



Capturing Market Share and Creating Brand Image: The Scenario of Mobile Phone Sets Industry in Bangladesh

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Abstract:

In this present day none can imagine a single movement without a mobile phone. The world is becoming a mobile phone circled world. In Bangladesh the mobile hand set market is highly potential like any other country. In this study the main focus point is to capture a mobile phone set market and making a new brand image by a new company who wants to enter into Bangladeshi mobile phone set industry. This study has analyzed the current and future customers of mobile phone sets in Bangladesh. In this report researchers are also describing the mains key points to capture mobile phone set market in Bangladesh. In this report the SPSS 20.00 versions were used for analyzing Pearson correlation, regression and frequency analysis. Moreover, a survey regarding mobile phone set demand which was conducted in major two cities, Dhaka and Sylhet, for analyzing the customers' preference to buy a mobile phone set among 200 respondents. Finally, the study recommends some critical factors for launching a new company and making a brand image in this industry with high efficient and effective way.

Keywords: Market Share, Brand Image, Mobile phone, Electronic Market, Bangladeshi Market.

Introduction

Now everyday life mobile phone set has become an indispensable part of Bangladeshis daily life. The mobile phones also are turning as a basic need in day to day working life. Primarily the mobile handset industry in Bangladesh was totally dominated by the finishing giant Nokia Corporation, the time when the mobile phones were creating a great value among the people of Bangladesh. Mobile phone set industry is a very recent issue in Bangladesh. Most of the countries of the world were dominating the major giant Samsung and their phone sets were very costly and durable(Hoque, Saif, & Bao, 2015). Nokia creates a value by introducing low cost feature phones in Bangladeshi mobile phone set market(Uddin & Akhter, 2012). But today in Bangladesh, it is a non-collusive oligopoly with local brands like Symphony dominating the industry of mobile phone sets industry. They have successfully competed with international giants like Samsung and Nokia from the beginning of their journey in Bangladesh.

The mobile handsets market in Bangladesh is gigantic(j & Cook, 2010). Bangladesh has been making a new era of mobile industry in recent years with the falling prices of handsets ,people's

increased affordability and made the revolution in this industry(Hoti, 2015). All over the world the number of cell phone in their hands are nearly 75 percent of total world populations(worldbank, 2015). According to the Mobiforge (Bangladesh, 2016), an international organization for mobile research and development, recently Bangladesh has 100 million and above cell phone users they also added. The main revolution was started from the introduction of china made low price mobile handsets in Bangladeshi market.

Objectives of the Study

The primary objective of this study is to capture market and create a brand image by a new company of mobile phone set market in Bangladesh. The specific objectives are:

- i) To analyze the current mobile phone set market and major competitors in Bangladesh.
- ii) To identify the main factors for creating a new brand image and capturing market share of mobile phone set industry in Bangladesh.

Literature Review

A study demonstrates the exponential growth of the mobile market and mobile telephony is compensating for the low fixed phone penetration in all the regions in the developing world like Bangladesh. From the same article another important area of research that could be given greater attention is the number of mobile phone customers in Bangladesh are increasing day by day in a rapid way(Rashid & Elder, 2009).

The penetration of mobile is higher than would be expected given its low income status people in Bangladesh. Subscriber penetration reached 40% at the beginning of 2014 and it is expected to grow to 50% by 2020 and this impact will influence on the number of mobile phone set users by the various phone set companies(Lucini & Hatt, 2014).

From age analysis of respondents indicates that most of the respondents fall in the age group of 19-25 years as it was indicated by 21.2 percent respondents and occupation shows that in case of service and students respondents are 45 that indicate 28.1 percent for both and business and housewives include 35 respondents each that indicate 21.9 percent in the sample. Most of the customers of smart phone are young generations and highly educated people around the country (Uddin, Lopa, & Oheduzza, 2014).In their study they also identify the average income level of Bangladeshi people is 20000 taka(local currency) or below(Hasan, 2013).

The major features of smart and basic phone are in an average facility. The mentalities of Bangladeshi customers are getting more and more but paying less to lesser(Laisuzzaman, Imran, Nadim, & Amin, 2010). A study shows that on an average 51% respondents prefer the mobile phone handsets which have internet or browsing facility, multimedia facility, resembling to the long lasting battery life of the handsets, good camera facility ,dual SIM standby, internal, external memory, warranty and high processor (Rahman, Abdullah, & Jamil, 2013).

The number of sales of mobile phone sets will be increased by the facilities given the existing various mobile phone operators in Bangladesh(Alam & Noor, 2009). The sale of phone sets has a great impact on the operators of cellular network providers(Siddique, Garnevska, & Marr, 2015). Citycell has lost their customers because of their customized phone set. At the same time Grameenphone has been increasing the number of their subscribers because of low cost of their facility and access all kinds of mobile phone sets (Rahman M. T., 2010).

E-commerce promotion through online shopping or marketing has a great impact for increasing the number of mobile phone sets demand(Islam M. M., 2016). Low cost with high capacity smart phone can increase the e-commerce operational demand in Bangladesh as well as e-commerce can increase the demand of smart phone relatively(Ahmed, Islam, & Qaom, 2015).

The infrastructure of cell phone industry in Bangladesh is rapidly changing with high rate of return from this market. The competitive analysis of other markets such as India, Pakistan, and Nepal is much more catchable rather than in Bangladesh (Islam I. , 2010).

A significant impact on mobile networks has been introducing on economic sectors (Rigouzzo, 2009). The consumer buying behavior is influenced by two major factors and the major categories of individual factors affecting consumer behavior are demographics factor, knowledge of consumer, learning and perception, personality and motivation and life styles of people (Rima & Islam, 2013). The another category of factors is environmental factors which represent those items outside of the individual that affect individual consumer's decision making process for purchasing products (Sata, 2013). The main strategy of moving local market to any other new local or global market are maintaining the quality control, after sales services, customer services and standard of products (Hoque, Faruque, & Mahbub, 2013).

Methodology of the Study

This study is based on the descriptive analysis of current mobile phone sets market in Bangladesh. In this study both primary and secondary sources were used to analysis the market scenario. Here primary data were collected by making a formal questionnaire. 150 respondents from 20 locations of two major cities namely Dhaka and Sylhet were selected for conducting the real market survey of mobile hand set demand in Bangladeshi market.

Areas of the Study

The study was conducted in two major divisions namely Dhaka and Sylhet in Bangladesh. Thirteen locations from Dhaka city and seven locations from Sylhet city were selected for conducting this study. This research try to understand the impact of various factors such as age, location, education, monthly income, per capita income, price and mentality to buy a mobile hand set and capture the market share by creating brand image by a newly operated mobile phone set company in Bangladesh.

Analysis the market shares of various mobile phones sets company in Bangladesh

To capture any new market in Bangladeshi market first and foremost analyzes the current market of that market. From the very beginning of the mobile phone set industry in Bangladesh only one company was dominating the whole industry that was Nokia Corporation. It is also used to that only high income group of people can access on this advancement of technology. But Nokia brings the revolutionary change in this industry. They first introduced mobile phone set for middle income group people in Bangladesh (Lin, 2015). From the beginning of their introduction they dominating the total mobile phone set industry. Day by day the technology is changing and the feature phone set is replacing into smart phone set. In this rotation of this industry Symphony comes into the market and they introduce low cost smart phone as well as feature phone set.

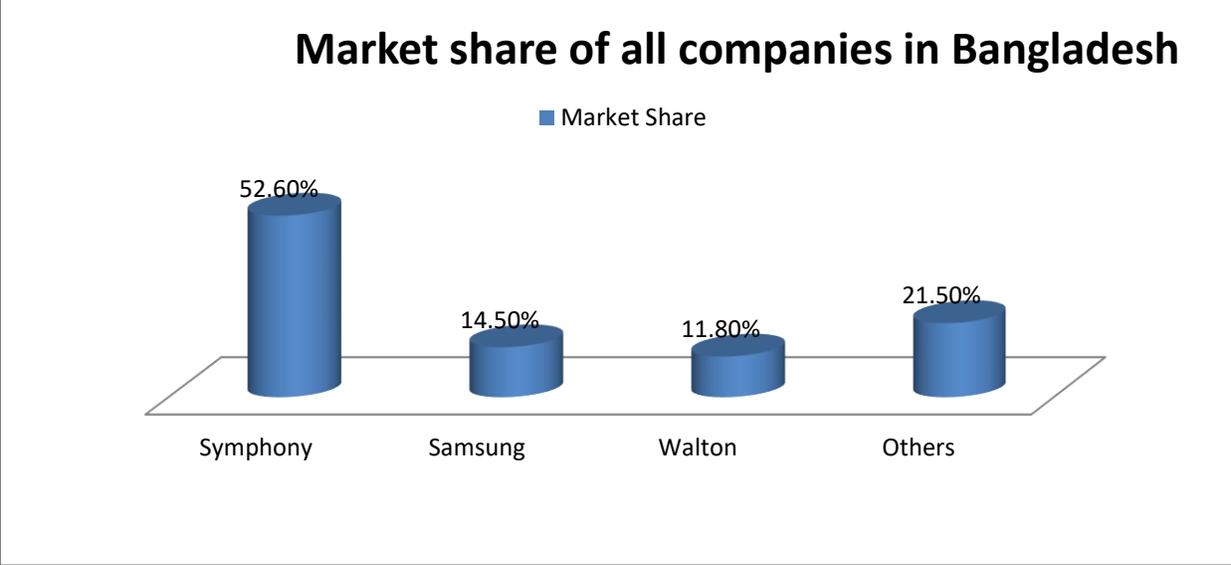


Figure1: Market share of major mobile phone set company in Bangladesh.

From the figure:1 now in Bangladesh the smart phone market share was for symphony 52.6%, samsung 14.5%, walton 11.8% and others 21.5% in the end of December 2015 according to the Cyber Media Research (CMR). So from the competitive analysis the main target customers are low and middle income group of people in Bangladesh and the price of new mobile phone set company must be on the range of this target customer.

In 2015 according to the telecoms regulators, the number of mobile subscribers was a little over 130.8 million by the end of August, as per the sale of SIM cards in Bangladesh. During the same period in 2014, numbers of mobile phone was 117.5 million that means the number of subscribers increased by over 11 percent in one year(Abedin & Ferdous, 2015). But in 2016 for biometric registration the numbers of active mobile phone subscribers are decreasing a bit. On an average the total numbers of mobile phone subscribers are 110 to 120 million(Raja, Velmurgan, & Seetharaman, 2008). By analyzing this data, it is shown that the numbers of mobile phone sets are 115 million and in every year more than 1 million new customers are included in this figure. The mobile phones set industry are increasing day by day in every year.

Profitability analysis of various mobile phones sets in Bangladesh

Bangladesh is country in which there is huge demographic dividend that’s the main competitive advantages for doing any business. Any new company in mobile hand set market easily can get access in here because there is opportunity in median age population(Alshurideh, 2014). Around 64 percent are in the age of 16-54 years. Compare to total population 160 million customers for any new company(number-of-smart-phone-user-in-bangladesh, 2015). To capture this market, the new company must apply such kind of policy which can attract this range of people. On the other hand, the annual urbanization rate is 3.5 percent. From this perspective the smart phone and high features phone market are crated in every year. According to the data of World Bank doing business report the current condition is much better than any other five years. Bangladesh is small country but it has a huge population which can easily captured by the minimizing the cost of advertisement.

Targeting the customers according to demographic categories

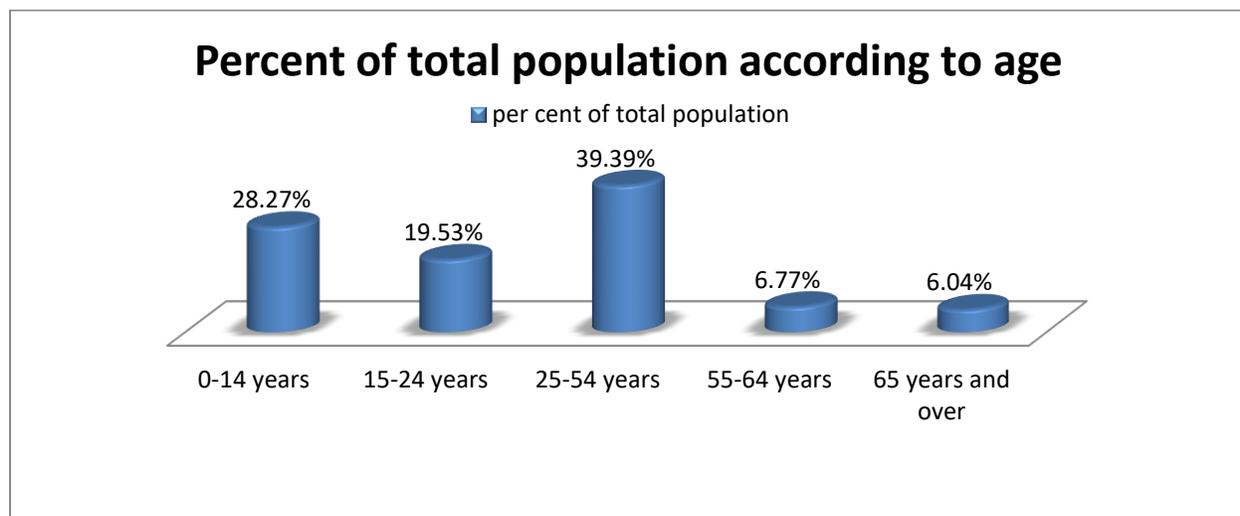


Figure 2: The percentage of total population in Bangladesh.

From the figure: 2 we can see the 0-14 years' people are 28.27 percent, 15-24 years are 19.53%, 25-54 years are 39.39 percent, 55-64 years are 6.77 percent and 65 years and over are only 6.04 percent of total population in Bangladesh.

According to the given data the main target area for any mobile phone set company are 15 to 24 and 25-54 years old people in Bangladesh (Bangladesh Bureau of Statistics (BBS), 2016). These two age groups are also divided into two parts one is young people and another is middle age people. The combinations of these two groups of people are 58.92 percent. So 0 to 54 years of people are 87.19 percent of the total population in Bangladesh. That's the target customers for any company in Bangladesh. When Symphony comes to Bangladeshi mobile phone set market they set their target on 15-36 years of people and they get their desired success competing with the market leader Nokia (Alom, 2012). Symphony creates their brand name and capture market share only by taking this target area. Till now the target market is fixed but the products feature is changing day by day. If any company can want to enter in Bangladeshi mobile phone set market they have to target 15-40 years of people. On the other hand, the smart and feature phone set demand in Bangladesh is nearly to close. Our 35 to 54 years of people are in a huge range and they are comforting to use feature phone. That is another important point to capture the market in Bangladesh.

Introducing the new phone sets on the basis of various categories of age

We are taking 300 respondents in various locations from two major cities Dhaka and Sylhet division in Bangladesh for choosing the phone set. According to a survey in Dhaka city's areas were mirpur, tejgaon, dhanmondi, dhaka university campus, agargaon, taltola, gulshan, baridhara, DOHS, mohakhali, bosuhdhara R/A, tejgaon C/A and ajimpur R/A. In Sylhet city's areas were considering zindabazar, mirermoydan, south surma, mirza jangal, kumarpara, mirabazar, mojumdarpara,

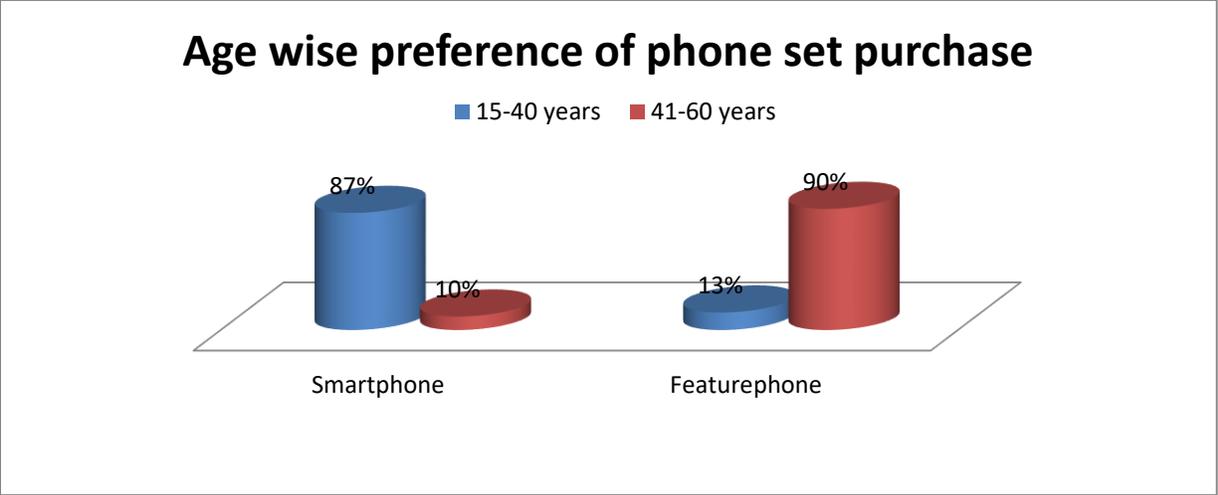


Figure:3 The demand of smart and feature phone percentage in Bangladesh.

It was found from various age wise analyses that 87 percent costumers from 15-40 years prefer to buy smart phone set and 13 percent prefer to buy features phone set from the Bangladeshi mobile phone set market analysis. At the same time 90 percent of old age customers (41-60 years) prefer to buy features phone set rather than smart phone set(tradingeconomics.com/bangladesh/wages, 2015) from the same market. This scenario is same all other cities in Bangladesh regarding the demand of smart and feature phone sets.

From the Table:1 the analysis of market demand of mobile hand set is nearest to the age wise phone set choice. A survey among 300 respondents from Dhaka and Sylhet divisions it was fund that 238 out of 300 (79.3 percent) people were liked to purchase smartphone for their daily activities on the other hand 62 out of 300 (20.7 percent) people liked to purchase basic or feature phone hand set. From the Table:2 it is shown that using the Pearson Correlation there is significant relationship between age and choice of mobile phone set in Bangladeshi mobile phone set market.

Considering the monthly income in Bangladesh

According to the trading economics the monthly income of Bangladesh was 3506 taka in 2006.The average income are increasing day by day from 2006 to till now. In 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015 the average income of Bangladesh were 3779 taka, 4227 taka, 5025 taka, 5 459.7 taka, 5781.6 taka, 6469.2 taka, 7388.4 taka, 7843.67 taka, 8661 taka(tradingeconomics, 2014). From the average income statistics it is seen that every person is able to buy a smart phone because the average price of any smart phone is on an average 8000 taka to 9000 taka in Bangladesh(Sarker, 2014). The feature phone set price is below the 4000 taka. To capture Bangladeshi market this would be the target price for promoting the new mobile phone set brand in Bangladesh.

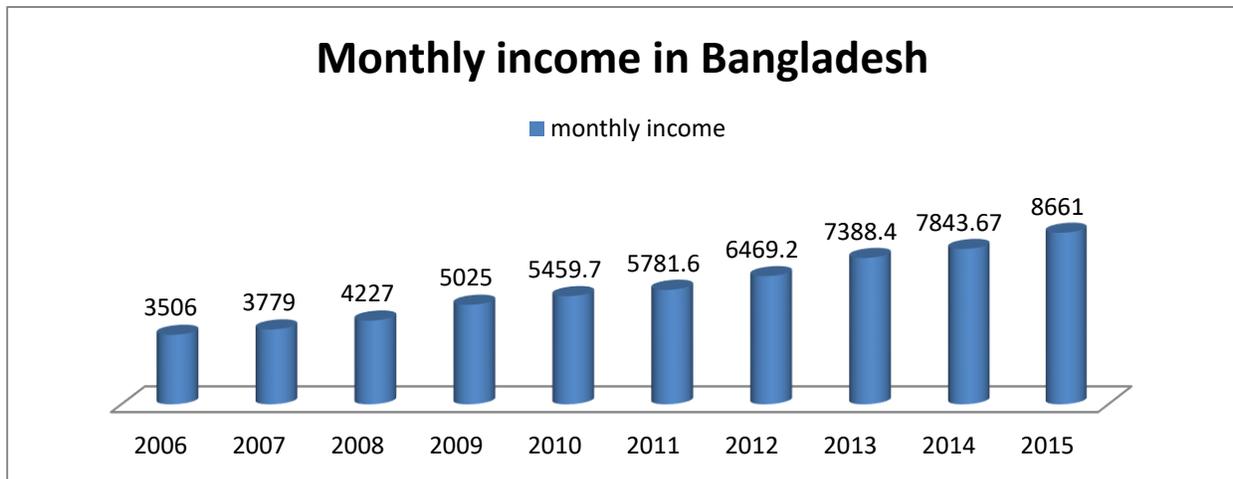


Figure 4: Average monthly income in Bangladesh

Introducing new phone sets on the basis of literacy rate

From the introduction of the cellular phone set market in Bangladesh the adult literacy rate (people ages 15 and above who can both read and write with understanding a short simple statement about their everyday life) was 47.49 percent in the year of 2000 (Ychart, 2015). The adult literacy rate was 59.72 percent in the year of 2013. This rate were in 2014, 2015, 2016 respectively were 59.82 percent, 61.58 percent and 61.70 percent (Discovery Bangladesh, 2016). So there is a tendency to increase the rate of literacy. That means the market of mobile phone set is rapidly changing feature phone to smart phone. Most of the people are getting literate so they try to get the opportunity to get the modern technology. From this perspective the market share of smart phone are getting bigger than any other year in Bangladesh.

Properly use this huge rate of population increase

The rate of population increase is a booming option for any newly branded mobile phone set company in Bangladesh. The rate of population is increasing in every day it's a huge opportunity for each and every new market entrance. From the figure 6 it was shown that the population of Bangladesh is increasing in an increasing way. Each and every year population were increasing, it will be an easy target for any new company those who wants to enter into this market.

It was shown from the figure 6 that the Population was 146.1 million in 2010 and in 2016 this population was reached at 160.04 million so it's a huge opportunity for any new company entrance in Bangladesh. Properly use this population and capture the market share.

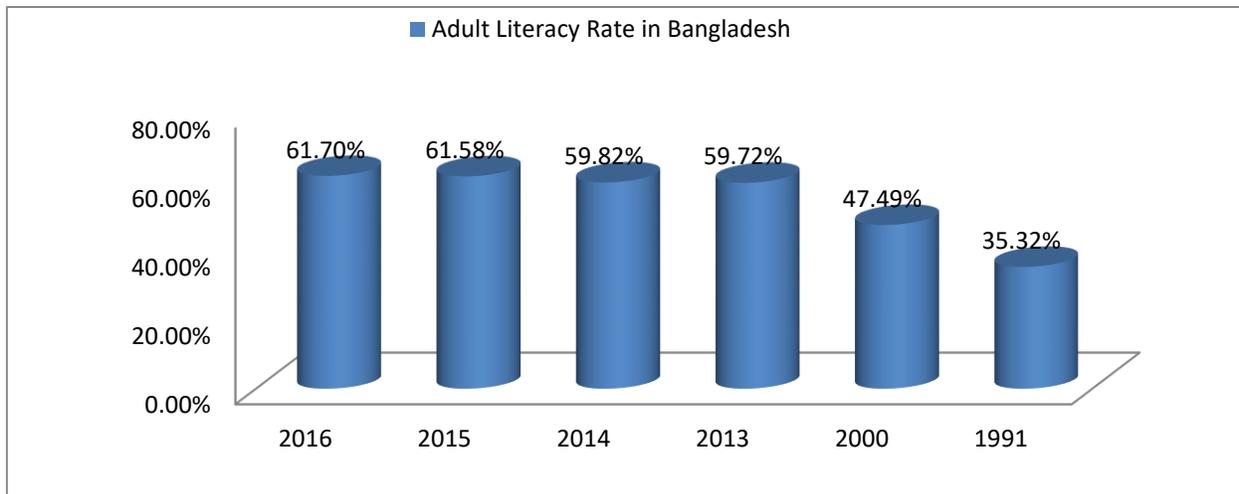


Figure 5: adult literacy rate in Bangladesh

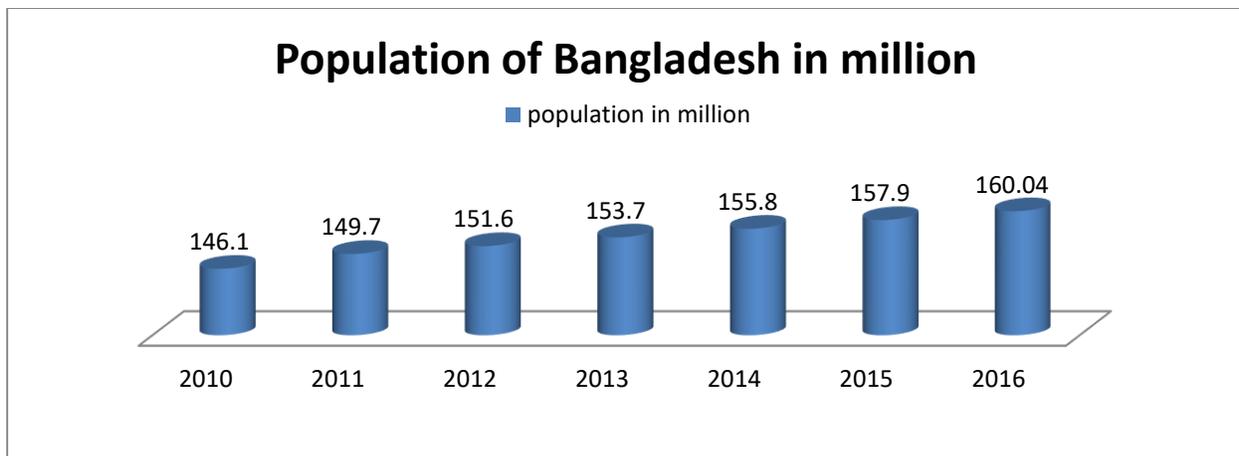


Figure 6: Population of Bangladesh in various years (in million).

Recommendations

By analyzing the report some critical recommendations are summed up here:

- Any company who wants to capture or make a brand image, they must fix the target customers and make the customized products for them in Bangladesh.
- As the market shares of smart phone are getting bigger than any other previous year in Bangladesh so the demand of smart phone are gradually increasing day by day. The newly operated company should consider this factor for capturing the market.
- The average monthly income is almost same the majority portion of the people in Bangladesh for this reason the new company must consider the pricing factors.
- The study found that 87 percent of customers are young in their age so most of them prefer the smart phone set rather than feature phone sets this should be considered when new company will launch their business operation in Bangladesh.
- From the perspective of profitability analysis, the newly opened mobile phone set company in Bangladesh, they should always try to focus promoting their features based on the demand of young generations and middle age population.

- Customers psychology is the most important fact before introducing a new hand set in the market the company must remember in their mind that customer perception and their psychology a good example was made by the Symphony in Bangladesh.
- One good feature can capture the total market for an example Oppo phone capture the Bangladeshi mobile phone set market with introducing this within a very short period. So the new company must focus on more which feature is most popular for the users and also remember the pricing fact.
- A large amount of customers who are using the feature phone or normal phone so every new company must develop such kinds of model of normal phones which can used for simple task such as talking, messaging etc.
- The mobile phone set market in Bangladesh is very challenging so in every step the newly launched company must maintain the minimum standard with a reasonable price (for an example the Symphony capture the market with this strategy) for capturing the market.
- Maximum Bangladeshi customers want to buy a good branded phone set it was found that in a survey so the new company must do maintain a standard.

Conclusion

The analyses the Bangladeshi mobile phone set market the research were found some recommendations; new company must follow the income level of the people, per capita income, trends to buy a mobile phone set of the customers and the young group of the customers, for mobile phone set companies in Bangladesh. This research also emphasis on one specific feature which can capture the market and create the brand image. Today's market is very competitive market in every shape of the market. Every second is important for a new company because there is a scope may appear in each second. So the new company should concern each and every time to capture and create the brand image.

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Appendix:

Table:1 Choice of Mobile Phone Set in Purchase Decision

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Smartphone	238	74.4	79.3	79.3
	Feature phone	62	19.4	20.7	100.0
	Total	300	93.8	100.0	
Missing	System	20	6.2		
Total		320	100.0		

Table: 2 Correlations between age and choice of Customer

Table:2 Correlations between age and choice of Customer			
		age	Choice of mobile phone set
age	Pearson Correlation	1	.733**
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	2.640	834.727
	Covariance	88.290	2.792
	N	300	300
choice	Pearson Correlation	.733**	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	834.727	49.187
	Covariance	2.792	.165
	N	300	300
**. Correlation is significant at the 0.01 level (2-tailed).			