

# Ptcl marketing plan assignment

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Executive Summary 1. 0 Executive Summary PTCL was once a government owned company which only dealt in telephony. Ever since it was privatized, it became a full fledged telecommunications firm which not only owned its telephony but now is offering a mix of different Internet connection types. PTCL has served both individuals and companies in Internet servicing. The focus here is to attain innovativeness in new connection types and maintaining quality, customer support will be helpful to PTCL in a profitable business.

Not customers receive the level of attention they want, the quality they want and Pakistan also lacks technological improvements. This plan focuses on the attainment of these opportunities. There is a lot of promise here for PTCL in terms of market share, profitability and image building. Situation Analysis 2. 0 Situation Analysis PTCL has been privatized in the beginning of 2006. After that, the company has provided a wide variety of telecommunication services to home consumers and business users. They also decided to emerge as a competitive Internet service provider.

However, despite the lower rates offered by PTCL in the form of different packages, it has had issues with customer experiencing low quality and poorly managed connections. The market is now an aware one where many hold information and consumers will try to select what is best for them. The basic market need is high-quality Internet with stable connections for both the home consumers and business users. Many remain loyal due to good packages and rates and extra added offers. 2. 1 Market Summary The Internet market of Pakistan is one that is lacking a lot of quality on the connections.

Customers are most of the time dissatisfied on almost any package they will get due to low quality and continuous disconnections. Be it an individual or a company, the customers are concerned with results. Customers will require attention and the firms operating lack communication and staying in touch with customers. The firms and the customers know a moderate amount of information on the market, its product offerings, pricing, the quality one should get for the certain price etc. Yet even under knowing what customers demand, there is less implementation in the firms on considering their needs and planning for their fulfillment. . 1. 1 Market Demographics The market customers comprise of the following geographic, demographic, and behavioral factors. PTCL can divided them into three target segment customers, mid-class individuals, high-class individuals and companies. Mid-class Individuals: Geographic ??? The developed cities of Pakistan in the 4 provinces. ??? The total targeted population is equal to the population within the developed city of the four provinces at anytime comprising only of middle-class residents. ??? Some individual customer are also in areas near to the developed cities outside them are also in need of this.

Demographic ??? Singles and families. ??? Ages 10-70. ??? Have attended school, college or graduate school. ??? Have a household income of more than 30, 000 and less than 120000 Rs. Behavioral Factors ??? People are more rational and want to get what they deserve for their money. ???

Customers will try out different connections to setup the connection which is feasible to them and has quality. ??? Hard to get discouraged customers back because they create a bad image which is very difficult to remove. ??? Are concerned for parental advisory incase of customers with children below

the age of 16 in households. Need attention incase of trouble shooting. High-class Individuals: Geographic ??? The developed cities of Pakistan in the 4 provinces. ??? The total targeted population is equal to the population within the developed city of the four provinces at anytime comprising only of high-class residents. ??? Very few individual customers are also in areas near to the developed cities outside them are also in need of this. Demographic ??? Singles and families. ??? Ages 10-70. ??? Have attended school, college or graduate school. ??? Have a household income of more than 120000 Rs.

Behavioral Factors ??? People are less rational than individual customers. ??? Will be concerned a lot about quality but not much concerned about the price they are paying for it. ??? Those customers will get discouraged quickly when it comes to quality but wont be discouraged easily even if they feel the price is high but the quality gotten by them is good. ??? Are concerned for parental advisory incase of customers with children below the age of 16 in households. ??? Need way more attention required by middle-class individuals. Companies/Businesses Geographic The developed cities of Pakistan in the 4 provinces. ??? The total targeted population is equal to the number of companies/businesses within the developed city of the four provinces. ??? Companies/businesses in areas near to the developed cities also require to stay in touch with the world. Demographic ??? Companies and Private Businesses. ??? Have an income of more than 150, 000 Rs. in case of businesses. ??? Have an income of more than 1000000 Rs. in case of companies. Behavioral Factors ??? Companies will be concerned in a way “ I want my job done”. Will be concerned a lot about quality but not much concerned about the price they are paying for it because for companies the

difference between 3000 and 15000 has the same level of immateriality. ??? Those customers will get discouraged quickly when it comes to quality but won't be discouraged at all on the price part. ??? Are concerned that employees can use the Internet in the finest quality to get jobs done properly. ??? Will try for higher speed rates due to division of networked computers and the recognition of monthly fee as immaterial. 2. 1. 2 Market Needs In the Internet market basically what the market needs are the following benefits.

Those are the needs which need to be concentrated upon in order to be successful. They are as follows: ??? Selection: A wide range of packages satisfying different consumers with different prices, Internet speed rate etc. ??? Accessibility: To access Internet in the least complex way with ease which doesn't include many procedures such as DNS settings. ??? Customer service: Customers will be impressed with the level of attention that they receive and the support they get if a problem occurs. ??? Pricing: Customers want the best they can get at the least possible rates. Innovation: Customers want innovation to keep coming as the world is progressing in technology day by day. ??? Quality: Quality service in the form of Internet would mean connection stability, no hidden charges or unstated extra charges. 2. 1. 3 Market Trends The Internet market has been exploited with several trends ever since Internet came to Pakistan: ??? Low quality: Ever since Internet came to Pakistan, people here have been continuously having patience with the disconnections, low signals and other troubleshooting that lead to disconnections or very low speeds on Internet.

Up till now there hasn't been a single connection that has given a proper connectivity like that of other developed nations like USA. ??? Creativity and Low Price: People demand quality but since none would give it to them, then the first preference after that would be low prices at newly introduced packages that are seemly introduced by the firms. ??? Frauds: Fraud amazingly has also been a very odd trend coming in the market that is mostly done in prepaid accounts where balance is deducted for no good reason leading to bad image of the firm and switching over of even the most loyal customers. Ignoring the Customer: Usually not in face-to-face conversation but while using a help line of a firm, people have noticed a rejecting tone coming from the help line operators of different firms. Some either don't know about what they operate for and some will tell you wrong solutions just to get the burden off of their backs. Also when there is a hardware failure or a connection that has to be setup, the guy rarely comes at the said time. Sometimes it takes even days of constant calls from the customer to bring him on force for fixing things up.

## 2. 1. 4 Market Growth

Till 2000, the Internet market was limited to only modem based connections. Even in that time the sales of the non-leading firms on average resulted to be about 25 million Rs. But like they say humans need innovation. The market share didn't decrease because Internet has become part of a man's daily life. But demand for higher speed connectivity connection rose. So in 2002 cable Internet was introduced which resulted in somewhat a failure due to a new trend of free hours periods available in modem connection scratch cards. The rate of speed offered at that time was only 56K and 64K.

People didn't see much difference between the modem 56K and 64K.

Therefore cable Internet is still present but not too successful, more like forgotten. Companies on the other hand used it in the beginning for their timeless connectivity but it was quickly replaced by DSL in 2003. In 2003 when DSL came, it replaced the little bit of market share achievable by cable Internet through companies. Later then in by 2006 the demand for DSL type connections was very high in the individuals. Now slowly it is taking care of Modem based Internet market share also as the prices are decreasing.

The market share of Modem based connections though are still not forecast to completely almost go all out like the cable Internet due to many people not being in need of high speeds. DSL Internet service providers first kept the prices high for achieving high profit from early users. By the mid of 2007 the prices came a lot lower, which can now be affordable by the middle-class individual. Prices are still lowering along with different packages. Currently in the Internet market 3% of people will buy cable Internet connections, 71% buy modem based and 26% have switched over to DSL.

As for companies almost everyone is using DSL, very few still use cable Internet, almost a ratio of 1 to 99 percent.

## 2. 2 Competition

There are three types of competitors that PTCL faces taking the Internet market into account. Those are ISPs that offer different speed rates with different connection types:

1. Modem speed providers (56K): These usually either provide their connections in the form of prepaid accounts or prepaid Internet cards in different prices with different hourly rates and benefits like free usage time.

A leading example in Pakistan for this type would be CYBERNET which came almost 2 years ago and is now leading the market with its quality, affordable rates and benefits. 2. Cable net providers (56K, 64K, 128K): Their Internet is rated sometime hourly or in the form of a monthly bill showing hourly usage which is then deducted from account balance or either a certain fee you have to pay in a month. The connectivity is either limited to remaining balance or expires at the end of the month. Those competitors now don't hold much in the market share and aren't very competitive because of the new offers coming from Modem and DSL providers.

They hardly hold only 4% of the market share. The other reason is that there is no awareness of this connection type. 3. DSL Internet providers (128K, 256K, 512K, 1M, 2M): The newest technology in the market which offer high speeds is right now in the form of monthly bills or prepaid accounts which has higher pricing than the other two types of connections. The only firm that provides it in the form of scratch cards connected to prepaid accounts is WATEEN. Right now LINK. NET is leading this segment due to its higher connectivity rate, good customer service and low rates. . Multiple providers: Companies and firms providing multiple types of connections with different packages at different rates. By far PTCL itself seems to be the firm with the highest innovation and offer rates from 56K to 2M. 2. 3 Product Offering Product offering coming from Internet service providers are currently divided into three types of connections. Each giving different speeds at different rates. Currently just the usefulness will be discussed since different Internet Service Providers give their packages at different rates than each other.



The types of connections through which Internet link is established are as follows: ??? Modem Internet: It is a method of dialing the ISP through telephone line and establishing an Internet connection in the form of a call. The minimum and maximum speed provided on this type of connections in the market is 56K. Dialing is required each time to connect. ??? Cable Internet: Internet is connected through a cable which may be offered in speeds 56K, 64K, 128K. It also needs to be connected but through an internal software procedure. DSL(Direct Satellite Link): Link is established to the Internet through sending and receiving of signals between a signal tower and a device known as DAP. The DAP is connected to the customer's personal computer to establish the link while the signal tower will emit signals received by it from a satellite. The speeds offered in this type by the market include 128K, 256K, 512K, 1024K(1 M), 2048K(2 M).

## 2. 4 Keys to Success

An Internet service provider would need to concentrate on those points to be successful. ??? Concentrating a lot on quality, quality and quality. Slowly lowering prices in accordance with competitors to maximize profit. ??? Diving into new Internet packages. ??? Becoming innovators of new technology in the market. ??? Gaining the trust of customers.

## 2. 5 Critical Issues

What primarily needs to be considered is building up image with good packages, proper customer support and providing quality. Its something LINK. NET has taken into account which is why it has hardly been 6 months since their commencement of business yet they are leading in the DSL segment.

## 3. 0 SWOT Analysis

The following SWOT analysis captures key strengths and weaknesses within the company and describe the threats facing PTCL as an Internet service

provider. 3. 1 Strengths ??? A high rate of innovation, that is to quickly dive into and introduce new products, services and packages. ??? Increasing reputation as an overall growing telecommunications firm. ??? Lowest Internet rates. ??? Effective management that can cope up with the difficulties provided the strategies followed by them have accuracy. ??? No frauds in DSL services as already done by WATEEN Telecom and BRAINS DSL. Packages that allow free modem Internet in certain time periods at lower cost for the overall packages itself. 3. 2 Weaknesses ??? Problem in conveying the message to show high quality Internet services with no disconnection once Internet quality has been substantially improved. ??? Connection failures, low signal level incase of both DSL and modem connectivity. ??? Weak customer support. 3. 3 Opportunities ??? 95% of the competitors lack quality. They are too focused on prices. Quality for quantity is a beneficial for any Internet service provider. The ability to attain the innovativeness in a new type of connections known as the T connections which can increase the sales gotten from companies by a 100%, build image and replace DSL connections in companies with T connections. ??? No bonus packages like free hours offered in the DSL segment. 3. 4 Threats ??? The calm and stability condition of the country and terrorist are specially after technological improvements like television, Internet and all such media related services. ??? The quickly growing competitiveness of different ISPs. ??? Benefits like free hourly rates for the least affordable value in case of modem Internet rising.

Objectives 4. 0 Objectives Each plan must have its objectives. Below are the marketing and financial objectives that the plan wishes to realize. The

objectives are more emphasized on marketing related objectives. 4. 1

Marketing Objectives 1. Maintain positive, steady growth each month with the first month being the one with the highest growth and then diminishing per month. 2. Experience an increase in new customers who are turned into long-term customers. 3. Uplift firm's image by differentiating with quality and innovation. 4. Become innovators of the T connections in Pakistan. .

Keeping prices as low as the best competitors. 6. Capture at least 40% of the total Internet market share. 7. Capture at least 60% of the modem segment's market share. 8. Capture at least 40% of the total DSL segment's market share. 9. Replace at least 25% of the DSL connectivity in companies with T connections. 4. 2 Financial Objectives 1. Realize at least a 25%

increase in profit this year and slowly move the percentage further up taking current year as a base. 2. Minimize equipment cost of DSL and T connections by 2 %. Marketing Strategy 5. 0 Marketing Strategy

PTCL will's key importance will be to grab customer attention through beneficial packages in existing segments as well as introduce new technology. They will advertise in almost all types of media to convey message to as many people as possible. PTCL in other words have to communicate in such a way that they are simply the best alternative for the customer in the internet market. Through them customer will get benefits, they will be satisfied with a level of product not available through the rest of the market, they will get those products and benefits at a lower price, they can opt for the new technology only provided through PTCL.

The other important thing to do is make brand loyalty. PTCL in the past has had issues with customers over customer service, product quality and prices.

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This strategy should heal a lot of earlier wounds. Until a competitor equally competitive emerges, PTCL should concentrate on image building to grab as many customers as they can as well as satisfying old customers who had the issues. This will require a good customer service. 5. 1 Mission PTCL's mission is to provide high quality connections that do not lead customers into thinking that they have paid for nothing and give no compromise on quality.

Stability and innovation will become the strong suite of the company. 5. 2 Target Markets Strategies PTCL's is going to adopt the following target market strategy for its respective customer class. Mid-Class Individuals will mainly be attracted through the modem and DSL services. High-Class Individuals will be attracted through the company's DSL offers and T connections to some extent. Companies/Businesses will mainly be concerned more with the new T connections and DSL. Only small businesses like shop might be concerned with Modems based internet. The roles played by different services will be discussed later in the marketing mix.

As for the customer support and promotion, the strategies for the segments will remain the same. 5. 3 Positioning PTCL will position itself on the basis of the following: ??? Flexible. Different packages plus bonuses. ??? High-quality ISP. No disconnections. ??? Professional image. ??? Reliable. Great customer service, quick database systems and no frauds. ??? Innovators. Introducers of T connections. 5. 4 Marketing Mix PTCL's marketing mix is comprised of the following approaches to some new packages, their pricing and their availability, distribution, advertising and promotion, and customer service.

New Packages and their Pricing and Availability: Some packages will be newly introduced to match with that of the competitors. Those will include: (1) Modem Internet: PTCL's telephone line connections are almost available in every single house ranging in the middle-class and high-class individuals of the society in Pakistan. A package be made where one connects to the Internet using a common username and password at anytime and that Internet bill is included in the telephone bill.

Other things that could do even better for this package is adding to it bonuses of about 40 free hours and a specific given time periods of the day where connectivity is free. Like 10 pm to 8 am in the morning, a package that is present in many other different cards. As for the non-free hourly rates, it would do good at 5 Rs. per hour. This can bring wonders to PTCL in the Internet market. People already have their telephone connections and under a common username and password, the following benefits can be achieved: 1) A customer doesn't have to make new accounts. ) A customer doesn't have to go to any nearby shop for Internet cards because he already has a Internet card priced connection available to him at home. 3) One doesn't have to buy cards to get free hours at night time because now he can just connect and dial using a known username and have free hours at the night. 4) This will enable PTCL to grab a lot of market share quickly from Internet card dealing firms and easily become a leader in this segment and grab a large amount of market share in the overall Internet market. ) Many users using DSL just for the purpose of achieving unlimited connectivity and are not concerned with speed can consider this a low cost alternative. 6) Since modem is dialed up, the number of free hours given in the package

still won't disturb the call prices and the more Internet is used the more revenue will be generated in the form of calls. (2) DSL Internet: The concept of limited volume needs to be completely removed first which is very much hated by the customers. PTCL will enhance its connectivity signal by energizing the system with more towers like that of Jazz in case of mobiles for better connectivity.

Unlike many other DSL providers, PTCL has provided discount package for students. PTCL will add more discount offers to the DSL segment as no other firm currently operating in the Market offers it. Also the prices of DSL connectivity will be reduced by 20%. Due to lack of awareness of quality in the market, people will opt for PTCL's DSL services. Once a customer, they will realize the difference between not only the pricing, but also the difference between PTCL's quality and the quality of the DSL services which they have been using earlier.

In the quality department only LINK. NET will prove to be a good competitor but to PTCL's advantage, they have the resources in order to lower costs and thus prices. The prices will be (1) 512K for Rs. 900, (2) 1024K 1400, (3) 2048 K for Rs. 2000. (3) T Internet (The Innovation): For analyses purpose to measure demand of this new technology, PTCL will distribute questionnaires, online questionnaires and apply other forms of ways for data collection. The questionnaire method must be applied on companies as they will be the main focus of the new type of connection.

As for individuals, the questionnaire will appear automated as they Log On to any internet service provided by PTCL. A program will be implemented in

order to record IP Addresses from which data has been received in order that the questionnaire doesn't appear as annoyance to them again when they Log In again in future. If the demand is sufficient, PTCL will try to replace as many Modem and DSL users of the market with T connections. The rate of conversion will be very low incase of individuals but like discussed earlier, companies will be the main focus.

Higher speed connectivity means that the resulting division of speed on a large network of computers will still result in a speed better than reasonable for each individual computer. To lower costs, PTCL will purchase equipment, devices etc. from China where manufacturing cost is very low. For the starting several years, PTCL will charge a price of installation as well as giving the service. Once this segment has expanded to a larger number of customers and competitors, the installation will be done free like that in PTCL's DSL services to attract more customers. The starting package should be of 4. M speed offered at a price of Rs. 15000. This will be up till a competitive firm having the same technology enters into this segment. Later the prices can be reduced. Advertising and Promotion: The advertising for new products, new packages, discounts etc will be done through newspaper, television, internet and mobile in order that benefits which PTCL intends to provide to its market customers may be recognized by them. The discounts on DSL and the innovation of T1 type connections in the market have to be emphasized upon a lot due to lack of awareness. Customer Service: Obsessive customer service is also the firm's friend.

PTCL's criteria for satisfying customers should be that whatever needs to be done to make the customer happy must occur, even at the expense of short-

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term profits. In the long term, this investment will pay off with a fiercely loyal customer. This includes not ignoring problems, fixing problems without laziness, hiring professional personnel or training older ones into fields like database management and troubleshooting so unlike other most incompetent firms in Pakistan, the customers can be made happy with support from PTCL which in turn should also add up to the image building and long-term approaches.

Financials 6. 0 Financials This portion of the marketing plan emphasizes upon financial projections for the coming 3 years. That will cover up only the projected sales and expenses that are linked to the marketing strategy that is to be followed in this plan. 6. 1 Sales Forecast This is a summarized forecast of sales that PTCL should incur. The sales generated from Mid-Class individuals should rise in 2009-2010 due to high expected rate of switching over to the new modem package, the lowered prices of DSL services etc.

In Mid-Class individuals, very few hardcore users will switch over to T internet. High-Class individuals will increase profit at a more faster decreasing rate than Mid-Class Individuals due to the fact that most of them are still availing DSL services and very few will switch over to T connections.

The sales generated from Companies/Businesses will increase by a great percent over the 3 years as companies want T connections for better speed availability to each computer in a network. Sales Forecast | | Sales | FY 2009

	FY 2009	FY 2010	FY 2011						
Mid-Class Individuals	\$19, 944	\$38, 899	\$51, 212						
High-Class Individuals	\$51, 428	\$72, 545	\$78, 998						

	FY 2009	FY 2010	FY 2011						
Companies/Businesses	\$71, 372	\$111, 444	\$130, 210						
Direct Cost of Sales									
Mid-Class Individuals	\$2, 393								

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\$4,668	\$6,145	High-Class Individuals	\$6,171	\$8,705	\$9,480		
		Companies/Businesses	\$8,565	\$13,373	\$15,625		
						Total	6.2

Expense Forecast

This is a summarized forecast of sales and marketing expenses that PTCL should incur while following this plan.

Marketing Expense Budget			
FY 2009	FY 2010	FY 2011	
Advertising	\$1,100	\$1,100	\$1,000
Other	\$1,050	\$1,050	\$1,000
Total Sales and Marketing Expenses	\$2,150	\$2,150	\$2,000

Action Plan 7.0 Action Plan Implementation

The following milestones identify the key marketing programs. It is better to stay on the assumed budget and periods prescribed for carrying out of plan.

8.0 Controls Performance judging depends on the type of plan. For this marketing plan the following areas will be monitored to gauge

performance: ??? Percentage of monthly and annual revenue increase. ???

Revenue: Monthly and annual. ??? Expenses: Monthly and annual. ???

Customer satisfaction in case of quality measurement and customer service. ??? Percentage of growth in all connection types excluding Cable

Internet. 8.1 Marketing Organization Mr. Walid Irshad the President and CEO of PTCL is responsible for the business.

Mumtaz Ali Khan is the Marketing Department manager responsible for all activities within the department which includes all sorts of advertising campaigns in case of the marketing plan. Ahmad Adnan, the Service Department manager will be responsible for the management of new services development and management. Hassan Rashid, the HRM Department manager will be taking care of the recruitment, training of

existing employees in order to enhance customer support, as well as grasping newer technologies within the firm to make better operators answerable to different trouble shooting problems. 8. 2 Contingency Planning There are some difficulties and risks that PTCL faces due to Pakistan's lack of awareness of technological improvements which totally apply in the internet box.

They are as follows: ??? A competitor should take action on being earlier in the new plan totally replacing the image PTCL starts this plan out for. In this case entirely new marketing plans need to be come up with. ??? Personnel are not able to handle the situation due to lack of technological understanding. Try to not let the situation get out of hand by training. ??? Weighted servers leading to even more downgrading in quality in modems case. Multiply outlets for the direct modem connections. ??? Having to liquidate newly bought equipment on loss to cover liabilities incase of an unsuccessful launch on new products. Make sure that all necessary procedures are beforehand before going into plan implementation.