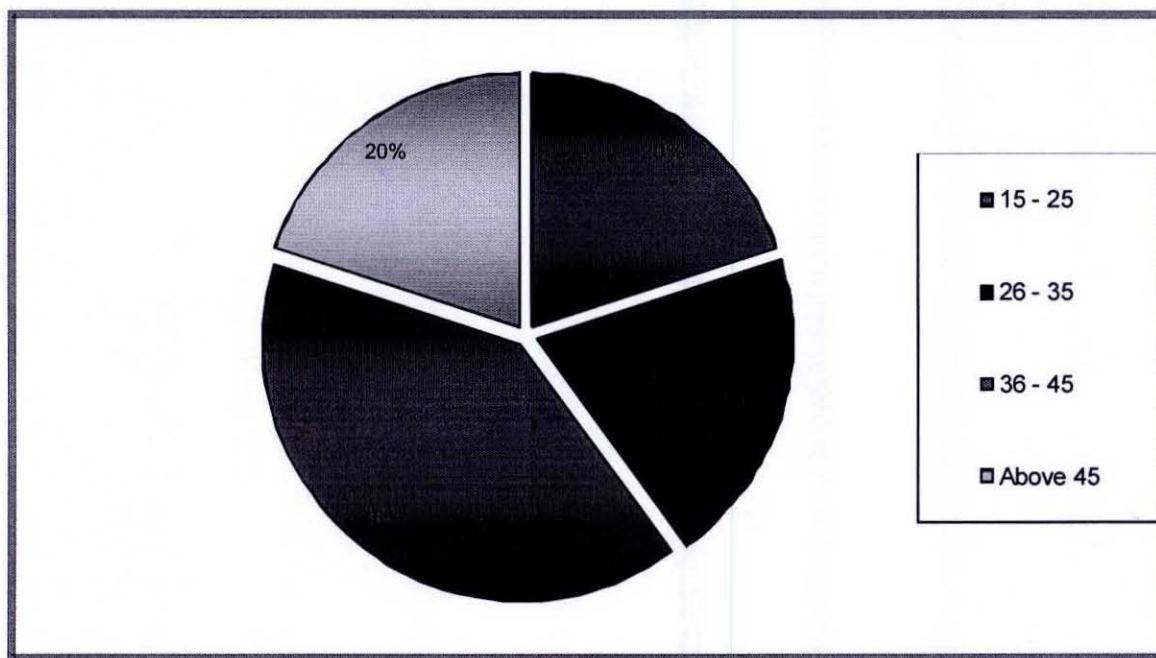


Figure5: Age Group of Respondent

Major Findings:

- 40% of the respondents fall into the age group 36 – 45
- Other age groups are almost equal- comprising 20% of the respondent each.

Analysis:

- The largest age group comprises of age range 36 to 45. but the others segments are also significantly large. so the age group for the SME customers would range from 15 years to 45 years.
- This group would be more interested in new value added services, specially special rate at night, welcome tune, FNF numbers etc.

Income Level Per Month:

Income	Number of People
Less than 3000	2
3001 – 5000	9
5001 – 10000	8
10000 – 15000	10
15000 - 20000	30
Above 20000	1

Table5: Income Level Per Month

Major Findings:

- 60% of the respondents fall into the income group 15000 - 20000
- The number of respondents whose income level is above 20000 tk or less than 3000 tk is insignificant.

Analysis:

- The largest sector comprises the income group 15000-20000.these customers can afford current tariff plans.
- The groups ranging from 3000-15000 are also significant. To attract these customers the tariff of the SME package must be very competitive.

Do You Use Mobile Phone?

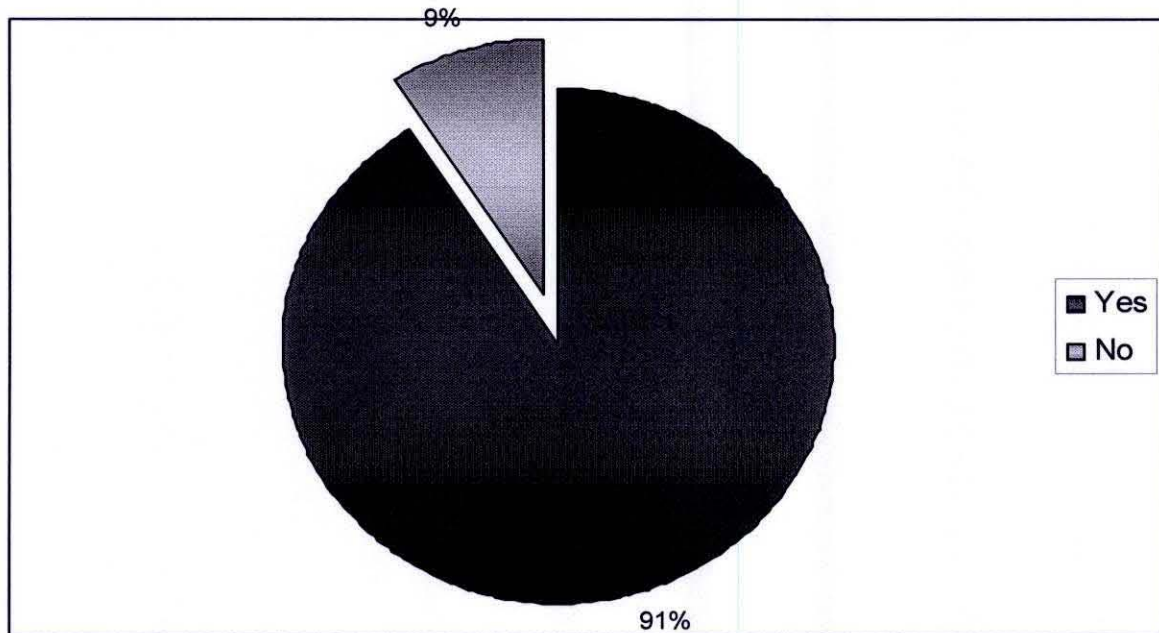


Figure7: User of the Mobile Phone

Major Findings:

- 91% of the respondents use mobile phone.
- 9% of the respondents still do not use mobile phone.

Analysis:

- Most respondents are already mobile phone user. So AKTEL has to focus on converting these customers as SME users.
- Still 9% are not using mobile phone. These 9% must also be targeted by AKTEL.

What Mobile Connection Do You Regularly Use?

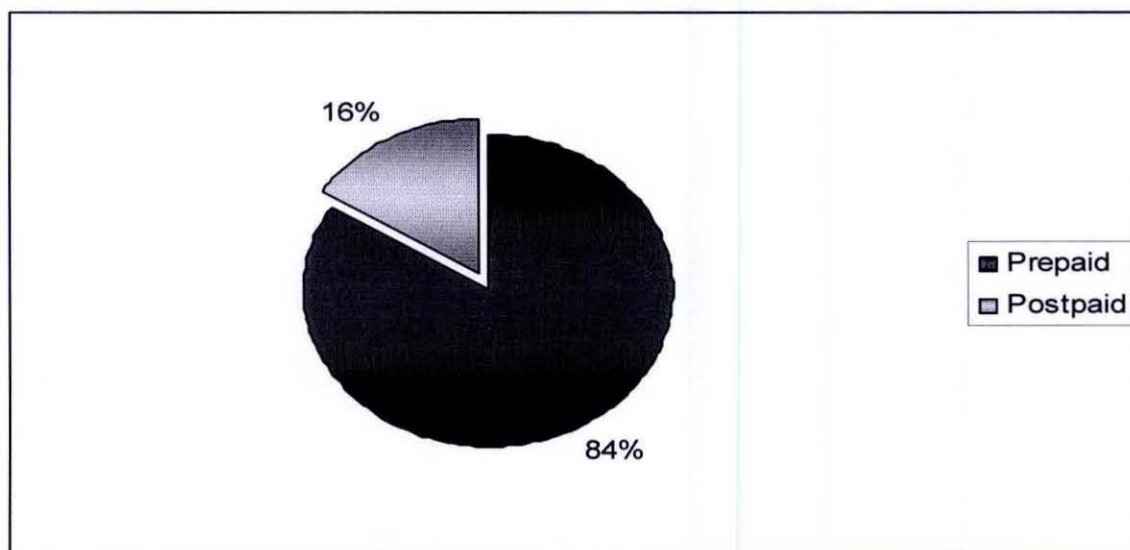


Figure8: Use of Prepaid/Postpaid

Major Findings:

- 84% respondents currently use pre-paid connections.
- Only 16% respondents are post-paid users.

Analysis:

- People choose banglalink for affordability and innovative marketing.
- Grameen Phone is used because of their superior brand value and network.
- Citycell is used for its “set + connection” at lower rate.
- AKTEL is used for its FNF to all operators and good network

Why Do You Choose Your Particular Connection?

Major Findings:

- **SME customers are in favor of pre paid customers. They are skeptical about the billing of postpaid**
- **The majority respondents are using Banglalink and Grameen pre-paid. Citycell pre paid is also used by a significant number of people. In this situation AKTEL needs to design its SME as pre paid.**

Analysis:

- **AKTEL needs to concentrate specially in enhancing its brand value.**
- **It has to focus on its promotional strategy. Most of the respondents feel the lack of market presence in case of AKTEL.**
- **The marketing of AKTEL must be more effective and forward thinking.**

Why did not you choose AKTEL?

Major Findings:

85% respondent do not use AKTEL because of

- **Low brand image.**
- **High tariff rate**
- **Lack of promotion**
- **Lack of aggressive marketing**
- **Poor customer service**
- **Insufficient customer care center**

Analysis:

- **For the SME package AKTEL must increase its promotion**
- **The marketing strategies should be more efficient**
- **To enhance the brand image,AKTELhas to take immediate actions.**
- **The customer service has to be improved**
- **More customer care center must be established.**

What are the Reasons for Which You Use Mobile Phone?

Reasons for Using Mobile Phone	Number of People
Communicate Within organization	23
Communicate With Other Organization	44
Communicate With Friends and Family	50
Maintain Social Status	38
Others	15

Table 6: reasons for using Mobile

Major Findings:

- 100% of the respondents use mobile phone to communicate with their Friends and Family.
- 88% of the respondents use mobile phone to communicate with other Organization.
- 76% of the respondents use mobile phone to maintain social status.
- 46% of the respondents use mobile phone to communicate within the organization.

Analysis:

- For the SME customers communication with Friends and Family is very important.
- Communication with other organization specially with suppliers, partners, customers is of great importance.
- A significant portion of the customers will need to communicate within the organization.

How much do you spend on mobile phone per month?

Income	Number of People
Less than 100	2
101 – 300	12
301 – 500	20
501 – 800	9
801 – 1000	5
Above 1000	2

Table 7: reasons for using Mobile

Major Findings:

- 40% of the respondent spend 301 – 500 tk monthly.
- The number of respondent whose usage level is above 1000 tk or less than 100 tk is insignificant.

Analysis:

- AKTEL should take into consideration that the average usage of SME customer will fall into the group 100 to 500 taka.
- Tariff plan should be revised by taking this trend into consideration.

What Payment Method(s) do You Use?

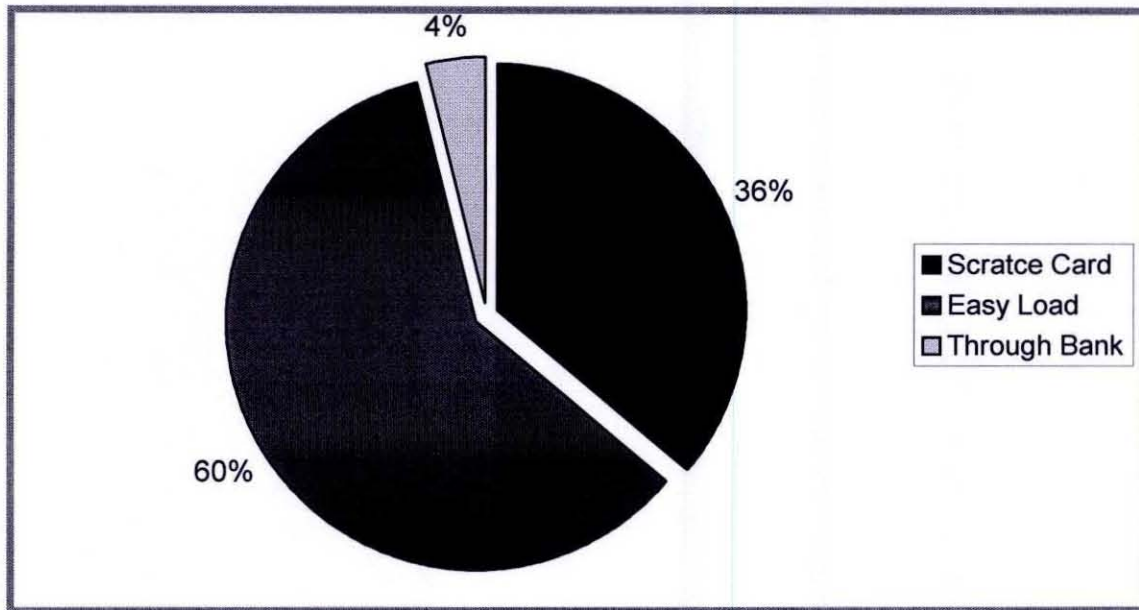


Figure9: Bill Payment Method

Major Findings:

- 64% of the respondent pay their bill by using electronic media(e-fill, easy load, i-top-up etc)
- Some people (36%) also pay their bill by using scratch card. But only a few people pay their bill by bank.

Analysis:

- The existing payment method of AKTEL is satisfactory.
- Easy load points can be increased to make the system more efficient.

Do You Get any Allowance for Mobile from the Organization?

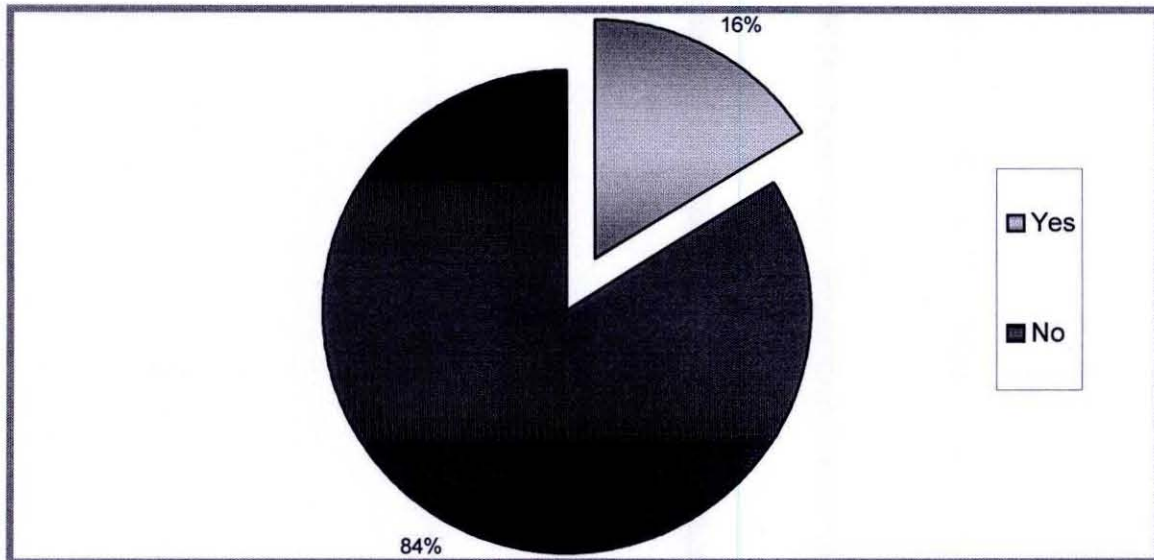


Figure10:Rreasons for Using Mobile

Major Findings:

- 84% of the respondent does not get any allowance from the organization for using mobile.
- Only 16% of the respondent gets allowance from the organization.

Analysis:

- AKTEL SME customer will not get allowance from the organization like the corporate customers.
- They will use the mobile phone on their personal expenditure.

What Amount of Allowance do you get?

Amount	Number of People
50 - 100	2
101 - 200	3
201 - 300	3
301 - 600	0
601- 1000	0

Table 7: Amount of Allowance

Major Findings:

- Only a very insignificant part of the respondents (4%) use SME package.
- 96% of the respondents do not use any SME package.

Analysis:

- The 4% respondents who receive allowance from the organization mostly get a 300 tk pre-paid card.
- Some get 100 taka prepaid card.
- Some respondents get 50 taka card from the organization.

Do you use any SME Package?

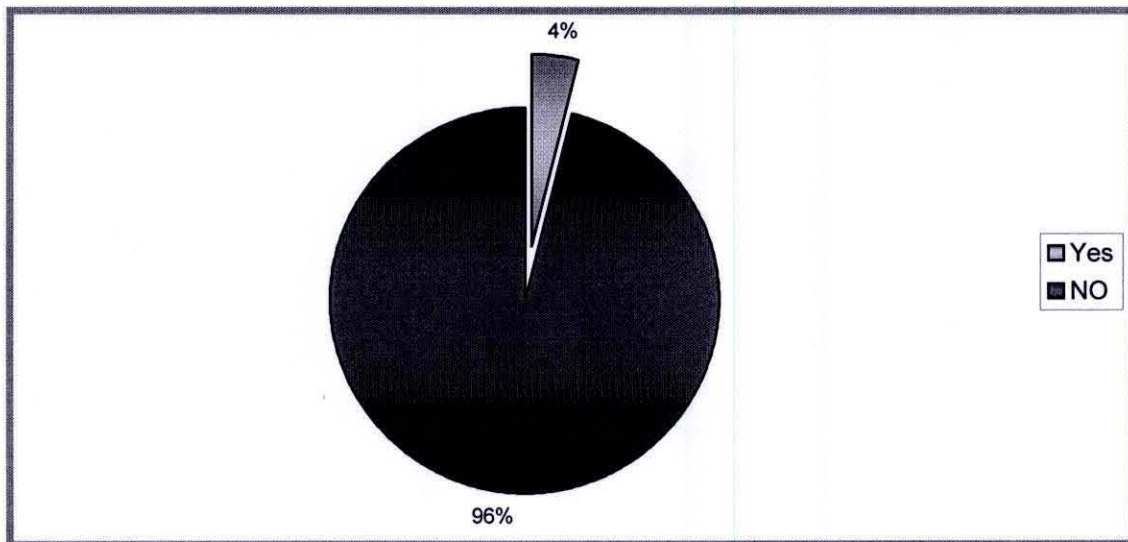


Figure 11: Number of People Using

Major Findings:

- Only a very insignificant part of the respondents (4%) use SME package.
- 96% of the respondents do not use any SME package.

Analysis:

- SME package has been introduced very recently by the competitors. So it is not yet widely used in the market.

Do you think a Special offer should be introduced for SME's?

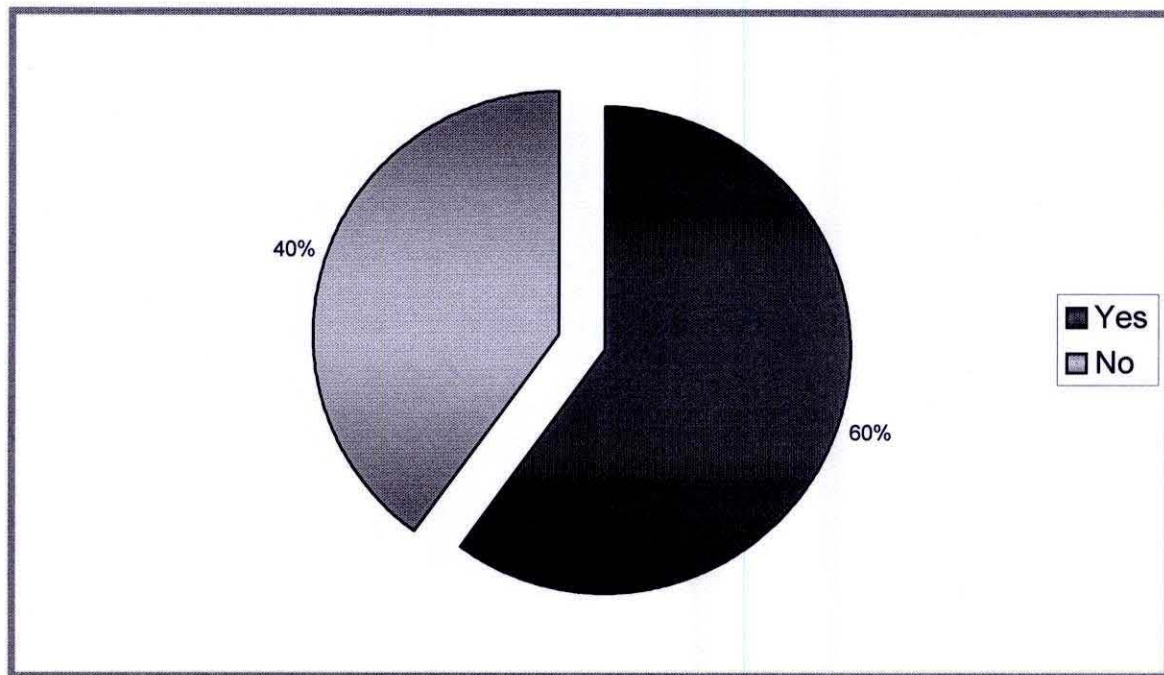


Figure 12: Introducing new SME Package

Major Findings:

- **60% people think that there should be a special package for SME.**
- **A large amount of people (40%) do not want any special package for SME**

Analysis:

- **Most of the respondents are interested in a new SME package.**
- **So AKTEL can have a great potential for the SME package.**

Which offer will be suitable for SME?

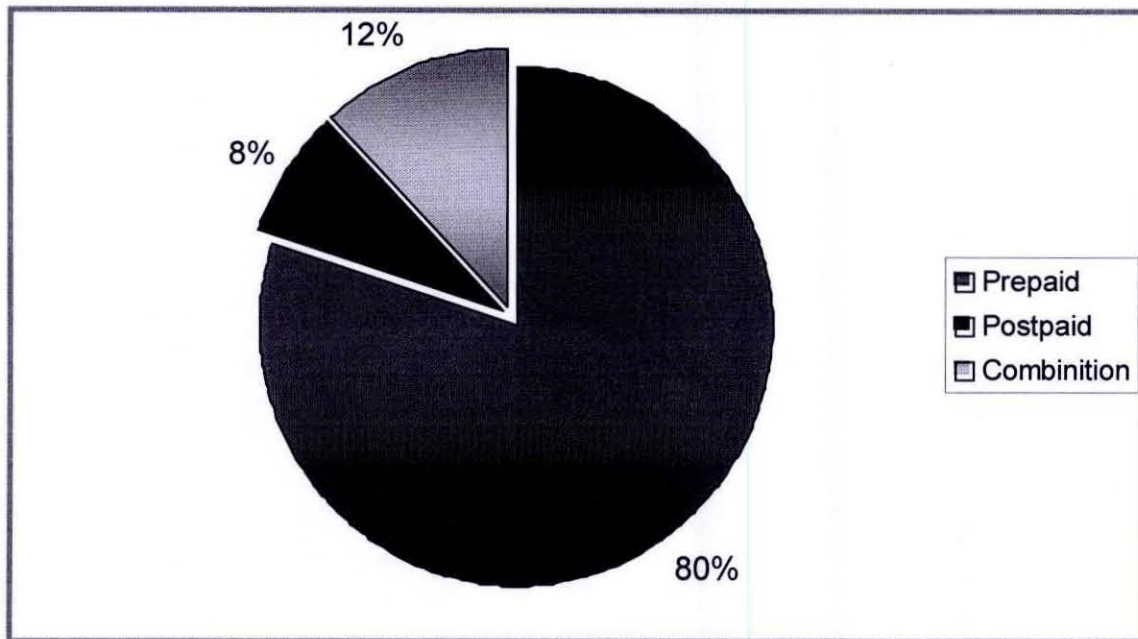


Figure13: Type of Package Suitable for SME

Major Findings:

- 80% of the respondents think that a prepaid package will be more suitable for them.
- 12% of the respondents think that the package should be a combination of both prepaid and postpaid.
- 8% respondents are in favor of a post-paid package.

Analysis:

- AKTEL should think of introducing pre paid connections as the majority respondents are in favor of that.
- A combination of post paid and pre paid can be developed if feasible.

Which of the following Services would you Want in the SME Package?

Special offers	Number of People
Internet	10
VMS	2
FNf	50
Special rate at night	45
International SMS	7
Welcome Tune	30

Major Findings:

- **100% of the respondents want FnF service.**
- **The number of respondents in favor of Internet facility and international SMS is very few.**
- **90% respondents want Special tariff at night.**
- **Welcome tune is wanted by 60% respondents.**

Analysis:

- **Existing FNf,GPRS facility would be satisfactory for the SME customers**
- **Welcome tune is a popular VAS high must be incorporated in the SME package.**

If the Package Offers Special Benefits in Return of a Fixed Usage, Would You Accept That?

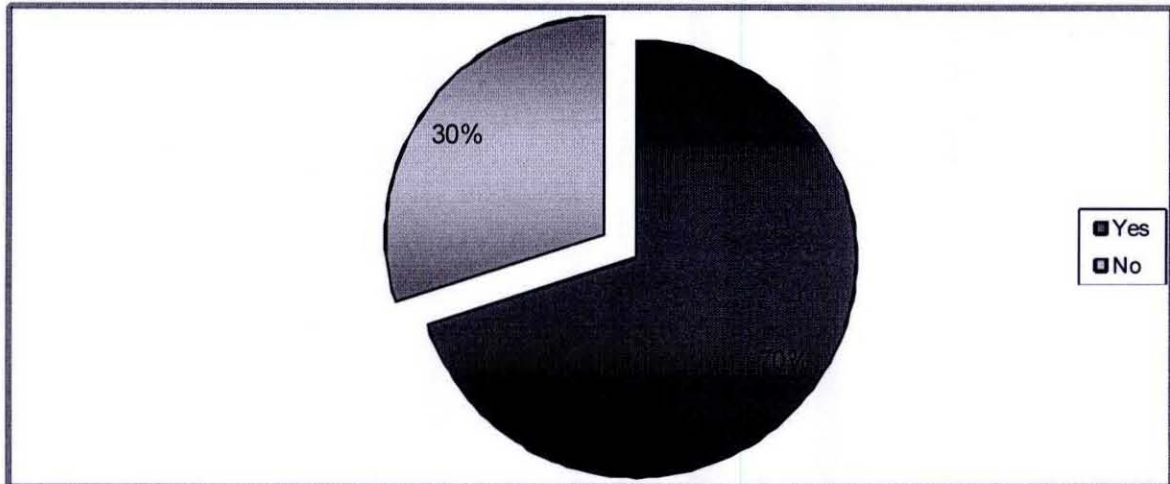


Table 14: Special benefit In return of s fixed Usage

Major Findings:

- 70% percent of the respondent agreed to accept a fixed amount of usage in return of getting some special benefits.
- 30% respondents are not willing to accept a fixed usage per month.

Analysis:

- If the package include the condition of a fixed usage in return of special benefits, regular revenue can be assured

What Special Benefit(s) Would You Like?

Benefits	Number of People
Free Minutes on Outgoing	40
Free Minutes on Incoming	30
Free Minutes on FnF	35
Free SMS	40
Free Ring tone/Welcome Tune	20

Table 9: Benefits Wanted bu the

Major Findings:

- 80% people want free minutes on outgoing and free SMS
As a special benefits.
- 60% respondents want free minutes on incoming.
- 40% of the respondents are in favor of free ring tone.

Analysis:

- Free minutes on incoming and outgoing is very popular.this can be used both as product feature or sales promotion.
- Ringtone can be given free for a certain period or can be provided as a value added service.

What Amount of Fixed Usage Would be Acceptable to You?

Amount	Number of people
50	1
100	18
150	9
200	5
300	2

Table 10: amount of Fixed Usage

Major Findings:

- 51% respondents think tk 100 is acceptable amount of fixed charge.
- 26% respondents think tk 150 is acceptable amount of fixed charge.
- 14% respondents think tk 200 is acceptable amount of fixed charge.
- 6% respondents think tk 300 is acceptable amount of fixed charge.
- 3% respondents think tk 50 is acceptable amount of fixed charge.

Analysis:

- Half of the respondents are in favor of 100 tk fixed usage.
- If the fixed usage is set at high level, the SME customers would be discouraged to accept the fixed usage package

If a new SME package is introduced with better offers than your current package, would you switch to that offer?

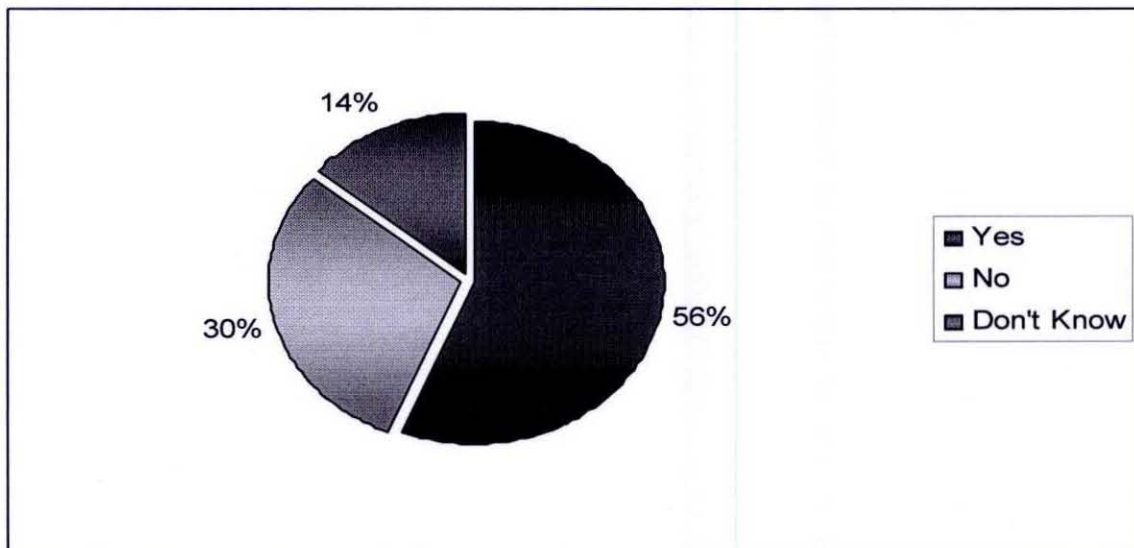


Figure 15: Number of people want to switched if the get a new SME Package

Major Findings

- **56% respondents are in favor of switching the connection for a better offer.**
- **30% are not willing to change the connection.**
- **14% of the respondents have not decided about switching the connection.**

Analysis

- **To convert the 30% who are not willing to change, more promotional activities will be required.**
- **The 56% respondents are basically price sensitive. They are not brand loyal. So, better offer will attract them to use AKTEL SME.**

Chapter 5

Proposed Marketing Mix of AKTEL SME

Product Design

Product development strategy

The new product designing is among the most challenging part of the marketing plan. it requires clear understanding of the market, customers, their needs and wants, proper segmentation and targeting and positioning.

There are eight steps that should be applicable to develop a new product. AKTEL has a separate division for research and product development.

For designing a new product for the SME, AKTEL will focus on the following process. The process will start from the idea generation for a new SME package. Then the ideas will be screened and effective ideas will be chosen. Then the product concept is developed in details. After that, a thorough business analysis is done to asses the feasibility of the product. After that product testing, technical implementation and commercialization of the product is completed.

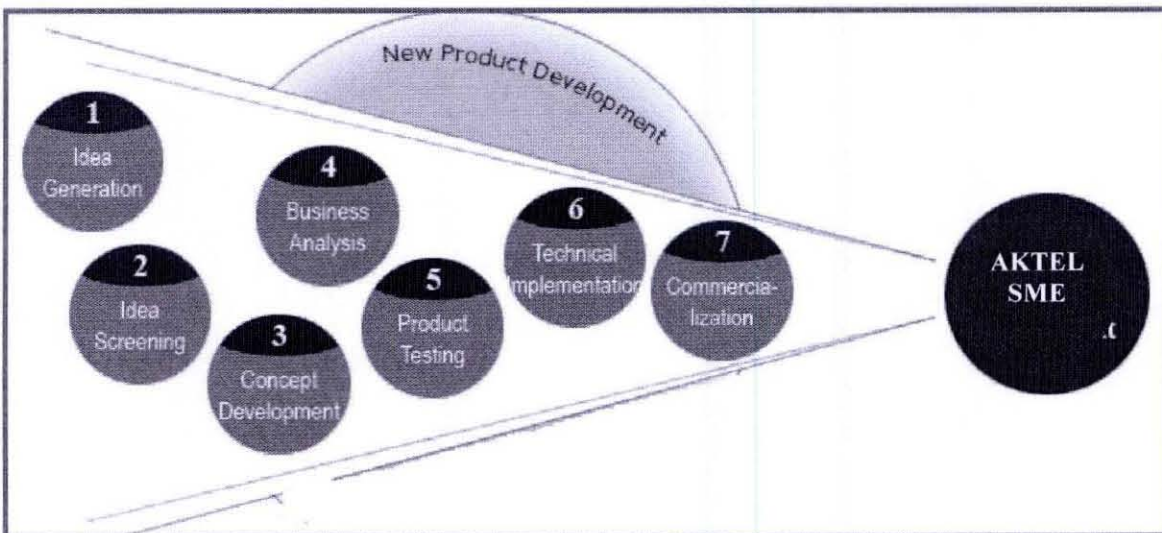


Figure 16: New Product Development Process

Brand is one of the major enduring asses of a company, which must be carefully developed and managed. For branding strategies to be successful and brand value to be

created, consumers must be convinced that there are meaningful differences among brands in the product or service category. The key to branding is that consumers must not think that all brands in the category are the same.

Brands can signal a certain level of quality so that satisfied buyers can easily choose the product again. Brand loyalty provides predictability and security of demand for the firm and creates barriers to entry that make it difficult for other firms to enter the market. Loyalty also can translate into a willingness to pay a higher price—often 20 to 25 percent more. Although competitors may easily duplicate manufacturing processes and product designs, they cannot easily match lasting impressions in the minds of individuals and organizations from years of marketing activity and product experience. In this sense, branding can be seen as a powerful means to secure a competitive advantage.

AKTEL is already an established and popular brand in the telecommunication industry. It has a huge customer base and the customers have faith and love for this brand in their minds.

As AKTEL plans to introduce a new SME product under their brand name, it will be considered a line extension strategy. A line extension occurs when a company introduces additional items in a given product category under the same brand name.

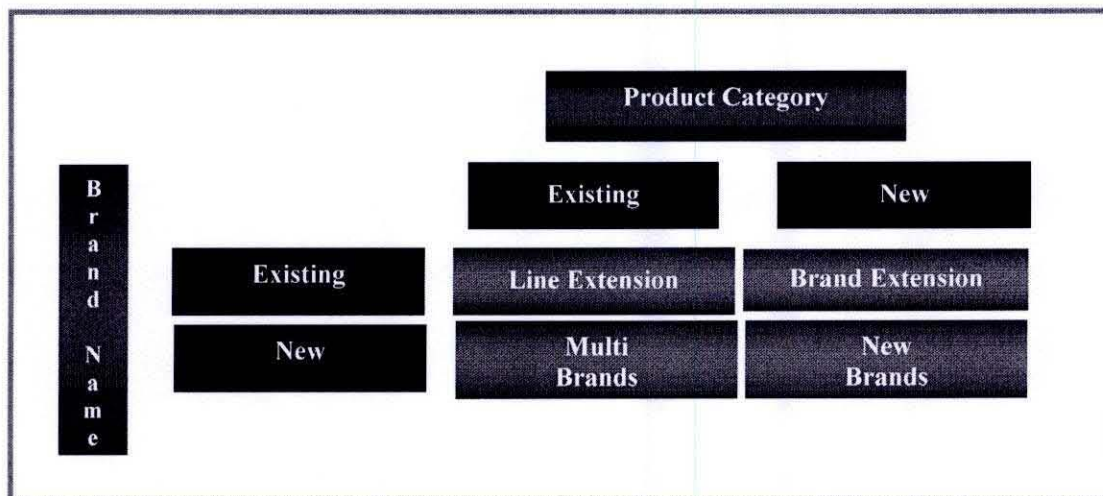


Figure: Line extension strategy for AKTEL SME.

Brand Name: “AKTEL SME”

Product type: PRE-PAID connections.

The Proposed AKTEL connections are recommended to be PRE-PAID. the research and the findings show that the SME customers would not be interested to use post paid connections because they do not understand the concepts regarding-

- **Credit limit-** a certain limit up to which the user can talk without payment.
- **Outgoing bar-**when the credit limit exceeds, the outgoing calls for that number is barred.
- **Net deposit-**for each post paid connection the subscriber must deposit a certain amount for security.
- **Unbilled amount-**the bill for the running bill cycle.
- **Billing cycle-**the bill for each month is usually calculated from 15th of this month to 14th of the next month. so this is called a billing cycle.
- The customers are very skeptical about the billing system of the post paid connections and they think the process lacks transparency.
- They are more comfortable with the pre-paid system. They understand it well.
- Most of the people working in the SME's currently use pre-paid connection.

The survey for these research shows that majority respondents want the SME package to be pre-paid. Based on these findings, the proposed AKTEL SME should be PRE-PAID.

Product Features:

- Voice calls
- SMS
- No monthly commitment for the Standard SME package.
- Free talk time(10% of outgoing per month)
- 5 FNF numbers to any operator.

Special features for SME Power pack:

- 100 taka monthly commitment for the SME Power Pack that will ensure fixed revenue.
- 3 SME partners to any operators' number.
- Free talk time(15% of outgoing per month)
- 10 free SMS per month for the SME Power Pack.

Value Added service:

- AKTEL FNF
- AKTEL SME partners
- AKTEL goongoon (welcome tune)
- GPRS(internet)
- Voice SMS
- Balance transfer
- Missed call alert
- AKTEL opener
- News update

Price Design

Price is an important factor to look for, while launching new product. Especially in the telecommunication industry, price is considered among the most important factors. The market right now is an oligopoly market. The customers are highly price sensitive. That is why; the demand of a new product greatly depends on its pricing.

The new Aktel product is targeted towards the small and medium enterprise market. the customers in this market are also highly price sensitive.

One important factor to consider is that, the market leader Grameen phone and the market challenger Banglalink have already introduced their SME product.

In this situation, to set the price for the new SME product, AKTEL needs to carefully look into its strategies and take a competition-based approach.

Pricing Approach: “Competition Based Pricing

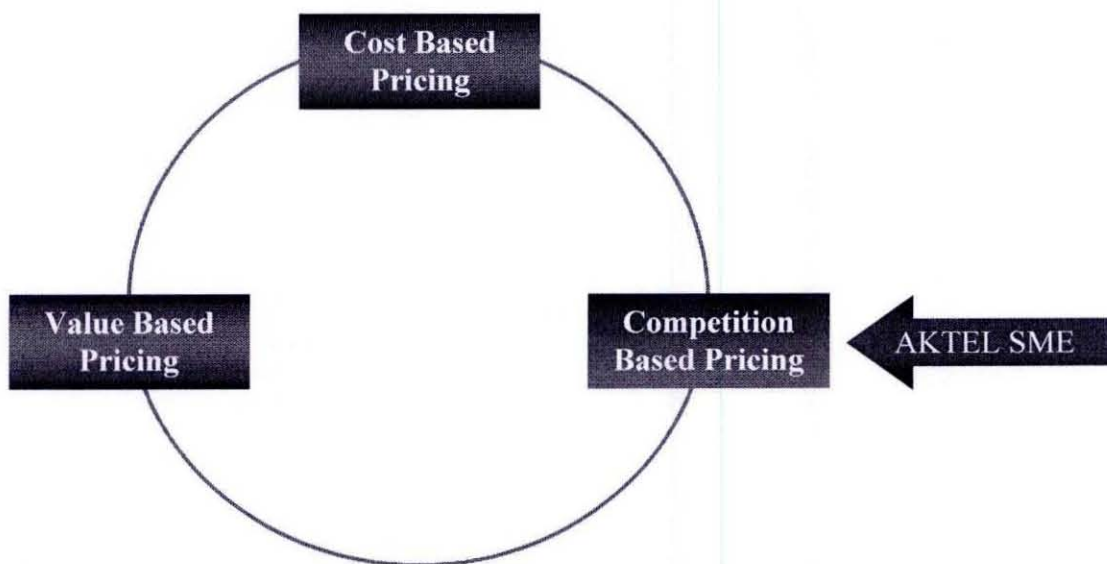


Figure 18: The Pricing Approach of AKTEL SME

Why Competition Based Pricing?

- The customers are highly price sensitive
- The market of cell phone industry is oligopoly.
- There are only few competitors and competition is very intense
- The bargaining power of the buyers is high. They switch to other operators very easily
- Both Grameen Phone and Banglalink has already introduced their SME package and they have set a very competitive price.
- As AKTEL is neither the market leader, nor the market challenger, we have to maintain the competition based pricing in this highly competitive market.

Pricing Strategy

Pricing decisions are clearly complex and difficult. Holistic marketers must take into account many factors in making pricing decisions—the company, the customers, the competition, and the marketing environment. Pricing decisions must be consistent with the firm's marketing strategy and its target markets and brand positioning.

For SME package AKTEL needs to design a pricing strategy that can be accountable for different SME customers and situations.

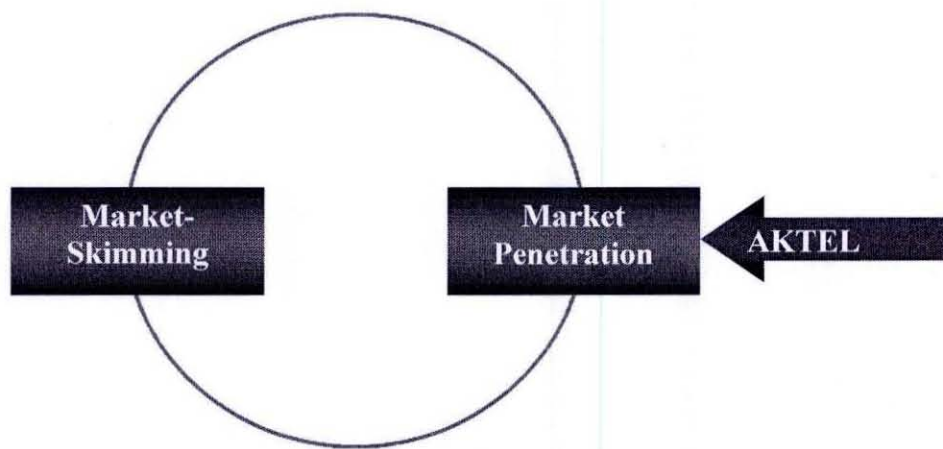


Figure19: The Pricing Strategy for AKTEL SME

Market Penetration Pricing

For AKTEL SME, the company needs to set a low initial price in order to penetrate the market quickly and deeply. Thus they will be able to attract a large market share. The penetration pricing will help to keep out the competition. Most importantly, the price sensitive customers will not accept high price. There is price war in the telecommunication industry for last few years. In this situation, market penetration is the best pricing strategy for AKTEL SME.

Why Market Penetration?

- The average income level of the target SME market is not very. Market skimming strategy would not be effective for this target market.
- Rather than setting a high initial price to skim off, we have to set a low initial price in order to penetrate the market quickly and deeply.
- Thus we can attract a large number of buyers quickly and win a large market share.
- Because of high price elasticity of demand they are adopting this strategy. It also gives them option to achieve economies of scale.

Price Flexibility Strategy

Because AKTEL practices penetration pricing & reduced pricing strategy they should follow the flexible pricing strategy as well for the SME package. It gives emphasis on profit rather than simply on volumes and a willingness to change prices with reference to the existing environment. To introduce the new SME package, we can practice bundling price strategy as well. As for example bundling free talk time in the SME package.

Proposed Tariff

Features	Time	Std. Pack	Power Pack
Business hour	08:00-12:00	99p	99p
Private hour(On net)	12:00-08:00	50p	50p
Private hour(Off net)	12:00-08:00	99p	99p
AKTEL SME partners	N/A	N/A	50p
On FNF	N/A	30p	30p
Off FNF	N/A	80p	80p
ON net SMS	N/A	50p	50p
Off net SMS	N/A	1.00	1.00
Bonus Minutes	N/A	10%on outgoing	15% on outgoing
Bonus SMS	N/A	N/A	10/Per month

Pulse	Per Second	Per Second
Minimum Monthly Commitment	N/A	100 tk
SIM Price	200 tk	350 tk

Table 17: Proposed Tariff for AKTEL SME

Distribution Design

At present, the regular packages of AKTEL are distributed through the dealers and AKTEL touch points. And in the case of corporate packages personal selling is still the only distribution channel.

AKTEL SME will be introduced as a part of AKTEL corporate. But as the target market is geographically scattered all over the country, so personnel selling would not be feasible for distribution. Rather a combination of dealers, ATP and personal selling would be effective for the distribution of AKTEL SME.

- **Dealers**
- **AKTEL Touch Point(ATP)**
- **Personal Selling**
- **Dealers**

AKTEL one of the dynamic telecommunication company of Bangladesh performing its distribution process through seven major dealers. To control the dealers in every aspect the company has a separate unit, which is greatly responsible for managing these dealers. The unit encompasses with a group of energetic, optimistic and futuristic workforce those have a tendency to bring the change for the company over the competitors.

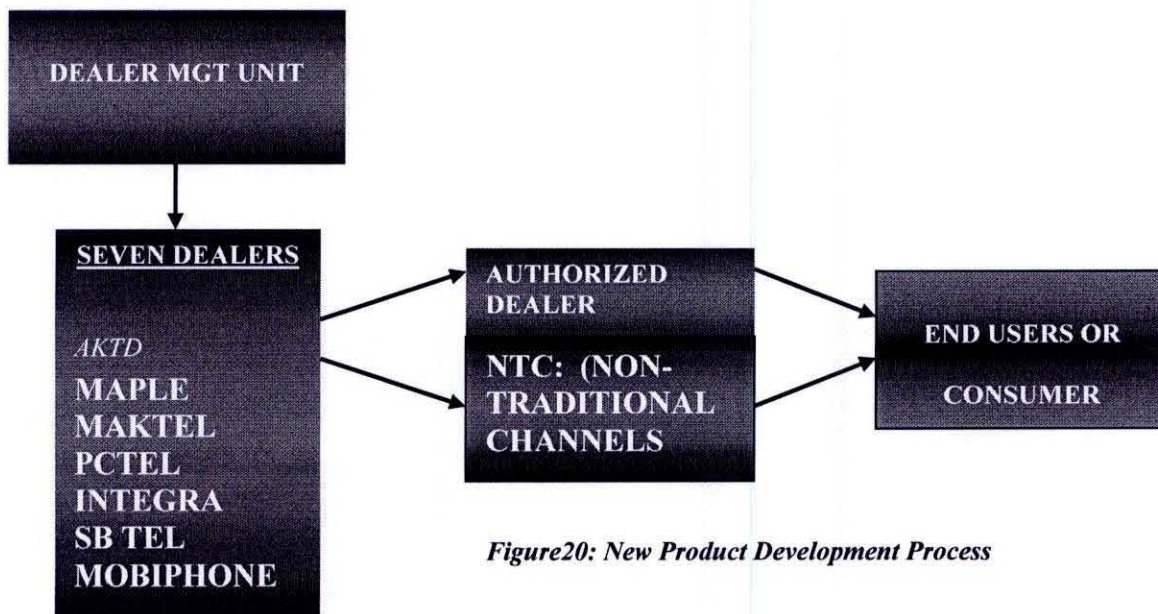


Figure20: New Product Development Process

• Sub Dealers

Under the process of distribution and channel sales AKTEL basically performs through seven major dealers. Under these dealers, 380 sub dealers operating the same function. This authorized sub dealers get the direct feedback from the main dealers as well as from the company professionals. These distribution and channels sells further have been classified into two different ways. One part is responsible for selling SIM and another part deals with selling scratch cards. Both the seven major dealers as well as 380 authorized dealers performing the SIM selling and scratch card-selling activity through the direct supervision of the company. Beside that to ensure the scratch card selling company has contracted with DDNL (*Danish Distribution network ltd.*) Under this special distribution network 10000 distributors selling scratch card for *Aktel* dealer.

• Through AKTEL Touch Point

To reach to the door steps of customers, AKTEL has introduced a revolutionary concept “AKTEL Touch Point (ATP)” from Sep’06. AKTEL Touch Points are authorized to sale exclusively AKTEL products and provide some customer care and other services. there are almost six hundred Aktel touch point which perform both the sales and the customer service. Through ATP, it is possible to distribute the SME package all over the country at the doorsteps of the SME customers.

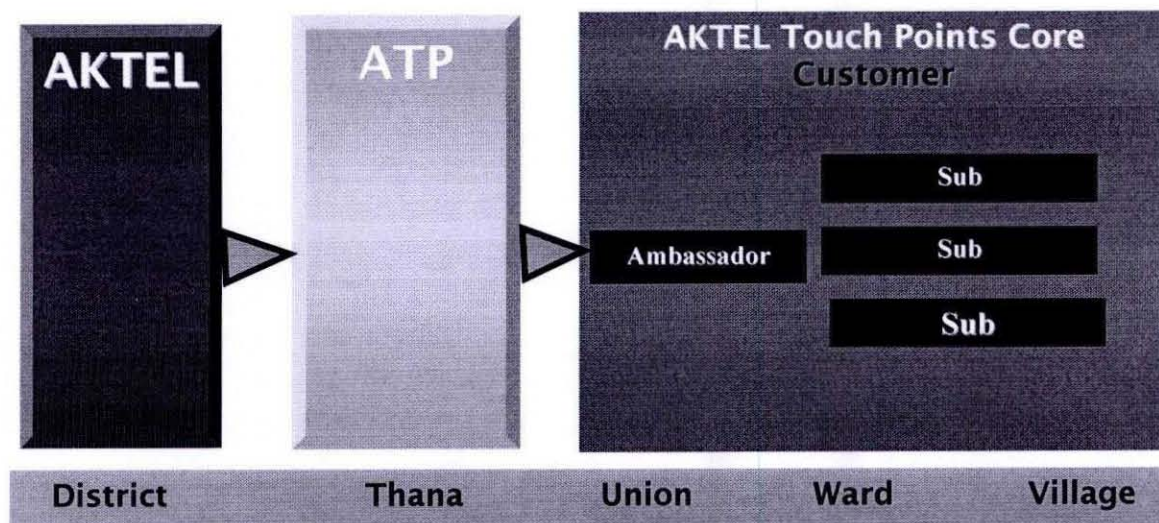


Figure21: Distribution through SME

• Personal Selling

Personal selling is mostly done in case of corporate sales. For AKTEL SME, 5 different sales team can be made consisting of a total 20 team members. Each team will have a team leader and three team members.

To sell to the customers, the sales team of AKTEL goes for personal visits to different customers. The team will search for leads. They can have assistance from BSCIC, MIDAS and other organizations to find out prospective SME customers. In personal selling, the sales team will follow the steps of the following chart and thus will complete the selling process.

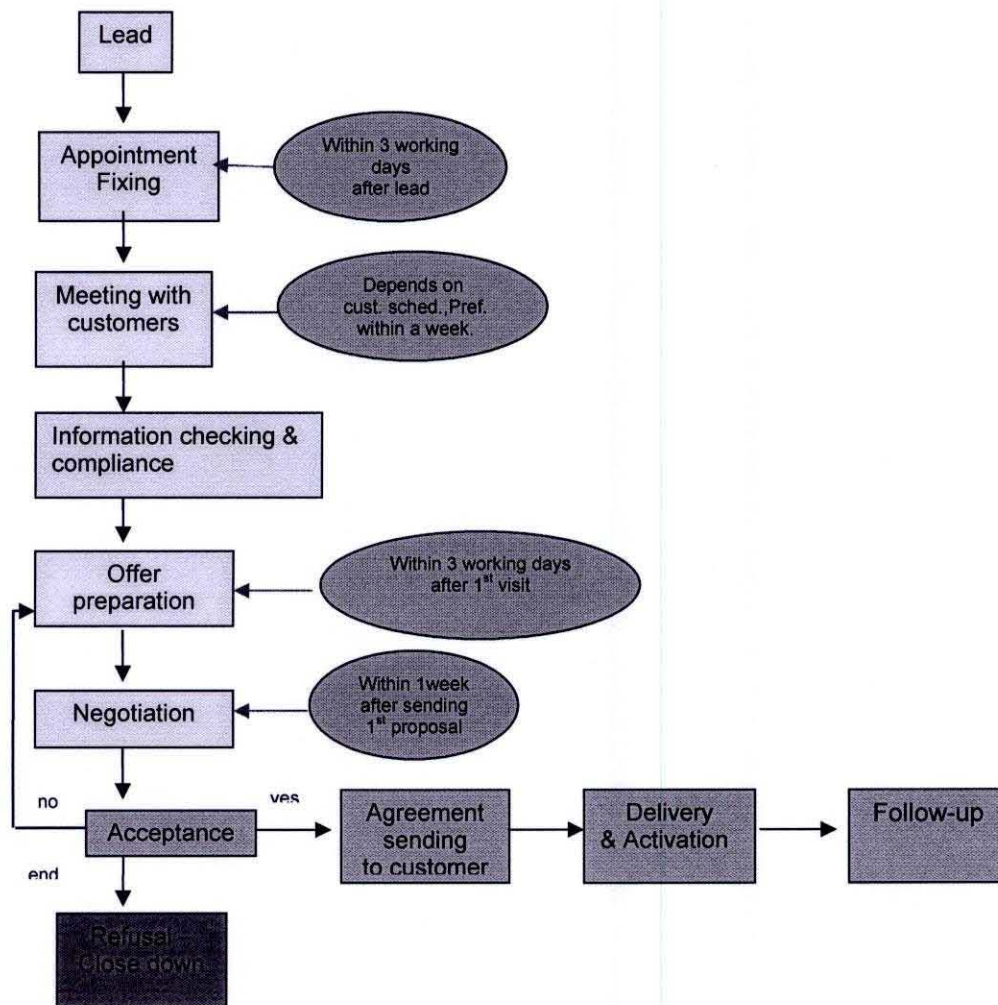


Figure22: Personal Selling Process

Promotion Design

Promotional Strategy

Promotional strategies are concerned with the planning, implementation and control of persuasive communication with the consumer. For AKTEL these strategies are revolved around advertising, sales promotions and special offers.

Promotional campaign is an essential part of launching a new brand. Promotion is very helpful to send an effective message from the manufacturer to end user. And for creating the entire attention of consumer's we will go through the AIDA model. AIDA model includes:

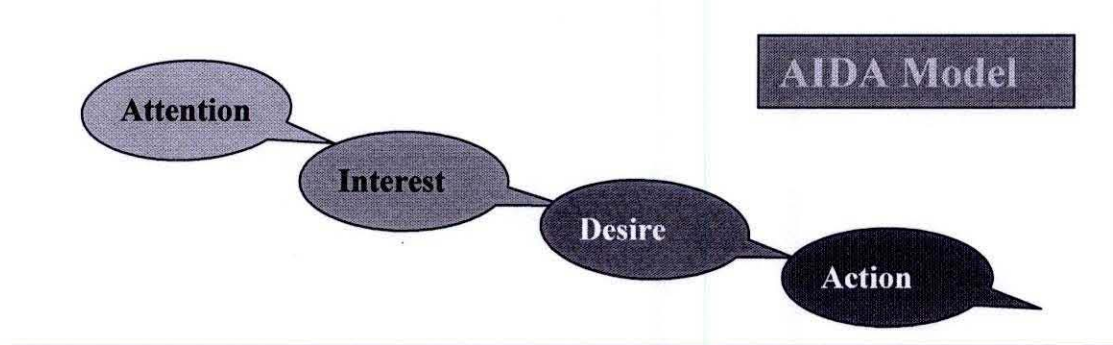


Figure23: AIDA Model

AKTEL in promotional aspect follows the promotional mix strategy. It basically covers the following factors-

- Product factor
- Market factor
- Customer factor
- Budget factor
- Marketing mix factor
- Environmental factor

They follow this strategy to adequately blend the three types of promotion to complement each other for a balanced promotional perspective

Promotional Mix:

The promotion mix of AKTEL SME will consist of three promotional tools.



Figure 24: Promotional Mix of AKTEL SME

1. Advertising

AKTEL GSM are trying to convert non users to mobile phone users stressing the benefit of GSM services, and with the service benefit of AKTEL that will make their life easier. To serve the market more accurately their target market will be further segmented based on psychographics and business sites. The strive to develop a better product will be a continuous process. Conducting of market research will be held every 3 months. They will use their import to develop new products based on the data they will get from survey. Thus the product will be designed to meet the customers need.

To advertise their products and services to the market AKTEL uses various types of media that are available. From television commercials to Newspaper and magazine they are now even sponsoring the evening news headlines. This of course falls under their advertising copy strategy. One important factor is that AKTEL uses both PUSH & PULL strategy at the same time. They have their in house advertising campaign department. But they outsource their other big ad plans to ad firms as well.

Type of Advertising

AKTEL SME is a new product. So the aim is to create primary demand. That is why the advertising should be **Informative Advertising**. the aim is to inform the customers about this new product, its distinct features and benefits.

Advertising Media

AKTEL currently uses both electronic and print media for advertising its product and services. For the new AKTEL SME various advertising medium can be effective to reach the customers. The following table shows the proposed Medias for AKTEL SME.

Electronic media	Print media
• Television • Radio • Internet	• Newspaper • Billboard • Leaflet • Flyer • brochure • Posters • Banner • Shop-sign

Table 12: Advertising Media of AKTEL SME

TV as Advertising Medium

As the target SME market is dispersed all over the country, TV advertising will be among the most effective media to reach the customers. TV ads can be aired through a number of different arrangements. The new TV advertisements will be broadcasted in All national and private TV channel before and middle time programs included:

- Specifically within and after the popular dramas
- During news
- During the popular talk shows
- During popular package magazine program

○ **Length of Advertising**

The advertisement of AKTEL SME will be broadcasted for **40 seconds** every time.

○ **Focus**

- ✓ BTV,
- ✓ Channel-I
- ✓ NTV

○ **Radio as an Advertising Medium**

Now days, radio is a very strong medium of advertising. a lot of people listens to the radio programs. The FM radio channels cover only Dhaka and Chittagong. So to cover all over the country, AKTEL SME advertisements should be broadcasted in Bangladesh Betar as well.

Focus

- Bangladesh Betar
- Radio today
- Radio furti

Internet as an Advertising Medium

Advertising can also be done in internet. Through Banner, Banner Swapping, Pop-Up window, AKTEL can advertise its SME package. But, it must be kept on mind that, for SME sector internet advertising would not be very effective because the target market is not very internet friendly.

Newspaper as an Advertising Medium

Newspaper is among the most effective medium for the advertising of AKTEL SME. it will be the most cost effective medium to reach the geographically dispersed target market. So, AKTEL should design print advertisement for the SME package and publish it on national newspaper on a regular basis.

- **Focus:**

- ✓ Daily Prothom Alo
- ✓ Daily Jugantor
- ✓ Daily Ittefaq

Billboard as an Advertising Medium

AKTEL can put up billboards at certain strategic locations in order to attract customers as well as give their products and services a boost so that they can increase their customer base. Billboard can help to identify AKTEL SME as a unique product and that it can be differentiated from its competitors. Billboards attract attention and appeal to customers so that they are aware of AKTEL SME. Mostly billboards can be put on main roads and some major shopping centers around Dhaka city.

Others

- Shop signs in easy load points
- Posters on vehicles.
- Leaflets, flyers and brochures about AKTEL SME.
- Banners in four colors.

Thus, by promoting AKTEL SME through these various media, electronic as well as press advertisements, AKTEL can well be in the way of introducing a successful SME package and resulting in a higher subscriber base and in turn a higher potential market share.

2. Sales Promotion

Sales promotion is very important specially in case of introducing a new product. To create the initial demand for the SME package , AKTEL can use sales promotion as a tool. Sales promotion is done for a short time and it will help to increase the demand and sales of the product.

AKTEL can provide the customers with several sales promotions. Such as

- Free one goon goon for all SME package for the first month.
- Free 30 minutes on FNF numbers.
- SIM price reduction for purchasing five connections at a time.
- Free SIM for purchasing at least 10 SME Power Pack.

3. Direct Marketing

Direct marketing can also be effective media of promotion for the AKTEL SME. Directly visiting the customers would not be cost effective and feasible for AKTEL. It would be more effective to create a team consisting of three people to do **telemarketing** only to SME customers.

CHAPTER 6

Conclusion

Conclusion

Introducing a new product in the market is a mammoth task. Especially the marketing mix design requires careful planning and Implementation as the success of the product is highly influenced by the marketing mix it uses.

This sort of planning needs research and resources on a very large scale. I implemented the theoretical knowledge and the practical experiences I gathered from my studies and internship to complete this research efficiently and make it as fruitful as possible.

This research will certainly provide AKTEL with a pathway in designing the new package for the SME customers. SME is an emerging sector in Bangladesh and it holds a great opportunity for the telecommunication industry. Though Banglalink has already launched their SME offer, but still it is in the initial phase and most of the customers are not aware about it. In this situation AKTEL has great prospect to reach these customers and pave the way to become the market leader in the telecommunication industry.

APPENDIX

Questionnaire

Date ___/___/___

Serial Number:

Survey on Telecommunication Need of SME.

The following questionnaire pertains to the survey report about the cell phone usage status of the small and medium enterprises in Bangladesh to develop a new AKTEL product for SME. The questionnaire will take 5 to 10 minutes to be filled up. The received information will be subject to strictest confidentiality and will be used solely for academic purpose. Your sincere cooperation is kindly solicited.

Personal Profile

1. Name:
2. Name of Organization.....
3. Type of Business.....
4. Designation.....
5. Location.....
6. Age (a) 15 – 25 (b) 26 – 35. (c) 36 – 45 (d) Above 45
7. Sex: (a) Male. (b) Female
8. What is your monthly income
(a) Less than 3000 (b) 3001 – 5000. (c) 5001 – 10000
(d) 10000 – 15000 (e) 15000-20000 (f) Above 20000

Signature
(Interviewee)

9. Are you a mobile phone user?

- (a) Yes (b) No

10. What mobile connection do you use?

(a) Postpaid (Please Specify).....

(b) Prepaid (Please specify).....

11. Why did you choose this particular connection?

.....
.....
.....

12. Why did you not choose AKTEL? (Only for non AKTEL users)

.....
.....
.....

13. What are the reasons for which you use mobile phone?

- (a) To communicate within the organization
(b) To communicate with other organization
(c) To communicate with family and friends.
(d) To maintain social status.
(e) Others (please specify).....

14. How much do you spend on mobile phone per Month?

- a) Less than 100
b) 101 – 300
c) 301 – 500
d) 501 – 800
e) 801 – 1000
f) Above 1000

15. Do you get any allowance for mobile use from the organization?

(a) Yes (b) No

16. If yes, what amount of allowance do you receive?

- (a) 50 – 100
- (b) 101 – 200
- (c) 201 – 300
- (d) 301 – 600
- (e) 601 - 1000

17. What payment method(s) do you use?

- (a) Scratch card
- (b) Easy load/flexi-load /I-top-up
- (c) Payment through Bank.

18. Do you use any SME package provided by any cell phone operators?

- (a) Yes (please Specify.....)
- (b) No

20. Do you think a special offer should be introduced only for the SMEs?

(a) Yes (b) No

20. According to you, what offer would be suitable for SME?

a) Prepaid (b) Postpaid (c) Combination of both

21. Which following services would you want in this special SME package?

- (a) Internet
- (b) Voice Mail Service (VMS)
- (c) Friends & family
- (d) Special rate at night
- (e) International SMS
- (f) Welcome tune

22. If the package offers a special benefit in return a fixed usage would you accept that?

- (a) Yes
- (b) No

23. What special benefit would you like?

- (a) Free minutes on outgoing
- (b) Free minutes on Incoming
- (c) Free minutes on FnF
- (d) Free SMS
- (e) Free ring tone /welcome tune.

24. What amount of fixed usage would be acceptable to you?

- (a) 50
- (b) 100
- (c) 150
- (d) 200
- (e) 300

25. If a new SME package is introduced with better offers than your current package, would you switch to that offer?

- (a) Yes
- (b) No
- (c) Do not know

We are truly grateful to you for providing us with the necessary information needed for the research and report making and also thanking you for your kind co-operation and time.

List of Acronyms

- AIDA :Attention, Interest, Desire, Action
- ATP : AKTEL Touch Point
- AIRS :AKTEL International Roaming Services
- BTTB :Bangladesh Telegraph and Telephone Board
- BTRC :Bangladesh Telecommunication Regulatory Commission
- CDMA :Code Division Multiple Access
- FNF :Friends and Family
- GSM :Global System for Mobile
- GPRS :General Packet of Radio Service
- IT :Information Technology
- NWD :Nation Wide Dialing
- PSTN :Private Subscriber Telephone Number
- SME :Small and Medium Enterprise
- SIM : Subscriber Identity Module
- SMS :Short Message Service
- SWOT :Strength, Weakness, Opportunity, Threat
- TM :Telekom Malaysia
- TMIB :Telekom Malaysia International Bangladesh
- VAS :Value Added Service
- VMS :Voice Mail Service

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