

Internship Report

on

**“Analyze the present distribution mapping system and
efficiency of Airtel Bangladesh Limited”**



Submitted To:

Syeda Shaharbanu Shahbazi

Senior Lecturer

BRAC Business School

BRAC University

Submitted By:

Anisur Rahman

ID: 09304111

BUS 400

Letter of Transmittal

October 31st , 2013

To Syeda Shaharbanu Shahbazi,

BRAC Business School

BRAC University 66 Mohakhali C/A, Dhaka: 1212

Subject: Submission of the Internship Report on “Analyze the present distribution Mapping system and efficiency of Airtel Bangladesh Limited ”.

Dear Madam,

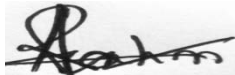
With due respect, I would like to inform you that this is a great pleasure for me to submit the Internship report on “Analyze the present distribution Mapping system and efficiency of Airtel Bangladesh Limited ” as a part of the BBA Course Curriculum.

This report is a summary of the findings from the tasks that I have been assigned to complete. I tried my level best to meet my entire proposed objective within the allotted schedule. To prepare the report, I have gathered what I believe to be the most complete information available.

Finally, I am grateful to you for giving me this opportunity to work on this report which I have considered as a great prospect for me to develop the practical and professional skills through the Internship program.

Thank You.

Yours sincerely,



Ansiur Rahman

ID- 09304111

BRAC Business School, BRAC University.

Acknowledgement

At first, I would like to convey my deep gratitude to my internship supervisor, Syeda Shaharbanu Shahbazi for giving me the opportunity to present my Internship Report on “Analyze the present distribution Mapping system and efficiency of Airtel Bangladesh Limited ”. The officials of Airtel Bangladesh Limited also helped me in providing vital information regarding the concept and practices of distribution system, Its challenges with competitors of Airtel Bangladesh Limited. They shared their views and guided me in the preparation of this report. In preparing this report, I have received cordial and sincere assistance from the officials. Some of the officials of Airtel Bangladesh Limited, who were directly incorporated with me, in making this report a true worth are Munzur Morshed, Saad Rabbani, Sydur Rahman, Mihhajuz Rahman. I am thankful to them for furnishing me with proper guidance. I want to be thankful to my family and friends for encouragement, inspiration, and assistance during the whole internship period and preparing the internship report.

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Executive Summary:

Airtel Bangladesh Ltd. is a GSM-based cellular operator in Bangladesh. Bharti airtel started its telecom services business by launching mobile services in Delhi of India in 1995. From then it has become one of the top telecom companies in the World and it is also in the list of top five wireless operators in the World. In January 2010, Bharti Airtel Limited, Asia's leading integrated telecom services provider, acquired 70% stake in Warid Telecom, Bangladesh. Since then the journey of airtel in Bangladesh has started. But officially the Activities with the brand "airtel" started on 20th, December, 2011 in Bangladesh Airtel are the sixth mobile phone carrier to enter the Bangladesh market, and originally launched Commercial operations under the brand name "Warid Telecom" on May 10, 2007. The telecommunication industry is one of the fastest growing industries in Bangladesh. It has reached a remarkable 76.43 million subscribers by now. This has brought immense contribution to GDP of the country. Not only did it help the country in its economic growth, but also helped to improve the standard of living of the whole society by providing the mobile phone services. Now this market has become very saturated for which current telecommunication firms, other than non-price competition, is trying to develop new techniques to capture more market share. In the process, one of the strategies developed is developing a system of providing best services and offers to increase market share through strong distribution channel. These research papers thus focus completely on evaluating the distribution channel and recommend an efficient idea to be improved. As a student of BBA program, I got the opportunity to complete my internship program in such a multinational telecom company. The internship program is the partial requirement of my BBA program and the duration of the internship session was 3 months. I worked in the central sales operation of Airtel Bangladesh where all the planning of increasing performance of distribution channel is taken care of. The report has been prepared in align with my job responsibilities and experiences at Airtel.



Airtel Bangladesh

Chapter one

Organization Part



Coverage map of Bharti Airtel across 20 countries

1.1 Introduction:

Airtel Bangladesh Limited is a GSM-based cellular operator in Bangladesh. Airtel is the sixth mobile phone carrier to enter the Bangladesh market, and originally launched commercial operations under the brand name "Warid Telecom" on May 10, 2007. Warid Telecom International LLC, an Abu Dhabi based consortium, sold a majority 70 stake in the company to India's Bharti Airtel Limited for US\$300 million. Bharti Airtel Limited took management control of the company and its board, and rebranded the company's services under its own Airtel brand from December 20, 2010. The Bangladesh Telecommunication Regulatory Commission approved the deal on Jan 4, 2010.

Bharti Airtel made a fresh investment of USD 300 million to rapidly expand the operations of Warid Telecom and have management and board control of the company. This is the largest investment in Bangladesh by an Indian company. Dhavi Group continues as a strategic partner retaining 30% shareholding and has its nominees on the Board of the Company.

The new funding is being utilized for expansion of the network, both for coverage, capacity, and introduction of innovative products and services. As a result of this additional investment, the overall investment in the company will be in the region of USD 1 billion.

Airtel Bangladesh had 6.345 million subscribers as of March 2012.

Bharti Airtel Limited operates in 20 countries across South Asia, Africa and the Channel Islands. It operates a GSM network in all countries, providing 2G, 3G and 4G services depending upon the country of operation. Airtel is the third largest telecom operator in the world with over 243.336 million customers across 20 countries as of March 2012. It is the largest cellular service provider in India, with over 181 million subscribers at the end of March 2012.

1.2 History:

In December 2005, Warid Telecom International LLC paid US\$ 50 million to obtain a GSM license from the BTRC and became the sixth mobile phone operator in Bangladesh. In a press conference on August 17, 2006, Warid announced that its network would be activated two months ahead of schedule, in October, 2006. Again in October, 2006 Warid Telecom put off the launch of its cell phone services in Bangladesh until April, 2007 after its major supplier Nokia walked out on an agreement over a payment dispute. Warid had a soft launch at the end of January 2007. It gave away complimentary subscriptions among a selected group of individuals, whose job was to make 'test calls' and the operator adjusted its network's quality based on their comments. On June 10, 2008, Warid Telecom expanded its network to 3 more districts Bandarban, Khagrachhari and Rangamati. Now all 64 districts of Bangladesh are under Warid network coverage meaning Warid Telecom now has nationwide coverage. On December 20, 2010, Warid Telecom was rebranded to Airtel. On December 21, 2011, Airtel Bangladesh launched "Airtel Circle of Friends", the first ever Interactive Commercial in Bangladesh, created and executed by Digimarka. Sunil Bharti Mittal founded the Bharti Group. In 1983, Mittal was in an agreement with Germany's Siemens to manufacture push-button telephone models for the Indian market. In 1986, Mittal incorporated Bharti Telecom Limited (BTL), and his company became the first in India to offer push-button telephones, establishing the basis of Bharti Enterprises. By the early 1990s, Sunil Mittal had also launched the country's first fax machines and its first cordless telephones. In 1992, Mittal won a bid to build a cellular phone network in Delhi. In 1995, Mittal incorporated the cellular operations as Bharti Tele-Ventures and launched service in Delhi. In 1996, cellular service was extended to Himachal Pradesh. In 1999, Bharti Enterprises acquired control of JT Holdings, and extended cellular operations to Karnataka and Andhra Pradesh. In 2000, Bharti acquired control of Skycell Communications, in Chennai. In

2001, the company acquired control of Spice Cell in Calcutta. Bharti Enterprises went public in 2002, and the company was listed on Bombay Stock Exchange and National Stock Exchange of India. In 2003, the cellular phone operations were rebranded under the single Airtel brand. In 2004, Bharti acquired control of Hexacom and entered Rajasthan. In 2005, Bharti extended its network to Andaman and Nicobar. This expansion allowed it to offer voice services all across India. In 2009, Airtel launched its first international mobile network in Sri Lanka. Today, Airtel is the largest cellular service provider in India and the fourth largest in the world.

1.3 Airtel Bangladesh Ltd. at Glance

- ❖ **Type:** Private
 - ❖ **Industry:** Telecommunication
 - ❖ **Founded:** December 1, 2010 (Registration date)
 - ❖ **Headquarters:** House 34, Road 19/A, Banani, Dhaka 1213, Bangladesh
 - ❖ **Key people:** Chris Tobit (Chief Executive Officer), Abhay Seth (Chief Sales & Marketing officer), SK Mukhopadhyay (Chief Finance Officer), Rubaba Dowla (Chief Service Officer), Sugato Halder (acting Chief HR officer)
 - ❖ **Products:** Telephony, mobile telephony
 - ❖ **Total subscriber:** 6.538 million (April 2012)
 - ❖ **Revenue:** 117.213 billion (US\$2.34 billion) (2010)*
 - ❖ **Operating income:** 21.771 billion (US\$434.33 million) (2010)*
 - ❖ **Net income:** 18.282 billion (US\$364.73 million) (2010) *
 - ❖ **Total assets:** 856.142 billion (US\$17.08 billion) (2010)*
 - ❖ **Total equity:** 502.603 billion (US\$10.03 billion) (2010)*
- All figures include Bangladesh, India and Sri Lanka operations
- ❖ **Parent:** Bharti Airtel 70% and Warid Telecom 30%
 - ❖ **Website:** <http://www.bd.airtel.com>

1.4 Bharti Airtel:

Bharti Airtel Limited is commonly known as Airtel. It is an Indian telecommunications company that operates in 20 countries across South Asia, Africa and the Channel Islands. It operates a

GSM network in all countries, providing 2G, 3G and 4G services depending upon the country of operation. Airtel is the third largest telecom operator in the world with over 243.336 million customers across 20 countries as of March 2012. It is the largest cellular service provider in India, with over 181 million subscribers at the end of March 2012. Airtel is the third largest in-country mobile operator by subscriber base, behind China Mobile and China Unicom. Airtel is the largest provider of mobile telephony and second largest provider of fixed telephony in India, and is also a provider of broadband and subscription television services. It offers its telecom services under the Airtel brand, and is headed by Sunil Bharti Mittal. Bharti Airtel is the first Indian telecom service provider to achieve Cisco Gold Certification. It also acts as a carrier for national and international long distance communication services. The company has a submarine cable landing station at Chennai, which connects the submarine cable connecting Chennai and Singapore. Airtel is known for being the first mobile phone company in the world to outsource all of its business operations except marketing, sales and finance. Its network—base stations, microwave links, etc.—is maintained by Ericsson, Nokia Siemens Network and Huawei, and business support is provided by IBM, and transmission towers are maintained by another company (Bharti Infratel Ltd. in India). Ericsson agreed for the first time to be paid by the minute for installation and maintenance of their equipment rather than being paid up front, which allowed Airtel to provide low call rates.

Bharti Group:

Bharti Group was founded in 1976 by Sunil Bharti Mittal. It has grown from being a manufacturer of bicycle parts to one of the largest and most respected business groups in India. With its entrepreneurial spirit and passion to undertake business projects that are transformational in nature, Bharti has created world-class businesses in telecom, financial services, retail, and foods. Bharti started its telecom services business by launching mobile services in Delhi (India) in 1995. Since then there has been no looking back and Bharti Airtel, the group's' flagship company, has emerged as one of the top telecom companies in the world and is amongst the top five wireless operators in the world. Through its global telecom operations Bharti group has presence in 20 countries across Asia, Africa and Europe - India, Sri Lanka, Bangladesh, Jersey, Guernsey, Seychelles, Burkina Faso, Chad, Congo Brazzaville, Democratic Republic of Congo, Gabon, Ghana, Kenya, Madagascar, Malawi, Niger, Nigeria,

Tanzania, Uganda, and Zambia. Over the past few years, the group has diversified into emerging business areas in the fast expanding Indian economy. With a vision to build India's finest conglomerate by 2020 the group has forayed into the retail sector by opening retail stores in multiple formats - small and medium - as well establishing large scale cash & carry stores to serve institutional customers and other retailers. The group offers a complete portfolio of financial services - life insurance, general insurance and asset management - to customers across India. Bharti also serves customers through its fresh and processed foods business. The group has growing interests in other areas such as telecom software, real estate, training and capacity building, and distribution of telecom/IT products.

1.5 Brand Airtel:

Airtel was born as free, a force unleashed into the market with a relentless and unwavering determination to succeed. A spirit charged with energy, creativity and a team driven “to seize the day” with an ambition to become the most admired telecom service provider globally. Airtel has become one of the most preferable brands among the young people in just 12 months of operations in Bangladesh.

1.6 Product & service Offers:

Different people love different things. Someone likes to talk for longer period of time, some people love to talk for seconds, some customers make calls more frequently on a day, and some users talk only on few specific numbers. To cater to all customers needs, Airtel offers both prepaid and postpaid connection to its customers. Moreover Airtel also offers massive value added services to its subscribers.

Pre-paid Details:

There are 6 (six) different packages available in one prepaid connection. Customer can switch between the packages on offer. When a user switches from one option to another, the benefits under the previous option will automatically be changed to the new one.

Foorti: To keep customer dancing on their feet all day & night long with the friends, Airtel introduces a new addition to its prepaid package portfolio 'Foorti'. Here, the customer can talk up to 15 hours (12 AM to 3 PM) at the lowest rate in the market.

Adda: Adda package gives maximum FnF and all that at fantastic rates. In this package a subscriber can add up to 8 FnF numbers of any operators. This package is also popular among prepaid subscribers for low on-net tariffs.

Shobai: Recently Airtel brings a revolutionary package 'Shobai' where a customer can select an operator of their choice and make all the numbers of that operator as FnF. They can talk at the lowest rate of 65 paisa/min with any number of that operator by recharging BDT. 65 and that will be valid for next 7 days. If the customer wants to continue this offer their next recharge must be 65 taka within the seven days.

Golpo: If someone loves making long conversations, 'Golpo' package offers with 24 Human Resources flat tariff to any number.

Dolbol: Airtel is proud to introduce “Dolbol” package, a one of its kind offer where a prepaid subscriber can join their own community and talk at the lowest rate of 29 paisa/min within the community members.

Postpaid:

Airtel Advantage

Airtel Classic

Airtel Exclusive

Postpaid details

Airtel postpaid comes with 3 packages that are designed to furnish to both the professional and personal communication needs.

Airtel Advantage: Airtel Advantage package comes up with attractive benefits for the postpaid users that offers 24 hour flat tariff plan with 5 second pulse. The monthly line rent for this package is Tk 50 and this line rent will be waived if the monthly minimum usage is equal to or more than tk 300.

Airtel Classic: Airtel classic is another exciting postpaid package with 15 FnF facilities, 5 second pulse, low on-net tariff and so on. The monthly line rent for this package is Tk 50 and this line rent will be waived if the monthly minimum usage is equal to or more than tk 300.

Airtel Exclusive: Airtel presents another yet fascinating postpaid package for the high usage customers. Monthly minimum commitment for this package is Tk 500 and therefore, there is no monthly line is charged for Airtel exclusive package. This package offers

Value Added Services:

Value-added services (VAS) are popular as a telecommunications industry term for non-core services, or in short, all services beyond standard voice calls transmissions. However, it can be used in any service industry, for services available at little or no cost, to promote their primary business. In the telecommunication industry, on a conceptual level, value-added services add value to the standard service offering, spurring the subscriber to use their phone more and allowing the operator to drive up their average revenue per user (ARPU). For mobile phones, while technologies like SMS, MMS and data access were historically usually considered value-added services, but in recent years SMS, MMS and data access have more and more become core services, and VAS therefore has beginning to exclude those services. Like other telecom operator Airtel also has introduced a distinct sort of value added services to enhance the level of customer satisfaction. As its vision is to enrich the lives of millions by 2015, Airtel continuously developing unique services so that the customers can obtain better experience just in one connection.

The value added services of Airtel are:

1) Tunes & downloads:

In this category a subscriber can have various caller tune services including gaan bolo gaan pao, cricket caller tunes, and Independence Day special caller tunes. Subscriber can also download games, wallpapers, logo and ringtones, from “www.airtellive.mobi”. Edge/GPRS enabled handsets are required to enjoy this service. On the other hand, this value added services can be accessed from Airtel menu on the handset thus the subscribers do not need to memorize any

Caller Tunes Offer:

- **Bengali**
- **Gaan bolo gaan pao**
- **SMS Song Search**
- **Cricket Caller Tune**

2) Entertainment

- **Voice Adda**
- **Song & greeting dedication**
- **Recording Personalized Voice greeting.**
- **Airtel dhoom:**

3) Call managements services: Call waiting / call hold, missed call alert, voice mail service, call forward, call divert, conference call, call block, etc.

4) Messaging services: SMS, international sms, mms, mobile email, international mms, wiki over sms, and facebook sms.

5) Data services: Internet, mobile internet, mobile backup, Airtel internet modem.

6) Sports: Cricket update, sports update

7) News and updates: TV news / newspaper alert

8) Astrology: Horoscope, horoscope from professor Howlader

9) Travel: Travel bag, airlines information

10) Finance: Finance information, stock alert-live application, currency info, prize bond draw, stock market info, sms banking and sms insurance.

11) Devotional: Hajj info services, application based namaz time, IVR (Interactive Voice Response) based namaz time, commodity price and traffic update, sms namaz alert, days ayaat/hadith/Allah's name, Ramadan special, prayer/ifter/sehri time.

12) FM radio services: Radio amar, abc radio, radio foorti, radio today.

13) Emergency info: Hospital info, blood bank, police station, fire brigade, ambulance etc.

14) Info services: weather, dictionary, voice portal, time check, science & education, fashion

15. International Roaming (IR)

As the world keeps getting smaller and smaller, we know that communication is no longer confined between the boundaries of our own home. While we are traveling outside the country; we understand the need to stay connected with our family, friends and colleagues back home. To seamlessly carry our words across boundaries, Airtel offers the following

International Roaming Services:

- Postpaid roaming
- GPRS roaming
- SMS roaming
- In-flight roaming
- In-bound roaming

1.7 Vision & Tagline:

“By 2015 Airtel will be the most loved brand, enriching the lives of millions.”

"Enriching lives means putting the customer at the heart of everything we do. We will meet their needs based on our deep understanding of their ambitions, wherever they are. By having this focus we will enrich our own lives and those of our other key stakeholders. Only then will we be thought of as exciting, innovation, on their side and a truly world class company."

1.8 Airtel Logo:

The unique symbol is an interpretation of the „a. in Airtel. The curved shape & the gentle highlights on the red color make it warm & inviting, almost as if it were a living object. It represents a dynamic force of unparalleled energy that brings us and our customers closer. Our specially designed logotype is modern, vibrant & friendly. It signals our resolve to be accessible, while the use of all lowercase is our recognition for the need for humanity. Red is part of our heritage. The color of energy & passion expresses the dynamism that has made Airtel the success it is today, in India, and now on the global stage.

1.9 Functions of Airtel Bangladesh:

Total 13 functions combine Airtel Bangladesh Limited workforce.

These are:

- Sales Operation
- Customer Care
- Supply Chain Management
- Network
- Operational Excellence
- Human Resources & Administration
- Information Technology
- Corporate Affairs
- Finance
- Marketing
- Legal & Secretarial
- CEO Office

Chapter Two

Duties and Responsibilities in Airtel

2.1 Responsibilities at Airtel Bangladesh Limited

My journey as an internee in Airtel Bangladesh Limited started on 10th July ,2013 and finished on 10th September ,2013. I worked with the Sales Operation team of Airtel Bangladesh during my internship period.

As an intern I have to perform the following task giving below:

- Checking necessary documents required for new distributorship and Go through all documents like Bank Solvency Certificate, Income Tax Certificate, trade license, VAT certificate, Police verification, NID, Agreement Papers and send it to Legal Department for final approval.
- Sort Zonal Expense documents and creating document for monthly expense claim of TM and send it to HR department.
- Worked on Airtel M-Banking, Creating presentation on “How Retailers can buy Airtime by M-Banking Account”. And which used to show all over Bangladesh to train the unskilled retailers to use M-Banking Account.
- Collect daily transaction of Pilot Project of Airtel M-Banking. And send it to Sales Operation team for further queries.
- Change Link of LSO (Load Selling Outlet): Suspend Existing Parent MISSDN and transfer it to Proposed Parent MISSDN.
- Using PRETABS and TABs and checking and verifying sim registration form.
- Furthermore I have to create presentation sides for regular corporate meetings, training FSEs and retailer, Bangla Typing etc.

2.2 Observations and Recommendations

There is some critics and observation, which I noticed throughout my internship program. I have also made some recommendation along with my observation. If some effective initiatives will be taken, the internship program could be more helpful for the students and by the same time Airtel could get the most output from the interns.

- There should be a formal orientation program for Interns to introduce with company's culture, values, employees and job responsibility.
- Airtel's corporate office is situated in Banani, Dhaka; Sales and marketing department is located in Gulshan-2, Dhaka. Service experience department is in Shyamoli, Dhaka. The system requisition process is lengthy in Airtel due to the location of the office.
- Airtel should reserve at least two or three desks and computer in each department. Whenever new workers join, they could start their tasks within very short time and Airtel does not have to waste human resource anymore.
- Every procedure is prepared by computer and there are no paperwork things to accomplish. It is required to replace the old configuration computer with the faster one to boost up working performance and save time. Unfortunately, my computer was the slow one and it consumed more time for processing the data.
- Job rotation is not practiced to the interns. Interns should have given the opportunity to work in more than one function to get involved more with the company.
- During my internship session, I found that the work load was more comparing to the number of existing executives. Working on under pressure for prolonged period may damages stamina of the workers and consequently increases the mental stress.
- The overall treatment with intern in Airtel in terms of behavior was helping, quite good and friendly. Supervisors encourage the interns to accomplish their job properly; also provide help and support on their tasks which is very remarkable.

Chapter Three

Main Project

3.1 Context of the study:

In Bangladesh telecom operator industry started its journey in 1997. After 15 years of journey, there are now 6 players in this industry with 97.389 million customers. Telecommunication has changed the socio economic scenario of the country positively with a rapid growth. Telecommunication companies design their business plan in a way that is adopted quickly by the mass of the country. A distinct and intensive distribution system has developed across the country to make the products or services widely available. As Bangladesh is a developing country with a moderately developed infrastructure, distribution system or process here is very complex for any industry which deals with a huge number of customers across the country. Companies frequently reviewing their distribution operations to improve it to deliver the product and services smoothly to customer in a cost efficient way. Because of competition, government regulation, developing infrastructure, changing customer attitude telecommunication industry is going through rapid changes. As a result companies in this industry looking for ways to distribute their products and services in a minimum time with maximum efficiency so that people can easily found their desired product or service.

Distribution system in telecommunication industry here in Bangladesh is a combination of local and international system. Socio economic scenario constructs a different distribution system from other industry. The report is preparing in a situation where competitors are in battle to gain better customer satisfaction in least price through a smooth channel where all the channel members will work for a broadly and specifically defined goal. As a newest member of the industry, Airtel Bangladesh Limited is gradually improving their operation across the country. More than 80 percent area of the country is now under the Airtel Coverage. As a result there should be much focus on the distribution system now to offer customer their products and services in innovative way. So a distinctive study is needed to examine the distribution system of the company and to provide solutions or ways of innovative reengineering of the system that suits the company's present condition as well as future planning for available the product and service across the country.

3.2 Purpose of the study:

The purpose of the study is to evaluate the distribution process of Airtel Bangladesh Limited. As a matter of intensive competition in the market, Airtel frequently modifying or changing their operations as well as expanding the network coverage. This report will evaluate whether the present distribution mapping system is efficient or not and also provide possible ways of improvement of the distribution mechanism.

Airtel sales operation department is a dynamic department taking responsible for various kinds of functional activities to boost up the sales and increase its company revenue. The functional activities are –

- **Distribution mapping and efficiency evaluation**
- **Process Improvement**
- **Sales Efficiency**
- **Trouble Shooting**
- **Zonal Empowerment Efficiency Enhancement**
- **Sales IT Way Foreword**
- **Supports ongoing Projects**

As all the activities is related with the Distribution, I have chosen the distribution part of the department.

3.3 Problem Statement:

➤ **Main Problem:**

Analyze the present distribution mapping system and efficiency of Airtel Bangladesh Limited.

➤ **Sub Problem 1:**

The first sub problem is to examine the entire distribution process of Airtel Bangladesh Limited where focus will be given on the efficiency level of the system, major drawbacks and factors affect the system etc.

➤ **Sub problem 2:**

Second sub problem is to compare the distribution system or strategies with its competitors and with other industry for analyzing the possibility of redesigning the distribution.

➤ **Sub Problem 3:**

Third sub problem is to frame out the ways of further innovative and efficient distribution strategies that have competitive advantages.

3.4 Methodology

In the organization part, most of the information has been collected from brochures, web sites and personnel of airtel Bangladesh Limited. All the information incorporated in this report has been collected both from the primary sources as well as from the secondary sources.

Primary Source of Information

- Personal Observation.
- Personal Interview
- Practical deskwork.

Secondary Sources of Data

- Relevant airtel Bangladesh Limited paper and published documents
- Internet.

3.5 Scope of the Study:

The study will address the distribution system of Airtel Bangladesh Limited as well as the efficiency level. Through this study the distribution strategies of competitors will be evaluated as well by which a vast knowledge will be gained on distribution mapping, system and efficiency level of distribution both in theoretical and telecommunication sector of Bangladesh.

3.6 Limitations

The study was limited by a number of factors. Without these limitations it would have been much better. Some of the constraints are given below: -

- Unavailability of more practical and contemporary data.
- Extensive rashness with everyone's own work is an obstacle for me to gather information
- Internal and most of the information of airtel is confidential & critical

3.7 Time Budget:

Throughout the internship period I divided my time for preparing my whole report step by step. Though the assigned period for preparing the whole report is very short, still I have tried my best. Total time plan along with each step for making the whole report is showing below:

A. Preparation of theProjectproposal –1-2week

B. Preparation of theResearch Questionnaire –1 week

C. Collection of Primary Data–1-2 weeks

D. Collection of SecondaryData –1weeks

E. Analysis of data –1 week

F. Preparation of Project –1-2 weeks

Chapter Four

Literature review

Here in this study problem statement is defined about the Airtel Bangladesh limited's distribution mapping system. So in the first part of the literature review there will be some brief discussion about distribution and the topics or issues under it. After that we will discuss about the factors affecting the efficiency in distribution, its drawbacks and importance of channel relations and so on. In the last part, discussion will be made about the improvement of the existing distribution system, factors to emphasis more, models that is new in industries .

All the discussion will be made for measuring the existing distribution system and the ways for the further improvement of airtel bangladesh.

4.1 Introduction

A product is not important to customer, if it is not available when and where it is wanted. A product reaches to customer through a channel of distribution. Distribution can be effective when there is a goal and strategy between the company and its channel members.

Now days in distribution or supply chain, an issue playing important role. This is distribution mapping system. It is helping the companies to design their distribution channels more effectively and efficiently.

Distribution mapping system defines where and when product or service is needed and how to supply them in an efficient manner.

In telecom industries distribution mapping system is playing an important role as competition is there and customer wants products or service available everywhere. But it is not efficient for companies to make product available everywhere because it is a matter of cost and efficiency. Through distribution mapping companies can better evaluate the entire market and make decision where to make product or service available which in return gives company more profit.

There are some factors that have significance in distribution mapping and have also some drawbacks. Recent trends have influence in distribution mechanism that can be important for companies.

4.2 Background Discussion

For discussing the topic sales distribution, sales are the first issue that comes in mind. **Rumbauskas (2006)** said that sale is the act of selling a product or service in return for money or other compensation. It is an act of completion of a commercial activity. Experts defined distribution as the paths that goods and title to them follow from producer to consumer.

Modern definition of distribution is given by Kotler, Keller & Burton (2009) as distribution (or place) is one of the four elements of the marketing mix. Distribution is the process of making a product or service available for use or consumption by a consumer or business user, using direct means, or using indirect means with intermediaries. The other three parts of the marketing mix are product, pricing and promotion.

Distribution channels are composed of marketing intermediaries, the persons or firms that operate between the producer and the consumer or industrial user. The two main categories of marketing intermediaries are wholesalers and retailers. In some instances, the efficiency of the distribution channel is disrupted because of conflicts among channel members. Conflict can occur between manufacturers and wholesaling intermediaries. Conflicts also develop between producers and retailers.

Efforts to reduce conflict and improve the efficiency of the distribution channels resulted in the development of vertical marketing systems. A vertical marketing system (VMS) is when two or more stages of a distribution channel are combined and managed by one firm. Vertical marketing systems have become a popular method of organizing a distribution channel said **Baldwin, Hoffman and Miller (2003)**

The intention of vertical marketing is to give all those involved (and particularly the supplier at one end, and the retailer at the other) 'control' over the distribution chain. This removes one set of variables from the marketing equations.

According to Roth (2009) “A distribution map shows the pattern for a city, a county, a continent and even the whole world. The subject of distribution maps can be languages, region, economic data, certain natural features or others.” Through mapping it is very much effective for companies to deal with commercial goods and services to allocate in the right place.

4.3 Efficiency in Distribution System:

Companies around the world have built lasting competitive advantage through their choice of sales and distribution channels coupled with their ability to integrate that choice into a coherent, well executed business model. On its own, no approach to sales or product distribution is sufficient for competitive success. (Gorchels, Marien & West, 2004) Rather, a complete business model includes sales and distribution as one of the Core Business Processes. in concert with

1. Product/Service Offering,
2. Differentiation Approach,
3. Method of Capturing Economies of scale .

These choices are linked; once a company picks a sales and distribution channel, it limits its options on how it can achieve differentiation and where it can capitalize on profit opportunities. For example, if a company sells through distribution, it may have ceded any potential service business to the distributor.

Cespedes, (2006) said that efficient distribution management is concerned with managing the flow of goods or services and associated information from initial sourcing to consumption in a ways that gives more profit to companies than their competitors. One benchmarking study showed companies that practice best distribution management enjoyed a 45 percent total distribution cost advantage over their median competitors. Bottom-line benefits included:

1. Reduced costs relating to inventory management, transportation, and warehousing;
2. Improved service using techniques such as time-based delivery; and
3. Enhancing revenues through greater product availability and more customized products.

Distribution operations should be on a daily basis. Companies will go through a planned way with some flexibility. Competitive pressures, mergers, acquisitions, new product lines and greater customer expectations are just the tip of the change iceberg for the modern distribution leader. On the surface, this continuum of change is just a cost of doing business in the latest “new economy.” However, for those intimately involved in a distribution process, how these changes are accommodated can mean the difference between survival, burnout and/or even extinction in today’s rapidly changing distribution. **Tompkins & Harmelink (2004)** said that there are some important areas for an effective, flexible and proactively responsive distribution operation. Some of them are:

- **Centralization vs. Regionalization:** In distribution network planning, Centralization or decentralization is important issues as this determines the relation between number of distribution points, transportation cost and customer service targets.
- **Flexibility:** When designing a distribution facility, specifying versatile equipment is a critical requirement. The latest technology may look nice at start up, but if it can’t serve well, it is simply a waste of money.
- **Information System:** Timely and accurate information is a requirement in today’s e-enabled world. The days of keypunching in daily distribution activity and nightly updates to host financial systems are becoming a distant memory for successful distribution operations.
- **Pace:** The pace of distribution must increase significantly to account for the reduced lead times, shorter product lives, increased inventory turnover and greater customer expectations that is considered standard in the modern business-to-consumer marketplace.

There are several steps companies should take to make the most of these keys to distribution network planning. **Rolnicki (2007)**

1. **Assessment:** An honest assessment is critical in this step.
2. **Prioritization:** If you lose focus on your strengths, you could lose the momentum that made you successful in the first place. Improving strengths should always coincide with fixing weaknesses.

3. **Look Outside:** Sometimes, it will not be practical or possible to make improvements from the inside. Do not be afraid to seek help from outside entities like consultancies, vocational or university programs, professional societies etc.
4. **Enjoyment:** Make sure there is a defined goal. When achieve it, take the time to enjoy the success and maintain the energy and momentum for the next level of change.

Some operations may experience only a few of these factors every year, while others face them all daily. However, planning and following the above methodology can configure distribution network to be both efficient today and flexible tomorrow to handle ever-changing requirements.

4.4 Present Trends in distribution and way of improvement:

Companies can easily improve their distribution system by doing some activities which is easy to conduct and also cost effective like-

- Mapping the products to the end-user
- Determining customers' channel preferences and comparing these preferences with actual availability
- Recommending new channels and why
- Examining competitors' strategies and comparing them and their effectiveness with your own
- Confidential interviews with distribution partners to identify areas for improvement, as well as existing strengths to be encouraged. (**Pelton, Strutton, Lumpkin, 2009**)

For improving distribution channel, location intelligence provides the ability to organize and understand information through a geographical perspective to facilitate informed decision making. This helps organizations align better with the realities of their market territories, and thus improves performance and results.

Chapter Five

Current market and Airtel distribution System

In this context, the study defines the current market situation. In addition, it focuses the distribution process of airtel and how distributors are measured through their performance in order to disburse commission to the distributors account.

5.1 Current Market Situation

According to Bangladesh Telecommunication Regulatory Commission (BTRC) the total number of mobile phone subscribers has reached 97.389 million at the end of January 2013. It was just 45.21 million by the end of February 2009. The total number of mobile phone subscribers has been doubled within 3 years and it is still increasing significantly. Presently, the cell phone is an integral part of our daily life.

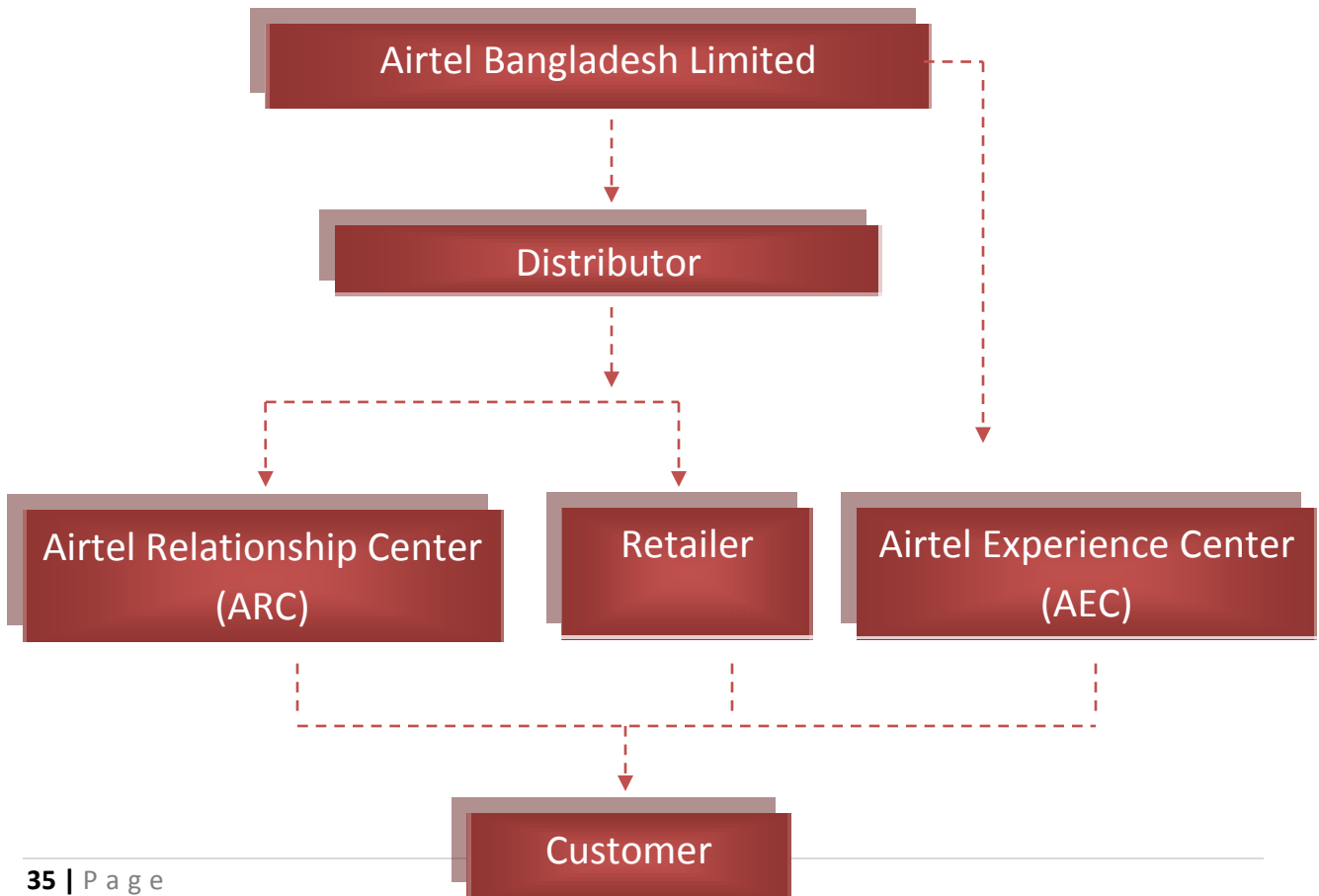
Mobile phone operators are continuously offering more value added services to enrich the lives of the customers. At the same time the competition among the telecom companies has reached to the peak level. This situation is compelling the one telecom operator providing the better quality services and keeping the call charge lower than the other operators.

Currently, the telecom industry is dominating by Grameenphone with its 41.42% market share and also the most profitable operator in the industry. Orascom Telecom Limited previously named Banglalink and recently changed as of “Banglalink digital communication limited” retained the second spot. It has a market share of 26.30% but yet not profitable at all. Robi, formerly known as AKTEL, owned by Robi Axiata Limited, remained in the third position. It is another player in this industry who is in profit for last couple of months. The market’s late entrant Airtel is obtaining the fourth position and the state-owned operator Teletalk now remains at the fifth position. Country’s first and only CDMA operator Citycell remains at bottom place with 1.509 million customers.

Table 1: Market Share of mobile operators in Bangladesh is given below:

Operators	Active Subscribers (millions)	Percentage (%)
Grameen Phone Ltd. (GP)	40.336	41.42 %
Orascom Telecom Bangladesh Ltd. (Banglalink)	25.610	26.30 %
Robi Axiata Ltd. (Robi)	21.136	21.70 %
Airtel Bangladesh Limited (Airtel)	7.148	7.34 %
Teletalk Bangladesh Ltd. (Teletalk)	1.650	1.69 %
Pacific Bangladesh Telecom Ltd. (Citycell)	1.509	1.55 %
Total	97.389	100

Table 2 Distribution process of Airtel Bangladesh Limited:



Airtel Bangladesh Limited follows a simple but wide distribution process for distributing their products and services mainly connection (Sim Card), Recharge card and load. Airtel divides the country into five zones for doing the sales operation in a smooth way. These zones are:

1. Dhaka South
2. Dhaka North
3. Bogra
4. Chittagong
5. Khulna

Zonal Business Managers are responsible for each zone. There are Sales Managers and Territory Managers in Zonal Office to run the sales. There are 136 territories across the country. Each territory is assigned by one territory manager and one individual distributor for distributing the products of Airtel. Distributors should be experienced in distribution system. One person or company should get distributorship not more than one territory. Airtel Relationship Center (ARC) and needed Field Sales Executives (FSE) should be under distributor and all the cost regarding ARCs and FSEs should bear by distributor. Territory manager looks after the channel the functioning of the distribution channel. The territory manager at the company's end reports to sales manager. Amongst the Territory manager's duties are increasing activation, outlet, and territory expansion and generate revenue in accordance with the targets.

Distributor's FSEs conduct with retailers or nonretailers to take Airtel's product in their outlet. There are two types of outlets in retailer level. They are:

- Sim Selling Outlet
- Load Selling Outlet

Sim selling outlet sell both simcard and load but load selling outlet sell only load and recharge cards. Some retailers are called Airtel Service Center (ASC) where customer can get limited

customer service. Some selected retailers will provide some benefits like in shop painting, flange, wall clock, shelf branding, signboard etc.

5.2 Commission Structure of Airtel for Distributors and Retailers:

Airtel Bangladesh Limited has a commission structure which is more unless similar to the competitors. For the sales & distribution of Airtel connection (simcard) and recharge card or load, following structure of commission is applied to the channel:

Table 3: Commission Structure for regular prepaid:

Parameter	Retailer (BDT)	Distributor (BDT)	Total (BDT)	Remarks
Upfront	45	5	50	
Activation	0	0	0	
Documentation	25	10	35	For Distributors: If it is done within 10 days after activation
Recharge Commission	50	0	50	BDT 50 or more cumulative recharge within 30 days of activation
Tailing	0	5	5	
Total	120	20	140	

Table 4: Commission structure for PCO:

Parameter	Distributor	Remarks
Upfront	50	
Activation	0	
Documentation	25	
1 st usage of BDT 1000	75	Usage will be calculated including VAT
2 nd usage of BDT 1000	75	Usage will be calculated including VAT
Total	225	

Table 5: Postpaid Commission Structure for ARC, ASC and Retailers:

Parameter	Value
Postpaid Upfront	BDT 100
Postpaid Month-end Documentation	BDT50
Postpaid Activation (30 days)	BDT50
Retention commission (Excluding VAT)	
Usage of 3 rd and 4 th bill cycle	
On usage of BDT 400 or less	15% of the usage
On usage of above BDT 400	30% of the usage (Max BDT 300)

Table 6: Postpaid Commission Structure for CSA:

Parameter	Commission (BDT)
Upfront	75
Postpaid Month-end Documentation	50
Postpaid Activation (30 days)	75
Retention commission (Excluding VAT)	
Usage of 1 st bill cycle (if revenue is \geq BDT 50)	100
Usage of 2 nd bill cycle (if revenue is \geq BDT 75)	100
Usage of 3 rd bill cycle (if revenue is \geq BDT 200)	100

Activation commission will be provided if the customer makes a call within 30 days (considering the invoice of the calendar month) of getting the connection.

Table 7: Commission Structure for Recharge Card and Recharge Load:

Party	Commission per BDT 1000
Distributor	0.85% = BDT 8.5
Retailer	2.7% = BDT 27

In the above part mainly illustrates the commission system and the tools. These are being used to encourage distributors to boost up their sales and evaluate their performance for commission.

Chapter Six

SWOT Analysis of Distribution System of Airtel Bangladesh Limited

SWOT is an acronym that stands for strengths, Weakness, Opportunities, and threats. It is a careful evaluation of an organization's internal strengths and weakness as well as its environmental opportunities and threats. In SWOT analysis, the best strategies accomplish an organization's mission by (1) exploiting an organization's opportunities and strengths while, (2) neutralizing its threats and (3) avoiding its weakness.



Figure 8: SWOT analysis

Both manufacturing and service oriented business organizations start to possess some weakness as time elapse. The weaknesses of an organization can be turned into opportunities if it recognized on time. Moreover, overlooking any threat may result in losing valuable business opportunities. For this reason, an assessment of every business organization is required to judge the performance from the aspects of its Strength, Weaknesses, Opportunities and Threat (SWOT).

6.1 Strength:

- **Experienced Sales-team:** Manpower in the distribution system of Airtel is very much experienced in this arena. People in the distribution system know what to do in what situation.
- **Well set of Distributors:** Distributors of Airtel has experienced and have reputation of good service ability in the market. Airtel has a structured procedure and criteria for selecting best distributors for each territory.
- **Quick Decision Making Procedures:** There are some flexibility in decision making about distribution and sales operation at each level of management. This types of flexibility helps in making the decisions quickly if there are some occurrences.
- **Systematic Procedure:** Airtel follows a systematic procedure for their distribution. This procedure is a mixture of International and local systems that are best suited for the market.
- **Gradual and Planned Improvement:** Airtel operating in Bangladesh from 2010 after Warid's operation. Growth and improvement in the distribution system in last two years is significant. Airtel's product is now available across the country and day by day it is improving in a planned way.
- **Business Assurance to channel members:** Increasing business and rapid customer engagement assures channel members (distributor & retailer) that their relationship with Airtel will be profitable for future.

6.2 Weaknesses:

- **Multiple Point of Contact:** There is no unified way of contacting with distributors. Distributors are sometimes confused getting different messages or orders from different department or people from airtel.
- **Limited Business and Growth Opportunity for distributors:** As one distributor operates only one territory, there are limited business opportunities and at a time there will be no growth for the distributors.
- **FSEs are not well motivated and trained:** Field Sales Executives are the people who go to the retailer and motivate them to sell Airtel's products and when a retailer agrees to

sell they go time to time for taking order. But these people are not well trained up. They don't know how to motivate a shop owner to become their retailer and sell product. As they are not well paid they are not motivated to do the job properly and efficiently.

- **Less People, More Work:** People in Airtel distribution operation are less in terms of work. As business is expanding, people are not recruited with that pace. So efficiency level of sales force is decreasing.
- **Inefficient Retail Mapping:** Retail mapping system of Airtel is not satisfactory at all. People want mobile products near their hand. Airtel are not following an effective retail mapping system to select retailer where there are demand of Airtel. As a result some areas are over utilized, some are underutilized and others are unutilized.
- **Unavailability of every type of products:** Customer wants products as they needed them. But Recharge Card or load are not available in retail shop. For example: A customer goes to a retailer of Airtel to recharge his or her number with BDT 30. Recharge card is available but recharge load is not available in that shop. In another case, a customer goes to the shop get buy a recharge card of BDT 20. But the there are no recharge card available but load is available. These create customer dissatisfaction.
- **Lack of Retailer Feedback:** Retailing attitudes are not same in all the area. Retailers can have some suggestions for making the system more effective for both retailer and company. But there are no such ways for continues communication with management level except a Retailer Engagement Program once in a year.

6.3 Opportunities:

- **Alternative Ways of Selling Products:** Things are changes day by day. Customers are getting busy as time going on. Alternative ways can be online selling of products, direct selling to customer etc. can be a opportunity for Airtel to distribute their products.
- **Increase of Non-store Retailing:** Different types of non-store retailing are in increase. Airtel can take opportunity from them to make their product widely available with efficiency.
- **Use of Mobile Banking in a Large Scale:** Mobile banking is expanding day by bay. Airtel also has agreement with some mobile banking companies. Airtel already launches

Dutch Bangla Mobile banking service to their customer from where customer can recharge their mobile balance from the mobile banking. Airtel can use this mobile banking and connect with other mobile bank organization so that customer can buy product through mobile banking.

6.4 Threats:

- **Continuous Pressure from Retailer to Increase Commission:** There is pressure from retailers to increase their sales commission. This can be a threat for Airtel as well as for the industry.
- **Experienced FSEs are being recruited by competitor's distributors:** It is an alarming situation for Airtel that their field operation is in threat as Good, competitive and experienced FSEs are recruited by competitor's distributor.
- **Political Unrest:** Recent political unrest shows that sales operation is not working well. Alternative ways are needed to adapt this situation as this unrest might stand for a long time.

In summary, on the above part all the major strengths that help airtel to boost up their revenue is briefly described. Besides, by using the opportunities how airtel can reduces its weakness and threats is briefly discussed.

Chapter Seven

Findings

After analyzing the SWOT of Airtel's distribution and interview with the respondents of the study the findings part is divided into three level. The discussing levels are-

- **Management level**
- **Distributor level**
- **Retail level**

7.1 Management level:

Responses of the interviewee are showing that they are satisfied with management level operation of the distribution system. But some inefficiency is also identified in this study. Respondents said that Airtel has a unified sales distribution system and strategy that is a major strength of the company. Company's sales distribution force is capable of making impossible things to possible. Company culture helps the sales distribution team to generate and work for a goal that is competitive for both the company and for sales team. Supporting functions are also coordinating in a unified way. One respondent said that sometimes communication gap occurs among different functions of the company. Reason behind this is the different functional offices are situated in different place. Corporate office is situated in Banani where Sales & Marketing department is in Gulshan- 2 and Customer Service department is in Shamoli.

One expert said that Airtel Bangladesh Limited is doing business from 2010 and a significant growth has achieved indeed within a short period overcoming many limitations of the company. As business is expanding, more growth oriented planning is taking by the company. One of the respondents said the Airtel will achieve their desired goal; there is no doubt about that. Some changes in the organization with the pace of growth of the company are needed.

Airtel is expanding their business day by day as target market is responding in a positive way. As business is growing it is now time to work with the numbers of distributors. As there are more than 131 distributors in the channel, business growth and increasing business can hamper in the near future with lots of distributors. It is tough to control this numbers of distributors when a business grows rapidly. Maintaining good and effective relationship with distributors is

important and it is not possible all the time to maintain good relation with big number of distributors and it creates a noise in the distribution system. Distributors are also not motivating as there is a limited business opportunity within their own territory but they are not able to expand it to another territory.

The work pressure is more in sales & distribution activities of Airtel than their competitors are. As a result, a mental and physical stresses arise. Sometimes it affects in decision making and over all operation. It is true that information technology has improved the work capability but there is an efficiency level. If it is above the level there is less efficiency. Giving more work to a comparative less people is just like pressing a rubber ball with hands like showing the picture. It is affecting the overall operation of the airtel as well as loosing experienced and efficient people.



Figure 9: Work Pressure

There is a good communication system exists between management and distributors. Distributors under a zone are communicated by the SMs and TMs. TM is responsible to monitor the activities of each distributor of their territory. But problem occurs when multiple points of contact happens. It happens when distributors get call from different functional department like sales operation, trade marketing, zonal office etc and become confused. This can affect the distribution activities seriously, as distributors are in dilemma in this type of situation.

As business is growing fast, maintaining a large number of distributors may be difficult for company. Competitors are reducing their numbers of distributors. Grameenphone who is the market leader has only 43 distributors and Banglalink has 110 distributors while Airtel has 131

distributors. For each territory, there are individual distributors. Some of respondents oppose that to have these huge numbers of distributors is a matter of cost and operational efficiency.

Findings from management level are:

- Multiple points of contact are an alarming issue.
- Different locations of functional office are creating problems in decision-making or other relevant activities of sales and distribution.
- Maintain good relation with 131 distributors is not efficient as business is growing.
- Job pressure or shortage of labor in sales distribution should be given importance.

7.2 Distributor level:

Distributors work in the channel where they collect big amount of products from manufacturer or producer and sell them in small lot to different retailers. There are 131 distributors in 131 territory of Airtel. The distributors are well reputed in the market. After a lot of analysis, a company gets the distributorship of Airtel. They are financially sound as well as have a good market experience and reputation. Interviews show many important issues are there that have impacts on the distribution efficiency.

Distributor's small business opportunity is an issue in Airtel distribution. One distributor of Airtel said that there is a very limited business opportunity for the distributors of Airtel as no distributors can operate more than one territory. We know that in a territory there is a very limited business growth opportunity. In independent distribution system, distributors can expand their territory or can take distributorship of another territory. This helps distributors to work with lots of enthusiasm. But lack of growth opportunity in this business is a depressing situation for Airtel's distributors. Some respondents of said that some good distributors are looking for opportunity from external and very soon they will be no longer distributors of Airtel as absent of growth in business.

Distributors employ needed Field Sales Executives to run the field sales operation within their territory. FSEs are the people who make contact directly with the retailers and motivate them to

sell their company's product, increase the sales volume of the retailers and provide those ways of more business. These FSEs are very important in distribution system as they core promoter of the company's business in the field level. It is tough for FSEs to motivate a retailer to sell their products or services, realizing existing retailers to sell more of their products.

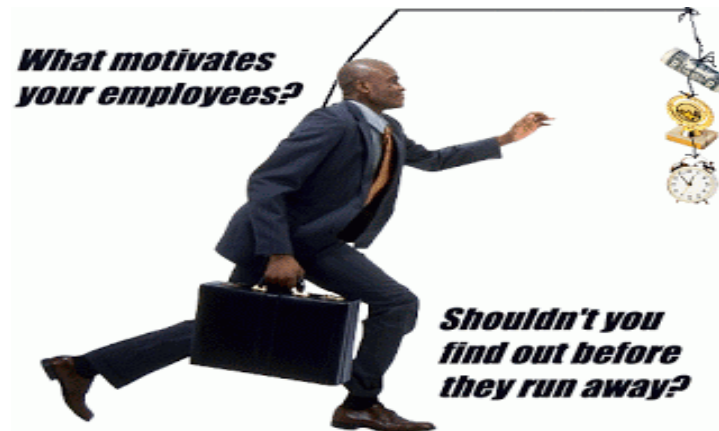


Figure 10: Motivation of FSE

Now a day, these field sales forces are getting so many importance in every industry. Companies are looking for ways to motivate these forces in many different ways. Some companies are changing designation of field sales executive to Brand Promoter or Brand Ambassador to motivate them that they are very important to company. In Airtel, FSEs are not well trained. Proper and continuous training of the field sales forces are affecting the business as business environment is changing rapidly. So FSEs are not doing well in some instance because of lack of training. As a result of lack of motivation and training, field sales forces are looking for ways to get out from the existing company if they got opportunity from another in the same industry or in outside the industry.

This can be very alarming for Airtel that their experienced FSEs are going out from the company and joining in competitor's sales force. As a result Airtel is losing experienced and effective sales team as well as competitors can know the field sales strategies of Airtel. This should be tackle efficiently so that it remains in minimum level.

So the basic findings from distributor level are:

- Lack of business growth opportunity for the distributors.
- FSEs are not well motivated and trained up.
- Recruitment of Airtel's field sales force by the competitor's distributors.

7.3 Retail level:

A number of findings are located in this level of the discussion. Respondents provide lots of views and important points about retail activities of Airtel's distribution system. Retailing or retailer situated in a position where they collect the products and services from distributors or wholesaler and sell them to final customer. So retailers have direct interaction with the final customer. They know about the customer or target market more than manufacturer or service provider and distributors. So retailers play a very important role in distribution channel.

In this study the most important thing that point out is the inefficiency in retail mapping system of Airtel. Retail mapping means collecting information about the retailers of a specific area and evaluate it for selecting the best retailers that matches the company's objectives or target market for distributing products.

An interviewee says that selective distribution can be applied in Simcard selling but intensive distribution system is required for selling recharge card and load. Airtel Bangladesh Limited has more than 25000 SSO and near 75000 LSO across the country. In terms of numbers it is huge and with this it is possible to run the sales operation in an efficient manner. But problem lies in the mapping of the retailing in Airtel distribution. Customer wants product and service near to where they live or work. Companies have to ensure hassle free buying experience. Some respondent states that there are lacking in the retail mapping system of Airtel Bangladesh Limited.

An example of the inefficiency of the retail mapping of Airtel is discussed here with picture presentation.

Panthapath signal is a very busy area and filled with target market of Airtel user. It is the intersection of Green road, Farmgate, Bashundhara City and Square Hospital's road.

Lots of universities, colleges, schools and others educational institutions are located here. But there distribution system of Airtel retail outlet is not done in a planned way. Red stared outlet behind the Astish Depankar University campus is a outlet which is over utilized. There should be one more outlet beside that outlet for smooth distribution as there are lots of educational institutions with Airtel user.



Figure 11: Retail Mapping at Panthapath Signal, Dhaka

Two red stars with one cross mark outlet beside Bashundhara City showing that there should be only one outlet instead of two. Besides that the blue stars indicating that this place is totally unutilized even when there is a demand of Airtel's product.

Three red stars besides Firoz tower are also underutilized. There should be maximum two outlets and opposite to that there is no outlet available when there is many outlets of competitors is available. In the opposite side of the NIIT Dhaka there should be minimum two outlets as there lives a huge number of Airtel users.



Figure 12: Retail Mapping at Kalabagan, Dhaka

A planned retail mapping is also presented here for comparing the previous example. Kalabagan area near the Mirpur road is a busy area with lots of Airtel user. In the first and second lane there are two outlets in each lane and all kinds of airtel products are available marked by red star in the figure. Opposite to the 1st lane of Kalabagan we can see that there is only one outlet as rush of the customers are not much as the opposite side.

There are ample of examples like the first one across the country. This is a big challenge for Airtel to make the retail mapping system an efficient system from where we can get maximum utilization.

Location intelligence is used now a day to solve the retail mapping system. Location intelligence provides the ability to organize and understand information through a geographical perspective to facilitate informed decision making.

This helps organizations align better with the realities of their market territories and thus improves performance and results. With location intelligence a company can choose best retailers or shops in an area from where company can get maximum revenue.



Figure 13: Location Intelligence

By using location intelligence for making the retail mapping efficient, companies like Airtel can get lots of benefits. Some of them can be-

- **Better Strategy Formulation:** Since sales are all about handling the geographical territory, this can give vital inputs in formulating a successful strategy.
- **Better measurement of performance:** It is not feasible for Territory manager to cover the entire territory during his visits. He needs to identify the areas which require his attention and target them during his visit. Location intelligence is helpful to find out to target right retailer and measure the performance.
- **Ensure Equal Retail Distribution:** Location intelligence ensure fair distribution of products among the retail outlets based on their previous performance and demand of customer.

Efficient retail distribution system can be made by using a simple process of location intelligence. The process is as the below:

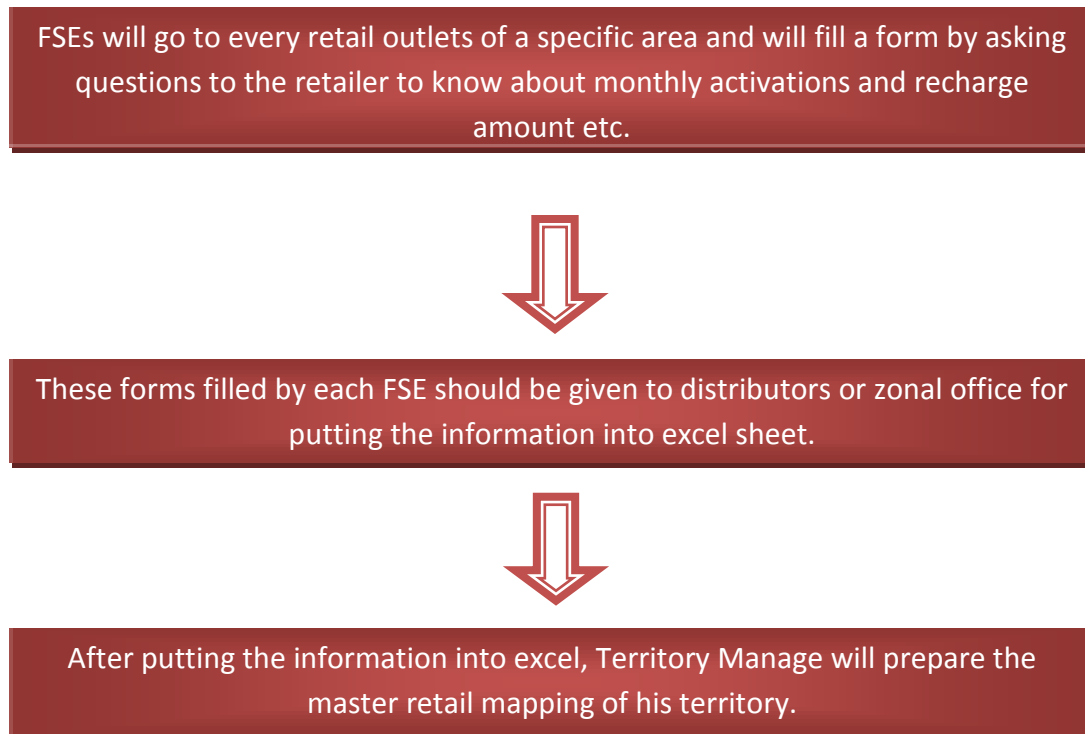


Figure 14: Process of location intelligence

Unavailability of every products of Airtel is another obstacle in smooth distribution system of Airtel. All products are not available in each retail point of Airtel. Different users have different types of needs. Some is happy using recharge card while others are comfortable with recharge load to recharge their balance of Airtel connection. If people go to an outlet and do not find their favorite options they will be unhappy with the Airtel’s service. People want the solution without any hassle near to hand. Product unavailability is a contradiction to that. Motivation is needed for the retailer so that they sell all the products of Airtel. New ways of planning is needed to solve this problem in a short possible time.

Retailers are the medium through which products go directly to the final customer. So their importance in the channel is very crucial. Unfortunately, it seems that there is no way of

communication for retailers with company for giving suggestions and feedback. Sometimes retailer doesn't get the supply of the product as needed. FSEs sometime misbehave with retailers but there is no way of complain. Channel conflict cannot be solved because of unavailability of feedback system from retailers. Respondents said that it is not possible for TMs to go to every single retailer. As a result channel conflict can rise as a serious matter.

Non-store retailing is an emerging issue in the distribution system of telecommunication industry. Increased cost, location problem, channel conflict moving companies to various types of non-store retail system. Time has come to change the views about retailing. As customers minds are changing, retail strategy should be reformed for being competitive in the market.

Non-store retailing can be in the form like Hawkers are selling the products in traffic signal or in a running train. If it happen than there will be no magic. It can be ecommerce or mobile commerce types of things. Increasing use of mobile banking can be a way of thinking about non-store retailing. "Dot com" technology is also changing the retailing strategies all over the world in every industry.

So findings from this part are:

- Inefficient retail mapping system which is becoming a threat of losing business.
- Unavailability of every product.
- No direct way of feedback from retailer to management.
- Emerging of various types of non-store retailing.

Chapter Eight

Proposed Recommendations

8.1 Recommendation:

There are total 10 findings in the three (03) level of discussion. Recommendations are made based on the findings of the study. By following recommendations, Airtel Bangladesh Limited can improve their distribution system or strategies in a way that ensure maximum customer satisfaction with a competitive position in the market.

- Inefficiency in the retail mapping is one of the major findings of this study. By using the location intelligence as discussed in the findings, Airtel can ensure fair retail distribution of products and service near to customers.
- Distributors of a region should be given a target based on their previous performance and efficiency in a given period of time. Distributors who underperformed in the given period and if management things that the distributors cannot perform well in future then that distributors will be replaced by the best performer (distributor) of that region. This will help the distribution system of Airtel in many way like:
 - This will put the distributors of a region in competition to better perform than others will ultimately increase the sales of the company.
 - Distributors will be motivate to run their business or operations more efficiently to perform better for getting the opportunity of serving more than one territory as this will endure the growth of the business of distributors.
- Motivational activities and effective sales training of FSEs should be given a high importance. It is not possible for the company to give monetary motivation in a large scale as this increase the company cost. But company can give lots of non-monetary motivation to FSEs which costs little but output is more. Some of the activities can be-

- Change the designation of the FSE. In this study interview with some FSEs said that Field Sales Executive means that they are at the bottom level. This designation introduces them to the society as “not in a good profession” attitude. If the designation “Field Sales Executives” can be replaced by something like “Brand Ambassador” or “Brand Promoter” or something that sounds different and good to the society, then FSEs will be motivated a lot to work truly like an ambassador of the company to the retailer. Provide some description about the meaning of the designation.
 - Give FSEs proper training time to time about present sales strategies and give them a platform to share their suggestions, opinions with others. Introduce some contest that is already done in the TM and distributor level named “Boss no. 01”, “Sales Icon”.
- Multiple points of contacts should be reduced by one point. There should be one person or one department that is responsible to contact with distributors. Contact from any department should be done via this designated point.
 - Unavailability of all kinds of products can be minimized through better forecasting or analyzing past demand of the products. Retailer should be motivated to sell every type of products if possible and with a mixture of combination.
 - Retailer’s suggestions are important to know the customer update. There is also having some conflict with the FSEs or distributors that needed to be solved. A dedicated hotline only for retailer. This will create a way for the retailer to give suggestions, complaint and feedback of any campaign directly to the management.
 - Non-store retailing should be given importance with store retailing. Online presence of the products should be ensured. Innovative thinking in alternative retailing should be given with priority. Balance recharge through mobile banking should be done in a wide range and try to connect with every players of mobile banking industry.

- Work pressure should be reduced by recruiting needed people if possible with a long planning.
- Planning should be started to go for a new office that accommodate each and every function of Airtel in a single place which will improve the work procedure and will make it faster than now.

8.2 Conclusion

Airtel Bangladesh Limited is the last entrant in the telecom operator industry of Bangladesh. It is now in fourth place in six players industry. Current market share is 7.34% with a customer base of 7.148 million. Day by day its business activities are expanding as offerings of the company are best suited to their target customer and also for quick network expansion. Airtel's sales distribution activity is similar to the industry with some unique techniques. Here sales force is efficient enough and also experienced run the system with great success. Airtel has a well set of distributors who are gradually performing well and competitive in the market. Airtel has a huge number of retailers across the country. Overall Airtel has a well planned distribution procedure. There are some basic and operational difficulties in the distribution system. Recommendations are made based on to solve those difficulties that arise as changing business environment. Customers changing need and wants are also affects the distribution activities. Hopefully by implementing or reviewing the recommendations of this study Airtel will be one the best competitors in this industry in near future.

Chapter Nine

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Appendix

Most used key words:

FSE=Field Sales Executive

GA=Gross Addition

GR=Gross Revenue

LSO=Load Selling Outlet

SSO=SIM Selling Outlet

TM=Territory Manager

ZBM=Zonal Business Manager

SM=Sales Manager

ARC= Airtel Relationship Center

AEC= Airtel Experience Center

KYC= Know your customer

LR= Low Revenue

Questionnaire for Internship Report

Dear Respondent:

I am Anisur Rahman, student of BRAC Business School. This is the partial fulfillment of my Internship program. This note is to inform you that your information will be kept confidential and will be used for this research only. And the information collected on the research will be used collectively and no individual's information will be given out to any 3rd party. I heartily thank you for your cooperation.

How long are you working on airtel Bangladesh

How many distribution channel airtel have?

What are the key responsibilities of TM,ZBM, SM??

How do airtel measure the individual performance of Distributor??

What are the strengths of Airtel Distribution system you think?

How to ensure the monthly target of distributors?

What are the things mainly focused when a new area is going to be covered?

What are the facilities you expect from airtel?

Do you think airtel distribution is efficient to increase the market share?

What are the recommendations you suggest to improve the distribution system?

What are the benefits airtel should give to their FSE?