



Inspiring Excellence

INTERNSHIP REPORT ON

“Churn reduction in Banglalink”

Submitted to:

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Letter of transmittal

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To

Supervisor

Md.Fazla Mohiuddin

BRAC Business School

BRAC University

Subject: Submission of Internship Report on “Churn Reduction in Banglalink”.

Dear Sir,

With due respect, I am submitting my Internship report on the topic titled “Churn Reduction in Banglalink.” as a part of my BBA Program.

It is my pleasure to inform you that I have been serving as an Intern in Banglalink under Customer Value Management. It was an admirable opportunity for me to complete my internship in Banglalink. I would like to thank you for giving me the prospect to work on this consigned topic to enhance my knowledge in the practical field of Marketing. This report explores the identification of factors that leads to churn of Banglalink and future recomendation. The Internship report has been prepared based on the practical experience, discussion and interview which have been carried out among the selected employees of CVM team of Banglalink. I hope you will find it worthy.

Therefore, I sincerely hope that you will appreciate my contribution.

Sincerely yours,

Asif Ehsan

ID: 13304013

“This is to state that this report has been prepared by me as a requirement of the BBA program. All the contents of this report have been prepared by me and the entire report is my original work.”

Asif Ehsan
ID: 13304013

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Acknowledgement

The successful completion of my Internship Report is the outcome of the contribution and engrossment of a number of people, without their helpful guidance and suggestions the accomplishment of the report was almost impossible. I would like to mention some of the people with due respect and honor who helped me, guided me in the right direction, without any hesitation to complete our Internship report within the due time. Hence, I would like to show my gratitude to all of them from the bottom of my hearts.

At first I would like to thank All Mighty Allah for making it possible for me to complete my work properly within the given time. Therefore, I would like to thank my Internship Supervisor Md.Fazla Mohiuddin Lecturer, BRAC Business School, BRAC University for providing me such an excellent opportunity to prepare an Internship Report was always ready to guide me and solved all the complications that I confronted during preparing my internship of the report.

Most importantly, I would also like to thank Sujoy Banik (Head of Customer Lifecycle Management), Md Farhad Hossain (CVM Senior Manager, Marketing), Nahid Mahmud (Customer & Retention Analytics Manager, Marketing), Goutam Bose (CVM Senior Executive, Marketing), Kamrul Hasan (CVM Capabilities Manager, Marketing) and the rest on helping me to prepare a better report.

Finally, I am really indebted to my family and friends for their continuous support and faith on me which kept me inspired and increased my motivation level.

Executive Summary

Banglalink has started its journey in February, 2005 with the aim of providing telephony service to the all segments of the customer within an affordable price. Banglalink the second largest telecom operator in Bangladesh in terms of market share. This mammoth success would not have been possible without the satisfaction and retention of the loyal subscribers.

This report starts with the insight of the organization including Banglalink`s history, vision, mission, goals, strategies, product and services, activities and performances. It also demonstrates the current competition of Banglalink and the current scenario of what actually is happening in customers mind. This paper also illustrates that what are the factors that leads to customers of Banglalink to switch to other operators and described properly, based on that a hypothesis was created and tested. The study also concentrates on the perception of customers of Banglalink as a qualitative research was done with a respondent of 106 all the data was collected through primary data which was only used by me on this study purpose. This paper talks about what lead customers to dissatisfaction as well as the impact of promotional offer over their purchase behavior, other factors like service usage and switching cost are also considered in the study. Moreover, some recommendation was given at the end which could help Banglalink to reduce churn rate among their existing customer. However, Banglalink should be engaged in continuous market research in order to come up with the suitable or matching products according to the customer requirements so that can retain more customers in future.

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The Organization

Banglalink Digital Communications Ltd. (banglalink) is one of the largest mobile operators in Bangladesh offering a wide range of 2G and 3G services. Their network covers more than 99% population of Bangladesh, the world's 9th most populous nation and one of the fastest growing economies in Asia they offer their services under the brand names of "banglalink" and "icon". Banglalink has consistently been ranked as the most recommended operator in Bangladesh in terms of Net Promoters Score (NPS). banglalink digital communications Ltd. (previously Orascom telecom Bangladesh limited) is a fully owned venture by telecom ventures ltd. Veon (Previously known as Vimplecom) owns 51.92% shares of global telecom holding following a business combination in April 2011, between Veon (Previously known as Vimplecom) ltd. and wind telecom S.P.A. Veon (Previously known as Vimplecom) is one of the largest integrated limited telecommunications services operators providing voice and data services through a range of traditional and broadband mobile and fixed technologies in Russia, Italy, Ukraine, Kazakhstan, Uzbekistan, Tajikistan, Armenia, Georgia, Kyrgyzstan, Laos, Algeria, Pakistan, Zimbabwe and Bangladesh. Veon (Previously known as Vimplecom) is headquartered in Amsterdam, the Netherlands and listed as ads on the NASDAQ global select market under the symbol "VIP" (Banglalink, n.d.).



VEON

Since the launch of Banglalink in February 2005, its impact was felt immediately. Overnight mobile telephony became an affordable option for customers across a wide range of market segments (Banglalink, n.d.).

The initial success of Banglalink was based on a simple mission: “bringing mobile telephony to the masses”, which was the cornerstone of its strategy. Banglalink changed the mobile phone status from luxury to a necessity bringing mobile telephone to the general people of Bangladesh and making a place in their hearts (Banglalink, n.d.).

The mobile phone has become the symbol for positive change in Bangladesh. The brand slogan of “start something new” is in essence derived from the promise of empowering people with affordable communication solutions enabling them to take new initiatives in life. The company believes that, through such new initiatives, positive change will occur for the overall welfare of the nation (Banglalink, n.d.).

Banglalink attained 1 million subscribers by December 2005 and 3 million subscribers in October 2006. By December 2007, Banglalink overtook Aktel (currently ROBI) to become the second largest operator in Bangladesh with more than 7.1 million customers. Banglalink currently has 32.4 million subscribers as of February 2016, boasting a market share of 24.5% (Banglalink, n.d.).

The growth of Banglalink over the years have been fueled with innovative products and services targeting different market segments, aggressive improvement of network quality and dedicated customer care, creating an extensive distribution network across the country, and establishing a strong brand that emotionally connected customers with Banglalink (Banglalink, n.d.).

Banglalink’s Mission: “***bringing mobile telephony to the masses***”, which was the cornerstone of its strategy. Banglalink changed the mobile phone status from luxury to a necessity bringing mobile telephone to the general people of Bangladesh and making a place in their hearts (Banglalink, n.d.).

Organization Vision, Goal, Mission, Objective and Slogan:

Vision:

“Banglalink understands people’s need best and will create and deliver appropriate Communication services to improve people’s life and make it easier”

Mission:

“Bringing mobile telephony to the masses”

Goal:

Banglalink’s goal is to make the cellular phone affordable to the people of every level with lower cost.

Slogan:

“Start Something New”

Objectives:

The main objective of Banglalink is to serve better network and coverage to its Valuable subscribers and improve their communication level.

Core departmental objectives to achieve Banglalink’s Vision and Mission:

- Provide effective and truthful front line and back office customer care and support to ensure high quality service.
- Researching and resolving customer highlighted issues and problems.
- Retain valuable customers for the company as well as generate revenue and increase company’s profitability.
- Maintain a management culture of high performance and strong accountability.
- Treat customers with courtesy, respect and consideration at all the times.

Organizational Values

For being a pioneer in the telecom industry, banglalink follows 5 organizational values of their own and they are:

Figure 1: Banglalink's Organizational Values



Collaborative

- ✓ We bring people together, united by our passion for our customers.
- ✓ We work with each other and we respect the time of others.
- ✓ We don't look to blame, we look for solutions to problems and we take ownership.
- ✓ We partner with others - both internally and externally- in order to achieve more.
- ✓ When doing things together, we do them smarter and faster.
- ✓ We are a team.

Innovative

- ✓ We never stop. We are always moving, looking for the next disruptive digital ideas.
- ✓ We are adventurous and excited about trying new things.
- ✓ We are quick to bring new digital products and services to market, always driven by a clear customer need.
- ✓ We don't follow the status quo; we are passionate about creating our own path.

Truthful

- ✓ We are open, honest and demonstrate integrity and respect in all our dealings – both internally and externally.
- ✓ We are trustworthy; we keep our promises and admit our mistakes.
- ✓ We are focused on upholding the highest level of ethics at all times.
- ✓ We set clear expectations and communicate feedback in a transparent and respectful way.

Entrepreneurial

- ✓ We have an ownership mentality, demonstrating passion and taking responsibility of the business as if it were our own.
- ✓ We are agile and dynamic. We like to push boundaries and explore what's possible. We are not held back by a fear of failure and are always looking to develop new things.
- ✓ We take smart risks, but only when it's in our customers' best interests.
- ✓ We lead by example – we do what we say we are going to do.

Customer-obsessed

- ✓ We have a passion for our customers – they are at the heart of everything we do.
- ✓ We are able to make difficult decisions when we know it's in our customers' best interests.
- ✓ We keep an eye on our competitors but it's our customers who are always front of mind.
- ✓ We are driven by our customer insight – all our digital innovations are borne out of customers' needs.

Products and services of banglalink:

Banglalink has set the benchmark in the customer care with its state of the art call center, largest customer care network and a passionate and vigilant team serves the customers every moment.

Prepaid packages:

Banglalink mainly offers two prepaid plans: Desh and banglalink play. Adding some changes with Banglalink Desh they offer other prepaid packages like Desh hello, Desh 7 FNF, Desh 10 FNF these are extended version of banglalink Desh.

Postpaid packages:

Banglalink postpaid packages serves the customer the way they wished for. There are two postpaid packages of banglalink right now and these are Banglalink inspire and Banglalink S M.

Banglalink 3G:

Banglalink 3G allows its valued customers to surf the internet with fastest internet speed with the superior HSPA + connection. It is launched with a view that banglalink 3G will bring to life the experience of mobile broadband on 3G mobile phone/device. With banglalink 3G it is possible to enjoy superior video streaming, download experiences, enhanced video calling, high speed data transmission and accessing innovative 3G services on the mobile phone. In 2014, Bangladesh Telecommunication Regulatory commission declared banglalink's third generation data service the fastest data service in the country.

Services are being offered:

Banglalink has always been the market leader when it comes to introducing state of the art communication solutions for its customers. They are continuously adding up to the range of their value added service for customer convenience. The value added service will be familiarize the customer with the new services that can now benefit from, which will give them all the freedom they need, making mobile communications more exciting, convenient and enjoyable. Their service are: Friend Finder , Amar tune, Namaj alert, SMS(jokes, text, quotes etc.),instant recharge, money transfer from abroad, sms Facebook, call waiting / holding etc.

People Behind The Success Of The Organization

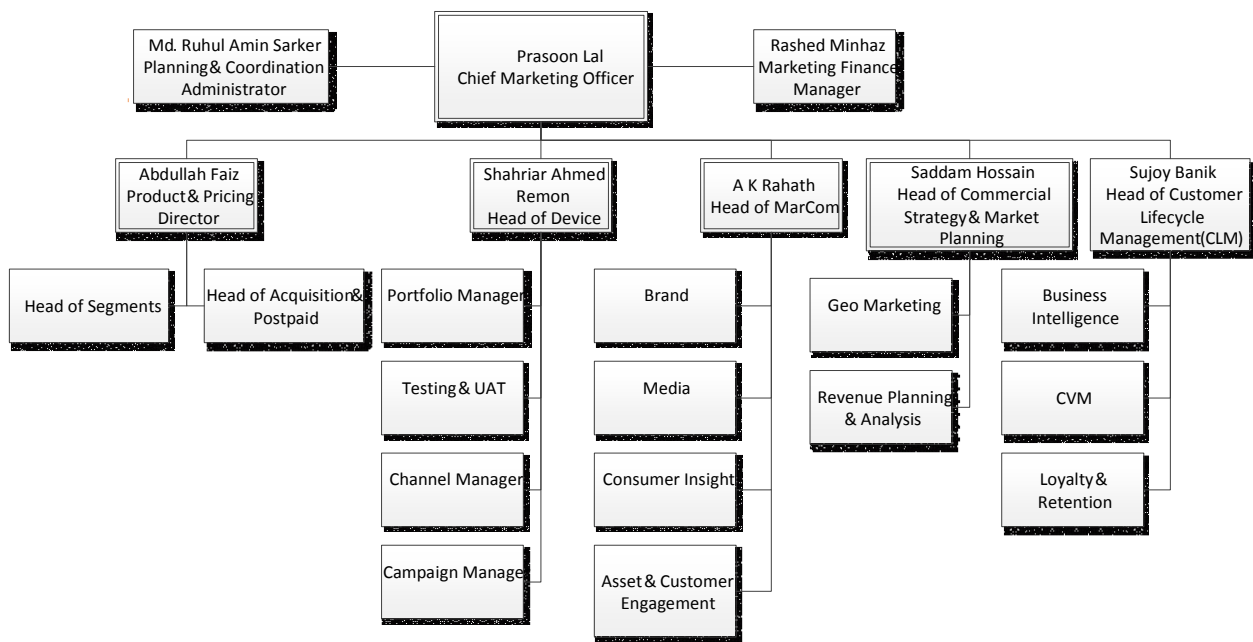


Departments

There are 17 departments in Banglalink Digital Communications Ltd. Each department have their own specific works and they are divided into 3 divisions based on functions:

Commercial Functions	Technology Functions	Corporate Functions
B2B Business	Network Infrastructure	Finance
B2C Sales & Distribution	Information Technology	Human Resources
Marketing	Information Security & Governance	Compliance
Mobile Financial Services	Network Planning	Legal Affairs & Company Secretariat
	Network Operations	Corporate & regulatory Affairs
Customer Care	Service Assurance & Experience	CEO Office

Organogram of Marketing Department:



Customer value management (CVM)

Customer value management has become an important marketing practice nowadays. In recent development in marketing literature believe that customer value is one of the important essential metrics in customer management. CVM entails the optimization of the value of company's customer base. CVM focuses on analysis of individual data of customer. The information is used to acquire customer and to drive customer behavior with the developed marketing strategies such a way that the value of current and future customers is optimized. CVM technique help companies analyze which customer are valuable and why.

Most telecom operators have already set up business intelligence units and analytical teams. Their goal is to leverage the large sets of operational and customer data to derive reports and recommendations on traditional measure, such as gross adds, while ensuring that legal requirements for data security and privacy are met. Most BI initiatives have not succeeded analyzing data at the level of depth or at the speed required to help in extracting the maximum value from customer. CVM on the other hand is a methodology that looks at customer from holistic

point of view weaving together technology and business processes to develop a complete view of every individual customer.

CVB is designed to address the major activities that bear on the revenue and profitability potential of telecom customers: 1.the effort to acquire new customers 2. The challenge of retaining them 3. And the various means is increasing their value.at the same time program should operate sequentially.

Customer Value Management of Banglalink:

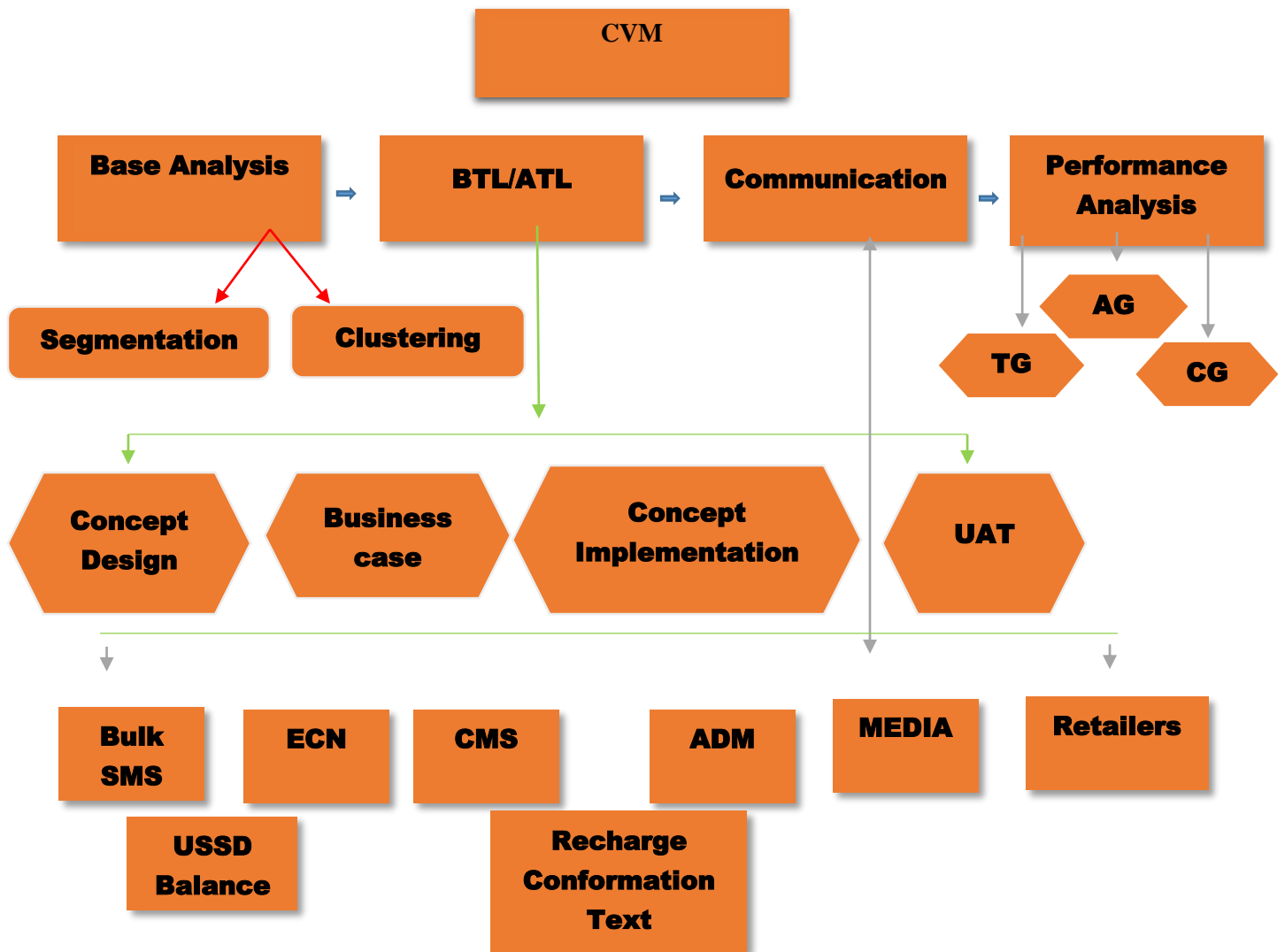


Figure 2: Customer Value Management

Base Analysis: in the base analysis process that get the customer base from its department and this customer bases data are analysis on oracle data base system. In this system customer are segmented and cluster on their behavior pattern. This customer segment groups are zero user, recharge subs, reactivated subs, inactive segment, low user, middle end user, others.

Zero user: customers segmented on the basis of segmentation standard zero balance for last seven days, zero user till date for example 1-15 days, zero user customer for last month, zero user from different offer user, rotational zero user, those are infrequent user customer.

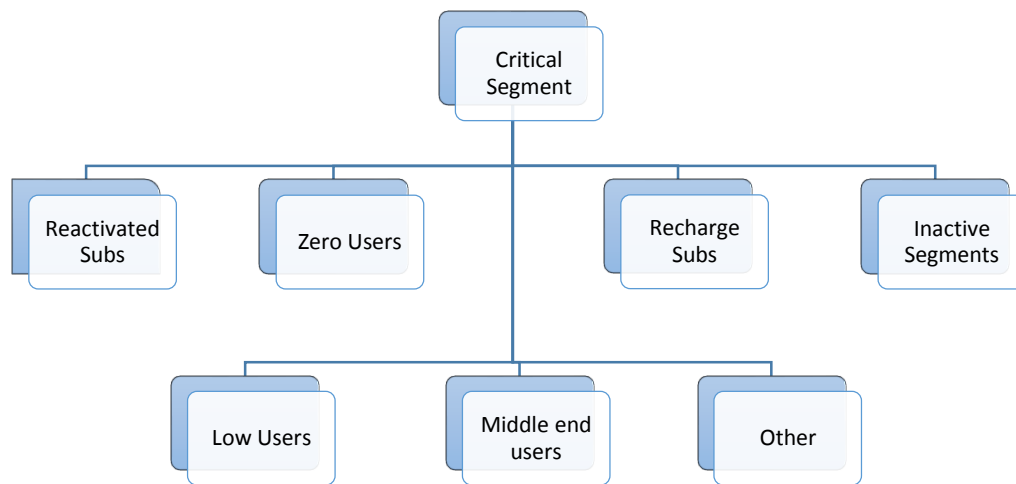


Figure 3: Base Analysis

Low usage subs: are segmented customer on some usages categories, those are less than 10 taka user last month, 11-20 taka user last month, Tk.21-50 users in last month, Less than Tk.10 users till date in current month, Tk.11-20 users till date in current month, Tk.21-50 users in till date current month.

Middle end Usage Subs: Avg. usage Tk.50-100 in last two months, Avg. usage Tk.100-200 in last two months, Avg. usage Tk.200-300 in last two months.

Recharge Subs: Zero recharge for last 7/15 days, Zero recharge for a month.

Inactive Segments: customers are segment on the basis of their inactivity, Inactive for 8-15 ,Inactive for 16-30 days, Kxen top 20% scorer, Kxen is an analysis tool where set a parameter on the different behavior pattern and top 20% scorer from them who have possibility to be a churn.

Reactivated Subs: Multiple reactivated subs from 16-30 window, multiple reactivated subs from 31-90 window. it's basically rotational basis segment when customer don't have any activity with 31-90 they are in dormant, when they have any activity they are in active.

Others: Used only in a single week during a month, Not daily voice users, Balance \geq Tk20 but no MOC usage in last 7 days, Rotational churners for more than 3 times, Low on-net & high off-net users, Decile 6-10, Only data users, Only incoming users, Only off-net/on-net users, Customer talked during evening/night/morning, Only SMS users, FnF users.

BTL and ATL Offer:

After segment the customer base on the basis of customer behavior pattern here design BTL and ATL offer for the customer. These offers are followed by four steps:

Concept Design:

in the concept design stage on the basis of customer behavior pattern design some offer which can be Voice offer, call rate offer, Data offer, Bundle offer, Recharge offer, SMS offer and so on. Some offers are specific customer which is called below the line customer some offers are for all customer which is called above the line offer.

Business Case:

In the business case analysis, decision is making on the basis of how much will be sales, cost and revenue for an offer.

Concept implementation:

At the stage of concept implementation, concept of offer what sms will be communicate, what will be subscription USSD, how can check balance this type of coding set by the IT department

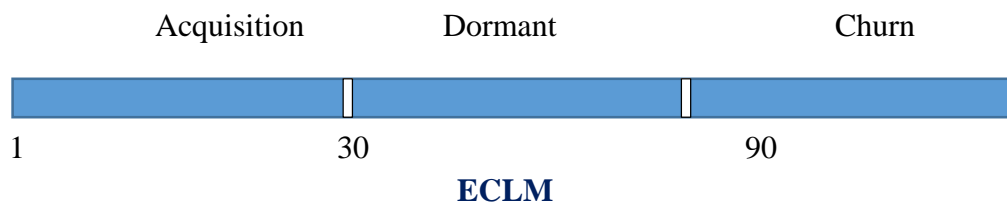
UAT (User Acceptance Test): Before and after any offer launch User Acceptance Test take place. In this test before launch any offer test SMS text, call test, balance check, charge check, data check take place. After live any offer same test take place.

Communication: After the ATL and BTL offer design have to communicate with the customer with that offer. For the communication here follow different types of channel for the ATL offers use the media like TV and Radio advertisement, bill board, Social Media, and so on. For the BTL offer there use some channel for communicating with customer, communicate through SMS with the customer, when customer check balance there give the offer message, when customer recharge customer with confirmation text give the offer message, automatic device management system when customer reactivate their on that time they will get sms of offer, end call notification is the process where set a schedule of time when which offer will be notified to the customer after end every call and its scheduled for a week, sometimes offers are communicated through the retails outlets.

Performance Analysis: After launch any offers analyze the performance of that offer. For analyzing the performance there have a three groups Target Group, Aailed group and Control group, this groups are selected from the target group customer base randomly. Aailed groups are those who took the offer and control group are those who didn't take the offer, for evaluating the performance compare the revenue of aailed group and Control group

Early customer life cycle management (ECLM):

Early customer life cycle management is a part of customer value management. These customers are segmented into three group's **acquisition**, **dormant** and **churn**. Acquisition customers are new start up customer in 1 to 30 days they have activity like Voice call, Data use, Recharge, SMS. Dormant customer are those who were active 1-30 days but didn't have any activity, after 30th day, from 31th to 90th days those customer will be in churn who are not active at all.



Introduction

Customer retention has always been a challenge in the telecom industry from the beginning, but in recent times it has become an even greater challenge to overcome, as the market gradually shifts towards maturity. In the recent years this is resulting in difficult situations where telecom companies are in a constant tug-of-war with each other in attaining greater market share, in an increasingly aggressive market competition.

In a recent interview, Mahfuza Yesmin, a university graduate, was recently asked about how many SIM cards she has registered, and her reply was “4 SIM cards of different telecom operator” with a smile on her face. In another interview with a retailer, Mr. Shafiqul Islam, who was asked about the number of SIM cards he sells per day, he answered “5 to 8 SIM cards per day of different telecom operators, which means on average of 200 SIM cards a month”. The above scenarios demonstrate how competitive the market is, and how difficult it might be for a single telecom to retain customer/retailer share of mind.

According to BTRC a person can have a maximum of 20 SIMs registered with his NID. It might sound great from a business perspective, but when seeing it from the eyes of a telecom company, it is alarming. Moreover, there are millions of people like Mahfuza who prefer to use several telecom operators at a time to satisfy their needs with different offers from different operators. The problem is not limited only to our country but is a more global issue, with the telecommunication service industry having an annual churn rate which is between 20% to 40%. (Madden, Savage, & Coble-Neal, 1999; Parks Associates, 2003; Kim, Park, & Jeong, 2004). The total number of operator subscriber in Bangladesh, as of 2017, is 139.3 million and among these millions of subscribers only 23.17% are Banglalink users, i.e. 32.3 million. (Mobile Phone Subscribers in Bangladesh August, 2017). Cases like that of Mahfuza’s demonstrate the intense level of competition among the telecom operators. As a result, the churn rate for the telecom operators, including Banglalink, is high. Asif M.K. Bashar Khan, Deputy General Manager of BI Planning and Systems at Grameenphone said, ‘Grameenphone started doing churn-prevention analysis and micro campaigns based on microsegments of the customer base (Stories, 2017)’. Grameenphone has also felt the need for software based solutions. The first project used SAS® Enterprise

Miner™ and SAS Forecast Server to create segmentation and churn-prediction models (Stories, 2017), which ultimately gave them a much better analysis output.

As for Banglalink, they are using an analytical model known as KXEN in order to predict the churn percentage and plan different campaigns based upon the prediction. Recently they had taken an initiative to develop an even more sophisticated churn prediction model, but it will require time for the end-to-end implementation.

There have been international studies done on churn-prediction, and one study demonstrates how churn-prediction is driven by 8 major variables (Keaveney 1995). However, a dynamic model was developed based on the customer's duration on the service carrier where it was attempted to understand how customer's experiences with services and their assessments of these services influence their subsequent behavior. (Bolton 1998)

To retain existing customers and attain new customers, predicting churn is a major area of focus, as attaining new customers is comparatively more expensive than acquiring a customer (almost 5 times more, according to ???). In Bangladesh a limited number of studies have been conducted on the factors behind churn among subscribers using telecom services. The studies in Bangladesh have focused mostly on telecom challenges and opportunities, such as data mining processes, but specific topic addressed the issue of churn reduction. Thus, finding the variables that affect churn and a way to reduce them is a gray-area in which much work is left to do.

✓ **The specific purpose of the research is:**

- To identify the factors that influence and impact Banglalink consumer's perception
- To determine the variables that influence Banglalink customers' churn propensity.

✓ **Statement of research question:**

Why is retaining customers a challenge for Banglalink, and how Banglalink might overcome it?

Literature Review:

To maintain a stable customer base competition among the mobile service operators has intensified over the years, which is another reason for them to keep an eye on the churn rate at regular intervals. However, the recent introduction of mobile number portability which allows mobile subscribers to switch operators without having their number to change will also make an impact on the churn rate might cause to swell up and gives a headache to the service providers. There are other determinants that are the cause of for subscribers to churn. In this paragraph there are few determinants that are considered in this study to be that key factors on motivating the churn rate and effects on them which affect customer churn.

Dissatisfaction of Customers: Due to the failure of core services 44% of consumer switched their services an Keaveney's (1995). Consumers dissatisfaction with a particular product or a service is not a new thing, but maintaining them is the main challenge, there are many factors that are related to consumer complaint behavior. For customer satisfaction/ dissatisfaction, a research suggests that network quality and call quality are the key driven factors by (Gerpott et al., 2001; Lee et al., 2001; Kim & Yoon, 2004; Kim et al., 2004). However, a service failure or technical glitches acts as a trigger that accelerate the consumer to respond accordingly to that particular action of failure leading to switching to operators or discontinuation of that service. Thus if the customer service is not managed properly or the providers are not effective in giving what the customers want it may lead to customer churn.

Ha: Call drop and service failures has a negative impact which leads to churn reduction.

Service Usage: Mozer concluded on the basis of incomplete information that monthly charges and usage amounts are linked to churn. (Mozer et al. 2000) Though it is still unclear whether service usage and churns relationship is positively or negatively related. There are many ways to describe the usage patter of a customer and that includes MOC Mobile Usage Overcalling, minutes in calling texting frequency of use both incoming and outgoing. But among these monthly recharge is also one of the ways to measure or identify the prediction of churners. Hence, it can be deduced

that unpaid balances and failure to pay bill may also likely to develop the tendency to switch services.

Hb: Unpaid balances is positively associated to an increase of customer churn.

Switching Cost: In most cases customer wants to maintain a relationship with the service provider as much as possible until they feel they are not a part of the program any more. For a service provider it would be a big loss. Customers relationship with service providers can be maintained in one of two aspects one is they “have to stay” second “they want to stay” which is more related to loyalty program. Loyalty programs, cost is constraints for customers to switch which prevents customers to switch to other providers as they are much concerned about the benefits they get. If these constrains somehow gets terminated there is a higher possibility for customers to switch in no time. (Kim et al. 2004) found that among factors constituting switching costs, loss of loyalty programs has both a direct effect. Moreover, dissatisfied customer may also show undesirable loyalty as the feel of being deprived of privileges that they should have. Furthermore, (Bolton et al. 2000) argued, members in loyalty programs might overlook or provide negative evaluations of the company against competitors in terms of product, quality and price. Thus customer churning is established based upon how good or bad the loyalty program is and the opportunity cost for the customers over the providers.

Hc: Loyalty programs and cost is negatively associated with the probability of customer churning rate.

Promotions: Promotions play a vital role in manufacture a customer purchase decision behavior. It is seen in certain cases that by focusing more on promotional events immediately generate sales, thus highlighting the importance of effective sales promotional activities. Also, advertising, sales promotion, publicity and even sales people can influence what consumers think about products. In a research conducted by Awng Di in Thailand, it was seen that respondents were more satisfied on promotion factors, occasional gifts and discounts, indicating that promotion indeed has a profound impact on sales and consumer’s perception. Moreover, the customers with brand determination are not likely to switch to the product despite the sales promotion. In the context of Loyalty Programs on Repeat Purchase behavior it finds that loyalty programs did not substantially change market

structures the market was characterized by an absence of change of the competitive situation.(Meyer-Waarden, Lars Benavent, Christophe 2006).

Hd: Promotional activity are positively associated with churn reduction

As stated above the purpose of the study is to determine what causes the customers to churn or switch based on the factors listed above whereas it would also define why the customer status also change from active user to a non-active user

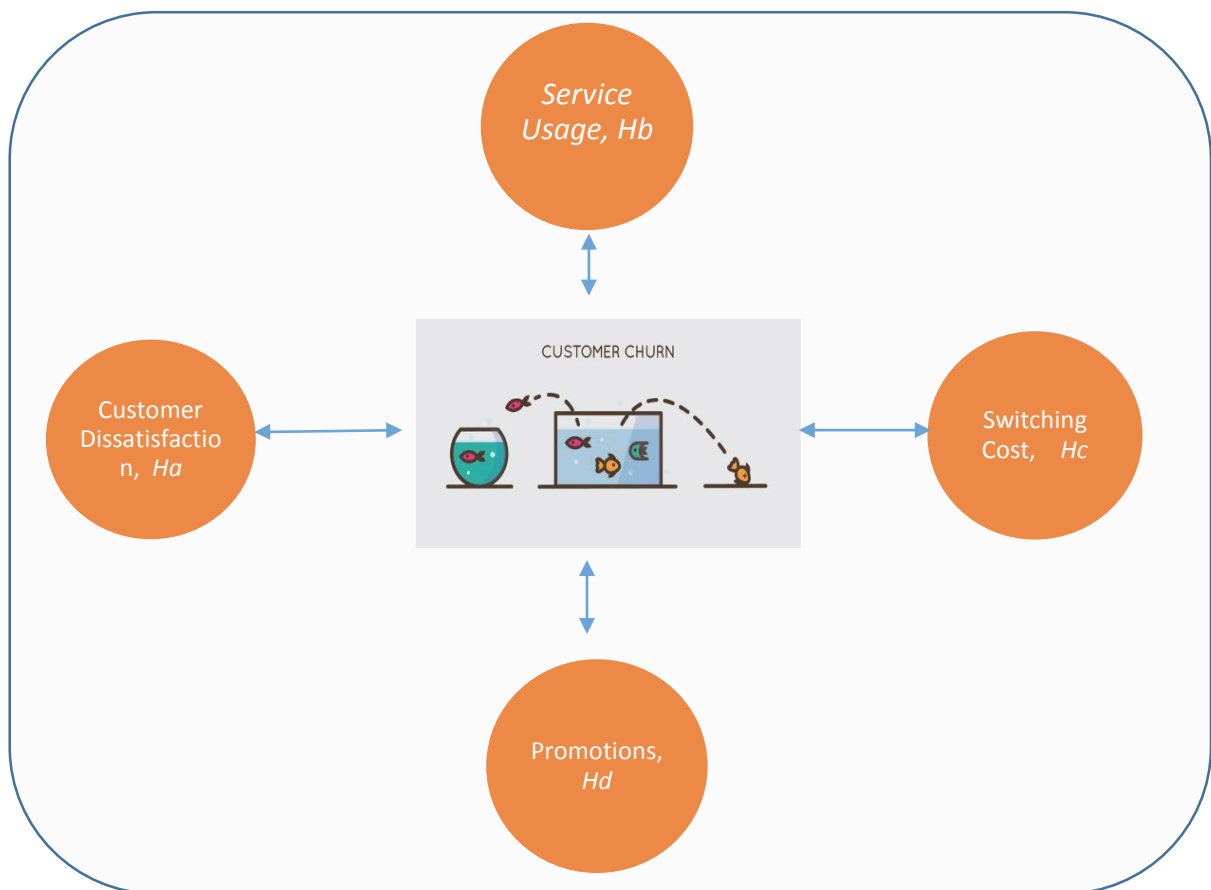


Figure 4: Mathematical Model Concept

Mathematical Model:

- **Consumer Churn** = $\alpha + \beta_1 * \text{customer dissatisfaction} + \beta_2 * \text{Service Usage} + \beta_3 * \text{Switching cost} + \beta_4 * \text{Promotions} + e_i$
- **Consumer Churn** = $0.771 + 0.050 * \text{customer dissatisfaction} + 0.959 * \text{Service Usage} + 0.179 * \text{Switching cost} + 0.020 * \text{Promotions} + e_i$

METHODOLOGY:

Questionnaire development:

Due to the lack of published research in Bangladesh concerning churn reduction of subscribers from the telecommunication service sector, it was compulsory to collect primary data to test the hypotheses and please the research objectives of the study. The structure of the questionnaire was constructed on a thorough review of the literature and feedback from in-depth interview. The review of the literature and the in-depth interviews was held in Dhaka at different retail stores, assisted to categorize the factors that may affect customer's perception of Banglalink and their switching behavior. The information acquired from the in-depth interview was also used to assist in emerging the most suitable, timely, and applicable survey questions.

We use various measures, including nominal scales, Likert scales, and were used in the questionnaire, the statements were measured using a three-point Likert scales ranging from very important to Not important and so on. It increased the reliability of the responses we got and the questionnaire was reviewed by us thoroughly.

Analysis and Result:

To determine the overall strength of the model we calculated the value of R Square and the coefficients of the variables on which we considered the significance level of 5 % for calculating the “Linear Regression Model”. The Following results are given below:

Figure 5: Results of R Square

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.333 ^a	.111	.075	.55017	.111	3.144	4	101	.018

a. Predictors: (Constant), P_mean, SC_mean, DC_mean, SU_mean

The following data of the table 1.1 shows the value of R Square which shows the strength of the model that is being used in the research. To our findings the strength of the model fit is very weak as the value is R Square is 0.111 which is between 0.1 to 0.2. “As entirely expected that our R-squared values will be low since any field that attempts to predict human behavior, such as psychology, like we are dealing with consumer perception typically has R-squared values lower than 50%. Humans are simply harder to predict than, say, physical processes.”(Frost, 2014)

To analyze the hypothesis of the 5% of significance level was considered the following Table 1.2 consists of coefficients table to be described further.

Figure 6: Results of Coefficients

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		
	B	Std. Error	Beta			Lower Bound	Upper Bound	
1	(Constant)	.771	.414		1.860	.066	-.051	1.592
	SU_mean	-.007	.128	-.005	-.051	.959	-.260	.247
	DC_mean	.240	.121	.198	1.983	.050	.000	.481
	SC_mean	-.216	.160	-.128	-1.355	.179	-.533	.100
	P_mean	.307	.130	.225	2.365	.020	.049	.564

a. Dependent Variable: Churn_mean

Dissatisfaction of Customers:

Ha: Call drop and service failures has a positive impact which leads to churn reduction.

There is a positive relation between the dissatisfaction of customers and the impact of churn reduction, as this can be stated that if the number of dissatisfied customer of Banglalink who face problems with call drop and service failures leads to an increase in churning.

According to the data the significance level is within the range of 5% error, that is 0.050. Therefore we can say that this hypothesis can be accepted.

Service Usage:

Hb: Unpaid balances is positively associated to an increase of customer churn.

The relationship between an unpaid balance accounts has a negative relation with the churn reduction as mostly the option of emergency balance system as the loan amount would be automatically adjusted from the customer's account on their next recharge. More can be said that there is no impact over the churn reduction on unpaid balances.

According to the data the significance level is not within the range of 5% error, that is 0.959. Therefore we can say that this hypothesis can be rejected.

Switching Cost:

Hc: Loyalty programs and cost is negatively associated with the probability of customer churning rate.

There is an inverse relationship between the Loyalty programs, costs and consumer's switching preferences. According to my analysis, the strength of the inverse correlation is very high. This means that the better loyalty programs and lower cost does promote customers to stay with the Banglalink as they look for more value added service as well as lower call rates.

According to the data the significance level is not within the range of 5% error, that is 0.179. Therefore we can say that this hypothesis can be rejected.

Promotions:

Hd: Promotional activity are positively associated with churn reduction.

There is a positive relation between the Promotional offers and the impact of churn reduction, as this can be stated that if a proper Integrated marketing communication strategy is applied effectively by Banglalink this would lead to a reduction in churning of customers. According to my analysis, the strength of the positive relation is very high causing positive retention of customers.

According to the data the significance level is within the range of 5% error, that is 0.020. Therefore we can say that this hypothesis can be accepted.

Limitations:

During doing this report I face some difficulties like-information gatherings, limited access to other departments, restrictions on some internal data to use in this report. The limitations are given below:

- Information unavailability due to confidentiality.

- Time limitation.
- Had limited access to other related department during my working period.
- Lack of experience
- Limited access to data. So it was not possible to get all information that was needed.
- Secondary source of data was too limited.
- Every company has some confidential information that it should not share to any outsider as well.

Recommendation:

Retention of existing customers is very essential for business success, to evolve and come out to the top it is important to make sure that it keeps up-to-date of the competition, and meet the consumers ever changing preferences. As there are many more competitors in the telecommunication institution industry it is obvious to find a way to grab the consumers from market as much as possible. In short, the importance of retaining customers and the process for companies targeting larger market share and clients is immense.

As a telecom service provider, Banglali activities has a significant contribution towards the growth and development towards its customers to say for them in the market is important. Even though the organization is successfully running its operation, it has some limitations as well. There are still some areas where improvements are required. These are given below

- **Logistics Regression:**

It is a statistical method for analyzing a dataset in which there are one or more independent variables that determine an outcome. The outcome is measured with a dichotomous variable (in which there are only two possible outcomes). Hence, for predicting churn this method is one of the best way to predict about a customer's churn. Whether the customer is willing to stay or will churn in future. The goal of logistic regression is to find the best fitting model to describe the relationship between the dichotomous characteristic of interest between dependent and independent variables. Logistic regression generates the coefficients (and its standard errors and significance levels) of a formula to predict a *logit transformation* of the probability of presence of the characteristic of interest. (Schoonjans, 2017) and this helps to identity the probable churn customers and then make the necessary business decisions.

- **Decision Tree Model:**

Using a decision tree would give a more appropriate result, which is more accurate rather than

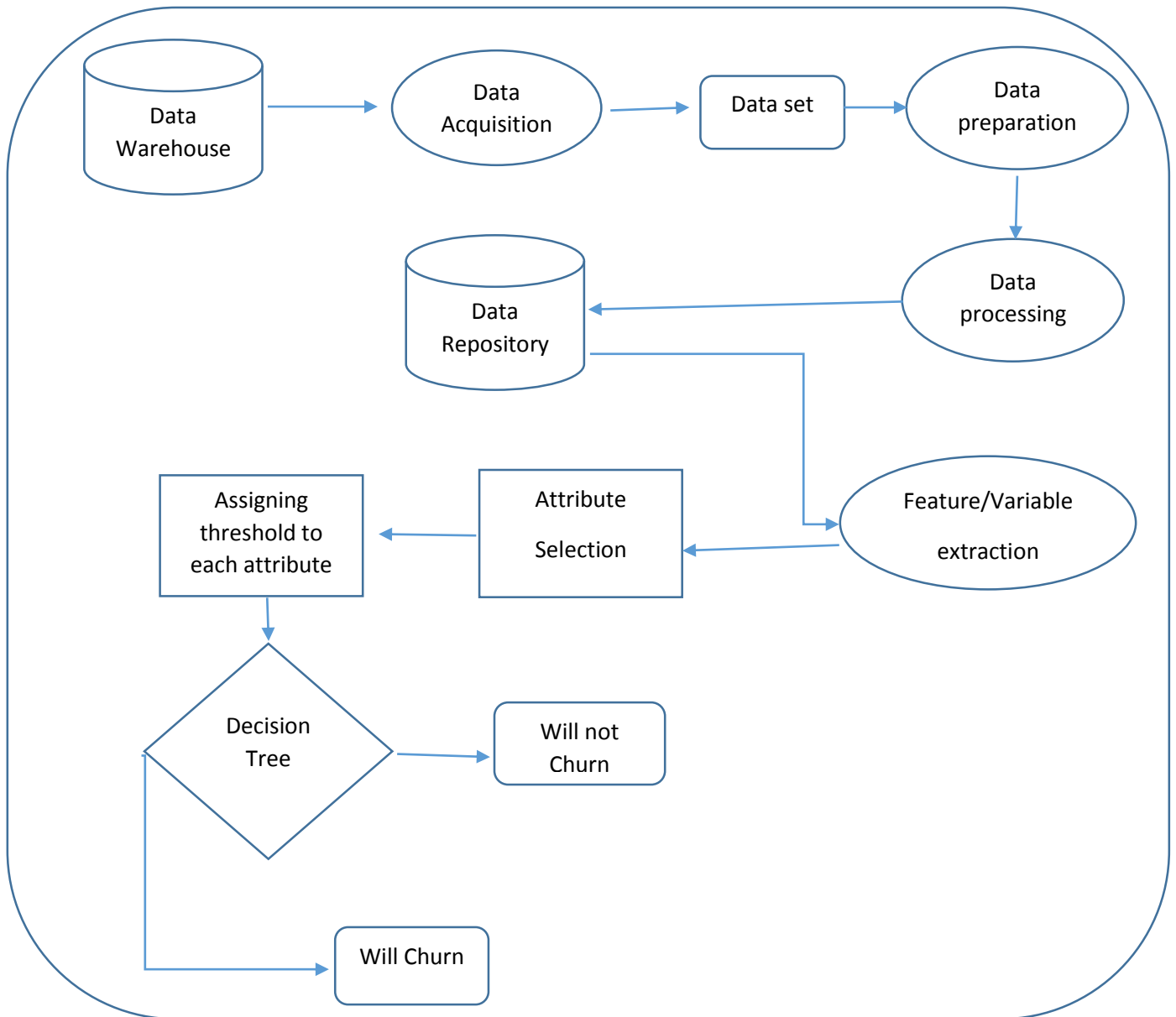


Figure 7: Decision Tree Model

using logistic regression. The result Decision Tree and Logistic Regression can be used by Banglalink to study and build the churn prediction model. The test records count predicted

correctly and incorrectly are evaluated on the performance of a classification model which would be modeled by the Base Intelligence team of Banglalink.

Conclusion:

Business loss is unavoidable, whereas keeping customers to churn can be controlled up to a certain level of significance. High churning rate for telecom service provider leads to a huge damage so better methods needed to be developed or enhancements of the existing methods can be use to prevent churning of customers to lessen. In this paper I have discussed about the factors that lead to churn and the possible ways that can be enhanced for tuning them up or upgrading for more accuracy. In previous research papers prepared by different researchers claimed that the accuracy of decision tree predicted was much feasible and correct suggesting decision tree to be more efficient process. Thus, it is important to understand that, we cannot satisfy all the customers all the time, but we can satisfy some customers all the time.

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Questionnaire:

Dear participant, this survey is aimed to simplify the behavioral factors of the respondents of how they decide to switch or not to switch to different operators and also to know their insights on it. It will not take more than 10 minutes to complete it. Your help is needed to make this a valuable research paper!

***ALL PROVIDED INFORMATION WILL BE KEPT SECRET

Research Based Information

1. How long you are using the Banglalink Connection?

> 1 year 1 year < 1 year

2. Will you recommend the Banglalink Connection to a friend or relative?

Yes No

3. Are you satisfied with the Network Coverage?

Satisfied Neutral Dissatisfied

4. Does Banglalink provides satisfactory services to their loyal customers?

Yes No

5. Do you prefer to maintain several Connections?

Yes No

6. On the scale of 1 to 3, how much important Network coverage is for you while choosing a Telecom service provider for outside Dhaka?

1 2 3

Very Important

Not Important

7. Do you experience any drop calls while using Banglalink?

- Yes No

8. On the scale of 1 to 3, how much VAS (Value Added Service) of Banglalink suits according to your needs?

1 2 3

Very Important

Not Important

9. Mark according to your positively induced medium of "Advertisement" by banglalink- (1=Not important, 2=Average, 3=Very important) *

1 2 3

TVC Promos

Print media

Facebook video

Youtube

Radio

Billboard

10. How reluctant are you to switch to other operators in near future?

1 2 3

Very much

Not at all

11. Are pleased enough to promote the Banglalink services through word of mouth?

- Yes No

12. Please put your mark for each statement (1=Agree, 2=Neutral, 3=Disagree) *

Mark only one oval per row.

	1	2	3
Discount price of Services affects unplanned switching			
Various schemes like Mixed bundles affect your decisions			
Various promotional activities motivate you to have multiple sims			
Display on new offer in retails stores attracts your attention			
Popularity of a service provider increases recall value and help in using any particular operator			

1

2

3

Comments of
reference group
influence you

Your income status
affects your recharge
amounts

Different
promotions in
festival seasons
prompt you.

13. Gender:

Male Female

14. Marital Status:

Single Married

15. Age Group:

18-25 26 – 35 36 – 4 Above 45

16. Education

SSC/ O level HSC/A level Graduate Post Graduate

17. Occupation:

Unemployed Service Holder Entrepreneur Student

18. Income Level (Monthly income in BDT): <10000 10,000 - 24,000

25,000 - 39,000 40,000 - 60,000 60,000+