

Doninant features of telecom industry of bangladesh

[Technology](#), [Mobile Phone](#)



Telecom Industry of Bangladesh [pic] Introduction: Mobile phone has become an indispensable part of Bangladesh's everyday-life and has made a " safe haven" in one of our pockets much like our wallet that we never want to leave at home while we head for our work! Thanks to the telecom-revolution and its relentless evolution that together have made it possible even in developing countries like Bangladesh. This is the dominant device that we now express ourselves through, get our work done and share our pains and pleasures with. Question : What are the industry's dominant Economic Features? Answers: Industries differ so significantly, therefore analyzing a company's industry and competitive environment begins with identifying an industry's dominant economic features and forming a picture of what the industry landscape is like. An industry's dominant economic features are defined by various factors. Each of these factors are very important to study in order to analyze the dominant economic features of telecom industry. The factors of dominant economic features and their explanations are presented below: Factors of Dominant Economic Features: 1. Market size and Growth rate 2. The Number and Sizes of Buyers and Sellers, 3. The Geographic Boundaries of the Market (Which can extend from local to worldwide) 4. The Degree of Product Differentiation 5. The Pace of Product Innovation 6. Market Supply/Demand Conditions 7. The Pace of Technological Change 8. The Extent of Vertical Integration 9. Economies of Scale and 10.

Learning/Experience Curve Effects Industry Size Citycell (Pacific Bangladesh Telecom Limited) is the first mobile communications company of Bangladesh. It is the only CDMA network operator in the country. On March 26, 1997, GrameenPhone launched its service on the Independence Day of

Bangladesh. They were the first to introduce GSM technology in country. Sheba Telecom (Pvt.) Ltd. obtained GSM license in 1996 to extend its business to cellular mobile, radio telephone services. It launched operation in the last quarter of 1997 as a Bangladesh-Malaysia joint venture. In September, 2004, Orascom Telecom Holdings purchased 100% of the shares of Sheba Telecom (Pvt.) Limited (" Sheba") & renamed it as Banglalink. Robi (formerly known as Aktel) launched its operations on the 15 November, 1997 in Dhaka and on 26 March, 1998 in Chittagong. Robi was formed as a joint-venture between Telekom Malaysia (now known as Axiata) and A. K. Khan Company. NTT DoCoMo, the Japanese Telecom Giant purchased A. K. Khan's share on September 19, 2008. The Only totally Bangladeshi owned operator TeleTalk started operating on 29 December, 2004. Warid was the sixth mobile phone operator to enter the Bangladesh market, and launched commercial operations on May 10, 2007. Telecom Industry Growth Consumer demand in Bangladesh makes the mobile and telecom market one of the fastest growing markets in the world. During the first six months of 2007, Bangladesh recorded 7.7 million subscribers, and by the end of that year around 35 million subscribers (a market penetration of 25%) was recorded, signifying year-on-year growth of 70%. Business Monitor International (BMI) has predicted that by the end of 2011, mobile subscribers will reach figures of around 115 million. Number of Rivals The Industry is fragmented into the following six companies Banglalink/Sheba (Orascom Telecom Holding S. A. E), GrameenPhone (Telenor & Grameen Telecom Corporation,), Robi/Aktel (Axiata Group Berhad & NTT DoCoMo INC), Citycell (Singtel, Pacific Group and Far East Telecom), Warid (Bharti Airtel & Warid Telecom International),

and Teletalk (BTCL). But thought all are trying their best. The industry is dominated by GrameenPhone. There are other competitors in the market, 1. BTCL Former BTTB 2. Peoples Telecommunication and Information Services Ltd. 3. Ranks Telecom Ltd. 4. Tele Barta Ltd. - branded under the name Jubok phone. 5. Jalalabad Telecom Ltd. - branded under the name Bijoy Phone. 6. Onetel Communication Ltd. 7. National Telecom Ltd. 8. Westec Ltd. 9. Dhaka Telephone Co. Ltd. 10. Integrated Services Limited (ISL) - branded under the name Sheba Phone S. A Telecom System Ltd. 11. Banglaphone Ltd.

Degree of Product Differentiation The Product of the rivals is becoming less differentiated due to the great competition among them. There is a great number of look-alike products that are brought to the market by the rivals, the value addition by them is also the similar therefore all these causing a heightened price competition.

Product Innovation As the technological change is taking place, there is great amount of innovation is done every now and then in telecommunication industry. A great amount of research and development is taking place in this industry in recent times. There are opportunities to overtake key rivals by being first-to- market with next generation products. The examples of which can be cited below: In our neighboring country, India, 3G mobile service had been introduced in 2008. Bangladeshi people also seeking for it as it allows simultaneous use of speech and data services and higher data rates. In our country, data transfer rate is really slow. People often face buffering problems while using Internet, and so people want higher data transfer rate. People also want 3G because of its higher security features as it allows the UE (User Equipment) to authenticate the network it is attaching to, the user can be sure the network

is the intended one and not an impersonator. As people are continuously being exposed to news of technological updates of other countries, the demand is being created. Supply and Demand Condition:[pic] Subscribers Growth in Bangladesh: [pic] Pace of Technological Change Technological factors can lower barriers to entry, reduce minimum efficient production levels, and influence outsourcing decisions. Technological factors include R&D activity, automation, technology incentives, and rate of technological change. Sadly Bangladesh does not have an infrastructure that allows for research and development of large scale. However, recent drives to automate day to day activities have been taken by a majority of telecom companies, most notable by GrameenPhone with their new corporate headquarters that reportedly runs on its own power supply and is fully automated (including doors, lights etc.). While Bangladesh's policies and government processes hamper fast technological change, the telecom industry has in many ways influenced the both the public and private sector to invest and bring in new technology such as WiMax and submarine cable, although limitations have not allowed these technologies to flourish.

Conclusion: Think of telecommunications as the world's biggest machine. Strung together by complex networks, telephones, mobile phones and internet-linked PCs, the global system touches nearly all of us. It allows us to speak, share thoughts and do business with nearly anyone, regardless of where in the world they might be. Telecom operating companies make all this happen.