

NUST INSTITUTE OF MANAGEMENT SCIENCES

RESEARCH STUDY

**“BRAND WARS AND FAILURES, FACTORS,  
REPURCUSSIONS AND RECOMMENDED BRANDING  
STRATEGIES”**

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2003-NUST-MBA-120

## **ACKNOWLEDGEMENT**

In the name of Allah, the most beneficent and the most Merciful, first of all, I am extremely grateful to my Allah who gave me the strength of knowledge and allowed me to exhibit my time management skills properly. Without His continuous, support and will, this study would definitely have seen the light of the day. Because of His given understanding, I have been able to research on this study with data that is extremely reliable and free from false justifications. After that, I'm highly obliged to my Instructor, Advisor, Consultant and mentor without whose spirit, motivation and time- and again guidance, this study would not have been able to get a start even. Ma'am Zeenat Jabbar, the sole inspiration behind this research study has boosted my morale every now and then and his congenial and thought provoking support helped me to benefit from her knowledge, that I have tried my best to implement in a practical manner. I'm grateful to Mr.Muhammad Umar Sheikh, GPRS Manager at Motorola, Mobilink, who has helped me a lot in giving the technical understanding and market happenings of Telecom Industry of Pakistan. I'm thankful to all my peers, juniors and colleagues who gave their suggestions and opinions through survey. And finally ma utmost gratitude is for my family, without whose considerations, my research has been able to reach to an end in a complete manner.

## **EXECUTIVE SUMMARY**

The underlined research study has been carried out in order to throw light on the concept that has occupied a central place as far as stiff competition is concerned. This is the concept that has taken the bad shape of the competition, thereby creating pleasant, unpleasant brand wars. Brand wars and failures are an inborn concept that is happening in major type of industries. The study has been analyzed by the researcher in a way as to tell the readers that what could be the positive and negative aspects attached with such kind of concept. Brand wars and failures, could have disastrous repercussions, in the manner that those who fail to stay in the competition, big and established companies force them to move out of the competition and hence they don't remain serious threats for them. The study has been formulated by keeping in view various environments and determining that what are the factors that allow such wars to take place. Telecom industry of Pakistan has been taken and the players that are ruling this industry Mobilink, Ufone, Instaphone and Paktel , have been chosen. Different systems starting from the marketing mix techniques to vivid business, brand models have been applied on each player to determine that what is the market standing of each of the player and how it is perceived in the market, either as a leader, challenger or a follower. The study has been attached with solid facts and figures that are authentic and from reliable sources. The industry has been studied in a comprehensive manner, by disclosing the utmost growth that is peculiar to Telecom industry of Pakistan and what strategies players should adopt in order to protect their market shares. At the same time it has also been identified that where had been the loopholes as far as their strategic focus is concerned, that they entered into a process like brand wars. Finally the study has been accompanied by concrete recommended framework that would serve to act as a guiding stone for the future growth and sustenance of each player, as it's definitely an un ending war.

## 1.0 TELECOM INDUSTRY ANALYSIS OF PAKISTAN

### 1.1 Growth of Mobile phone business in Pakistan

The mobile phone business in Pakistan, however, with all its possibilities, is still in its infancy. However, according to market expectation, trends will eventually mirror those of the western world, in terms of distribution and subscriptions. Saqlain Haider, Assistant Brand Manager and Senior Executive Marketing at Mobilink, is very optimistic of continued high growth figures. "The cellular market in Pakistan has expanded at an unprecedented rate in the last three years," he says. "It has almost doubled every year. In order to meet the rising demand, services too are improving with faster connections, and new value added products. The industry has experienced phenomenal growth over the years as the subscriber base in 2001-02 has reached 1.2 million (70% increase from 2000-01 as of 0.2 million subscribers). Cellular mobile penetration rate has reached to 1.16% compared to the fixed-line penetration rate of 2.57% (June 2002). There is a big market for cellular phones in Pakistan and it has been predicted that it will increase by over 100 per cent over the next couple of years. Competition amongst service providers and phone companies, is already healthy, but will continue to rise, especially once the market stabilizes." Arsalan Saleem, National Manager Marketing at Instaphone, echoes this enthusiasm. "Cellular penetration is lower in Pakistan than in Europe and the US. But again, Pakistan has tremendous growth potential and CPP or Caller Party Pays is still in its nascent form. We are confident that penetration and growth will pick up once the CPP market in Pakistan matures." And mobile usage figures certainly seem to corroborate their optimism. PTA also has played a vital role in the promotion and support of mobile industry by adopting CPP (calling party pays) Regime from MPP (mobile party pays) in 2000 giving a tremendous boost to the market,

which grew in that particular year by 142% as the affordability for mobile reaches the public at large. The mobile market is slowly moving from duopoly and oligopoly to near competition though there remain only two (2) GSM operators Mobilink and Ufone respectively.

<http://www.newsline.com.pk/NewsMay2002/industry.htm>)

Sales jumped to 742,000 subscribers from 300,000, only six months after the introduction of CPP. According to conservative estimates the total number of mobile subscribers is getting double each year and will surpass the fixed-line subscribers by the end of 2004.

<http://www.newsline.com.pk/NewsMay2002/industry.htm>)

This should be music to customers' ears that can in the future, look forward to a new round of price and technology improvements. It has been projected that mobile usage has the potential for hitting the 10 million benchmark. In the race to increase market share, investment in value added services and technology has gone hand in hand with competitive pricing strategies.

<http://www.newsline.com.pk/NewsMay2002/industry.htm>)

## **1.2 Major players of the industry**

The three international companies, Mobilink, Instaphone and Paktel, and Pakistani-owned Ufone, keen to outdo each other, offer customers a range of segment-oriented cellular packages, pre-paid for the price-conscious and post-paid, for a relatively higher-income niche. This strategy has enjoyed considerable success with Mobilink's Jazz package, enjoying approximately 350,000 subscribers. Whilst Mobilink's 'Max' has a daily charge of 10 rupees, the 'Easy' package combines a daily charge with

slightly higher call rates. Scratch cards of all companies are available in all denominations, ranging from 250 to 2000 rupees and are valid for two to six months. Starter-pack prices have also tumbled, with Mobilink at 3999 rupees, and Instaphone's new special Insta-Pack falling to a reasonable 2099 rupees, inclusive of all taxes along with free airtime worth 100 rupees. Paktel too has followed suit, increasing the validity times of its pre-paid Tango service cards and introducing lower connection charges of 1000 rupees on its postpaid value tariffs.

<http://www.newsline.com.pk/NewsMay2002/industry.htm>

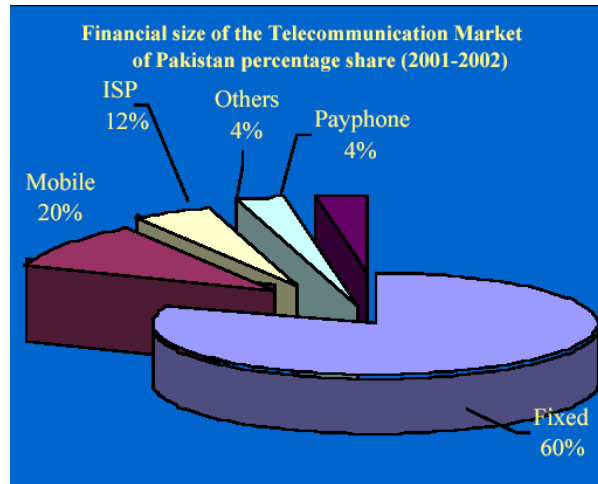
Operator	Network Platform	Year of Founding
Paktel	AMPS	1990
Instaphone	AMPS	1991
Mobilink	GSM900	1994
Ufone	GSM900	2001

<http://www.pakistaneconomist.com/database1/cover/c2003-29.asp>

SR. NO.	MOBILE OPERATOR	FOREIGN PARTNER	TECHNOLOGY	MARKET SHARE
1	Instaphone	Millicom (Tele2)	D-AMPS	26%
2	Mobilink	Motorola & Orascom	GSM	46%
3	Paktel	Cable & Wireless (Sold out to Millicom)	AMPS	17%
4	Ufone (PTML)	-	GSM	11%

<http://www.pakistaneconomist.com/database1/cover/c2003-29.asp>

### 1.2.1 TELECOMMUNICATION MARKET



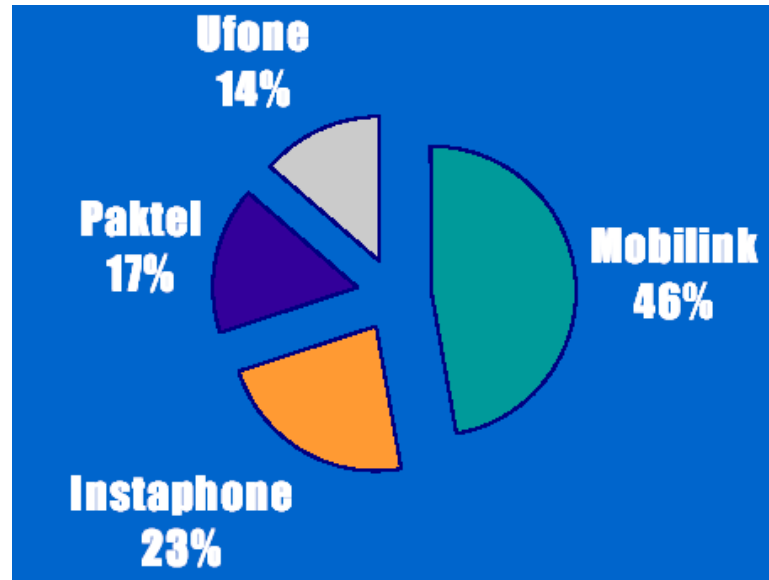
<http://unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN006168.pdf>

### 1.2.2 CELLULAR OPERATORS' SUBSCRIBERS

Operator	Subscribers	Cities covered
Mobilink	555,859	29
Pakcom	310,453	40
Paktel	217,580	31
Ufone	134,860	11

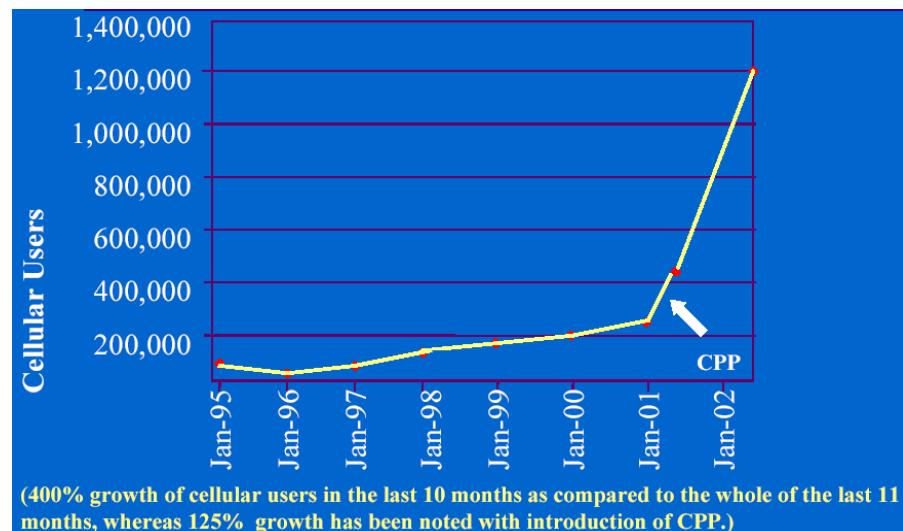
<http://unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN006168.pdf>

### 1.2.3 CELLULAR MOBILE INDUSTRY



<http://unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN006168.pdf>

### 1.2.4 CELLULAR GROWTH



<http://www.newsline.com.pk/NewsMay2002/industry.htm>



### **1.2.5 Price wars, attractions for Customers and gimmicks of players**

The rate of mobile subscription growth has remained very strong over the past five years, although the growth rate fluctuated tremendously between 1997 and 2000. The growth rate in 1997 was exceptionally high due to the Government's lifting of ban on the use of cellular telephones in Karachi. Once again, in the year 2001 the industry is experiencing a major growth mainly due to the entry of Ufone in the market. This new operator has drastically reduced the tariff rates thus triggering a price war among the operators.

<http://www.newsline.com.pk/NewsMay2002/industry.htm>

Another major attraction for the cellular phone users has been the introduction of pre-paid services. A pre-paid customer generally buys a pre-paid card for a block of airtime. Ufone has come up with a very attractive pre-paid package, offering a pre-paid card for only Rs. 600 with free incoming calls for a period of six months. As a result, the other three operators have also come up with their own versions of pre-paid services, offering comparable rates. It is estimated that 60 percent of the new subscribers are utilizing the pre-paid services. It is believed that the tariff war among the market players would eventually make a cellular phone affordable to those individuals whose income is just upward of Rs. 20,000 (\$325) per month.

<http://www.newsline.com.pk/NewsMay2002/industry.htm>

Apart from the price war, companies are going in for a variety of marketing gimmicks. In order to increase sales, new entrant Ufone, exempted customers from a connection charge, boasting of being able to provide customers with a complete starter pack for the bargain price of 4,500 rupees, which included the price of a mobile phone. Not to be outdone, Paktel launched its family package, offering a supplementary connection at half price and a discount of 50 per cent on calls between the parent and supplementary line. Instaphone's Long Distant and Access, open to also all Advanced Mobile Phone Service (AMPS) based phones through a pre-paid card, allows for international calls with no security deposit, thereby acting as its biggest core competency.

<http://www.newsline.com.pk/NewsMay2002/industry.htm>

Post-paid packages have also enjoyed price competition. Whilst services vary between company to company, they are broadly similar in the price stakes. **Ufone, Paktel, Instaphone and Mobilink** offer a range of different line rents and call rates with Ufone's rents as low as 200 rupees a month and call rates at 0.40 per minute. This has allowed customers to choose the package most suitable to their needs as different pricing structures apply at different times of the day. Customers are also offered a range of extras such as free minutes and can choose the package corresponding to the value added features they prefer. Instaphone's new contract pricing scheme, for example, offers four new value-added packages with features such as early morning special discounts and a Sunday special, as well as reduced corporate club rates.

<http://www.newsline.com.pk/NewsMay2002/industry.htm>

### 1.2.6 Market Winner

Mobile sector is still opening up where Mobilink enjoys a monopolistic situation because of its nation-wide coverage until 2000 when PTCL launched its subsidiary Ufone. Mobilink and Ufone are both GSM operators. The previous market leader Paktel has been taken over by the Millicom from Cable & Wireless, which is also the parent company of Instaphone — the runner up in cellular competition after Mobilink due to its nation-wide coverage.

<http://www.pakistaneconomist.com/database1/cover/c2003-29.asp>

Far and away, the winner in the race to capture the lion's share of the mobile network market, is **Mobilink**, with a notably higher volume of subscriptions and a carefully targeted value-added service, followed closely by Instaphone, and then by Paktel and new entrant Ufone. Given the fact that inter-network calls are much cheaper than network-to-network calls, the largest companies attract more customers, eager to reduce their bills. "Mobilink is the market leader in the cellular industry".

They have the **biggest network** with 460,000 subscribers, and cover 290 cities with their 320 cell sites." Kamran Farooq, sales representative of United Mobile, corroborates this claim. Mobilink package sales, he says, are the most popular product, especially the Jazz package.

<http://www.newline.com.pk/NewsMay2002/industry.htm>

Prepaid packages are very popular, because they are reasonable and very convenient to use. Mobilink benefits from excellent coverage, with the widest network of easily accessible GSM centers, and Connect Point of Sales Express Shops. Customer service too is friendly, with an automated phone mechanism that directs customers to particular departments, providing a choice of Urdu- or English-speaking operators. **Six phone lines** dedicated to customer service, complement an internal mobile number, compared to Paktel, Instaphone and Ufone customers who have to rely on one, apart from an internal number, which is often, busy. Ufone, keen to improve customer service, has recently introduced a new location-based inquiry service designed to provide its customers with details of the nearest pre-paid card outlet. Innovation and technological maturity too are very important factors. People want convenience, to be able to use their phones wherever they are, with as little hassle as possible. As such whichever service provides the best line clarity and coverage, and of course competes effectively in the price stakes will have an undisputed edge and Mobilink is no doubtedly having that edge. (<http://www.newsline.com.pk/NewsMay2002/industry.htm>)

### **1.2.7 International Phone companies**

However, keeping pace with the demands of the times means being bigger, faster, better and stronger. New models and new makes are the order of the day with international phone companies Siemens, Nokia, Motorola, Ericsson, and Samsung caught in a perpetual expenditure spiral to keep up with growing customer demands, changing fads, and with each other. Those incorporating 2.5-generation technology, linking mobiles to the Internet have

superceded basic first generation mobile phones.  
(<http://www.newsline.com.pk/NewsMay2002/industry.htm>)

### **1.2.8 Advanced Technologies and players' Moves**

One such model, Wireless Application Protocol or WAP phones as they are popularly called, did not make as big an impact as developers had originally hoped. Tiny monochrome screens, awkward interfaces and painfully slow connection speeds made the mobile Internet a disappointment. Disillusionment with WAPS gave way to rejoicing over GPRS or General Packet Video Switching, and Enhanced Data Rates for Globalization (EDGE) technologies, which promised to provide cell, phones with Internet speeds of a fixed ISDN line. Hot on the heels of 2.5, came the third generation or 3G mobiles, which are still in the primary stages of development and distribution. On sale since 2001, 3G technology boasts of speeds 40 times that of a normal office PC, and are looking to replace Europe's Global Systems for Mobiles (GSM) standard, bringing even video and voice recognition to mobile phones. Enthusiasts see a boundless frontier of possibilities, with projections of M commerce in Europe as high as 2.3 billion euros by the end of the year. Companies are still counting on 3G phones to stimulate e-commerce and subsequently their own future profitability.

(<http://www.newsline.com.pk/NewsMay2002/industry.htm>)

With each network hoping to oust the sales of the other, the revolution in new technology provides another means of competition. Encouraged by the rising market for cellular phones, all networks have undertaken massive technological development

and continue to do so with a combined expenditure of US 120 million dollars this year.

<http://www.newline.com.pk/NewsMay2002/industry.htm>)

Instaphone has spent the massive expenditure involved in keeping pace with new innovations. They are investing several million dollars on an almost monthly basis in their infrastructure in Pakistan, and they have done this since they have stepped into this market. This investment is aimed at focusing primarily on the implementation and application of the technology to reach each and every corner of the country. As part of an ongoing drive to provide an improved service to its customers, Instaphone has moved from the AMPS-based technology to that of TDMA (Times Division Multiple Access). What this means for its customers is digital benefits: **greater voice clarity, instant connectivity, longer battery life and less dropped calls.** Customers will also now benefit from Internet connectivity and short messaging Services (SMS). TDMA is capable of direct migration to Edge. Whatever Instaphone does, translates into making mobile phone usage more convenient, accessible and affordable. They can now offer a plethora of digital value-added services. This puts them on the threshold of greater success in the not-too distant future.

<http://www.newline.com.pk/NewsMay2002/industry.htm>)

Similarly Mobilink's investment in Karachi has been massive. In May 2001, it signed an agreement with a Chinese telecom group to develop and improve the company's network, and announced a purchase of GSM infrastructure worth 200 million dollars. The number of signal transmitters or base stations as they are popularly called, has quadrupled in number, from a mere 10 to 48. The other major cities and towns in Pakistan too are benefiting from this

increase in development expenditure. Lahore now boasts of 35 base stations and Islamabad/ Rawalpindi of 13. This is another move meant to increase the customer's utility. Mobilink customers now enjoy 85 per cent coverage on the GT road and the motorways.

<http://www.newsline.com.pk/NewsMay2002/industry.htm>

International Roaming, it seems, is perhaps Mobilink's biggest advantage. Mobilink boasts of 250 roaming partners all over the world, in 105 countries. This is made possible through the Thuraya service, with satellite roaming being enabled on the same SIM card.

<http://www.newsline.com.pk/NewsMay2002/industry.htm>

Ufone, the newest entrant in the mobile market, is the second GSM-based network in Pakistan. Launched as a subsidiary of the national phone company, Pakistan Telecommunications Corp Ltd., last year, it rapidly increased its customer base to 100,000 soon after beginning operations. Ufone has experienced unbelievably strong growth since its launch in January 2001, and now requires a more than four-fold capacity increase for its network. Its expansion network aims to raise capacity to 370,000 subscribers, by awarding a 60-million dollar contract to Nortel Networks for implementing this capacity expansion. According to Nortel, the expanded network will include a general packet radio service (GPRS) system, which will allow Ufone to add 2.5G mobile data and multimedia services. Both Mobilink and Ufone have benefited from heavy investment in advanced GSM technology, which allows for satellite communication.

<http://www.newsline.com.pk/NewsMay2002/industry.htm>

### **1.2.9 Fierce Competition Enabling better, quality Services**

Increased competition during the past three years provided the impetus to service providers to incorporate various fun elements to their service. A range of value-added services have been developed, serving as a popular marketing lure for customers susceptible to all that is trendy. A range of popular extras such as caller line identification, voice mail, conference call and call waiting facilities, compete with fun options such as a range of SMS, chat clubs, Internet email notifications, and Internet connections. For the executive class these options include fax and information services, instant news updates and business features such as mobile banking. Mobilink and Instaphone have invested heavily in these additions with Paktel and Ufone lagging far behind.

<http://www.newsline.com.pk/NewsMay2002/industry.htm>

So what will the technology race and heavy-duty investment offer Pakistani customers in the future? Prices of handsets and accessories have fallen precipitously as companies struggle to increase their market share. "The mobile phone is now more of a necessity and less of a luxury," says Saleem Mahmood, media strategist at The Passage. "It is an essential communication tool. As such customer's can look forward to more competition in pricing plans and increased customer service." Intense competition in the western world has led companies to offer throw away deals with free phones, discounted line rental, and a host of free mobile



accessories. These trends may very well be mirrored in Pakistan once the market stabilizes. With the proliferation of new technologies and new innovations, Pakistani companies will also be attracted by what they stand to gain by making their services more accessible. **Muslim Commercial Bank** has already teamed up with Mobilink to offer a mobile banking service. Customers of Mobilink and MCB can now make inquiries about their account balance through their phones using the SMS messaging facility, and are able to receive mini-statements. This venture has also provided MCB with a unique advertising opportunity - they can now save on advertising costs by texting their customers with the latest in products and services. Mobile commerce might just change the way people work, giving companies a more customer-focused look.

<http://www.newsline.com.pk/NewsMay2002/industry.htm>

#### **1.2.10 Concluding remarks**

As exciting as these developments may be, it is only a small fraction of the Pakistani elite who can, at this stage of the mobile life cycle, afford the damages of the highly sophisticated value-added technologies. These remain expensive, as heavy development expenditure has meant a massive debt for international and local companies alike. But even for basic cellular services, regressive government taxation on mobile usage has meant that the lower income groups may think twice before indulging in heavy starter package expenditures. Activation taxes in July 2001 increased by 60 per cent from 1250 rupees to 2000 rupees. This has adversely affected the mobile market, which has seen a decrease in the growth rate - now at 21 per cent since July 2001. Mobile users are also subject to an advanced tax on prepaid

calls and postpaid bills. Advanced tax on expenditures of 300 rupees is calculated at 41.7 per cent whilst that of 2000 - 5000 rupees is considerably lower at 6.2 per cent and 5 per cent respectively. Prepaid card advance taxes are flat but also regressive in nature with a flat 125 rupees charged on cards in 300 to 2000 rupee denominations, increasing to 250 rupees on cards ranging between 2500 to 5000 rupees. Companies, however, remain optimistic, looking to increase sales to two million subscriptions by the end of the year. It seems as if, for basic cellular services, the sky is still the limit.

## 2.0 RESEARCH METHODOLOGY

### 2.1 Research Topic

The topic of the research paper is to study that factors that lead to a failure of a brand in different markets. For Specification the topic given to the research study is:

**“Branding Strategies and Brand Failures: Factors, their Repercussions and Possible Recommended branding Strategies”**

#### 2.1.1 Research Objective

The basic aim of the study is to clarify the concept of brand failures and the factors behind their failures like culture, quick market research, wrong selection of target audience, poor positioning, wrong segmentation strategies and many more. The reason behind this research is the merging importance of the branding concept and the globalization of firms. It is important to know about the factors that make a product a failure, since there are a lot many credible brands that don't succeed even though they have pleasant histories. It is definitely a fact that companies don't want their brands to be failed into any way and do everything to get the maximum` response from the consumers but still, there are situations that lead to their failures. And the study is formulated in order to identify those hidden factors. So that it becomes a driving lesson for the readers to develop their branding strategies keeping in mind the possibility of those factors. So due to globalization and competition in the world, where brands are succeeding, a great number of them are failing too.

But what are the reasons that lead to this point? What takes a brand to survive and why brands become successful in comparison to failures?

What are the difference between their and others strategies? What constitute a strong and a sustainable brand? These are the questions that will be tried to answer in this study.

So the research objective is to develop a framework so that future patterns become clearly evident for the marketers as well as provide an understanding to avoid factors leading to failures. The study would be constituted with the strategies and techniques formulated by brands that make them successful.

### **2.1.2 Subjects for Study**

For the purpose of this research, first the concept of brand is explored in detail to see what the main factors that contributes towards it. How a product is transferred to a brand? And to what extent the consumer become influenced by the brand and its image? It is also important to determine that how can a consumer behavior can be shaped while introducing any brand into the market? Because it's the marketer technique how well he relates a product attributes to the consumer need. It is a fact that those brands that conform to the preconceived schemas of the consumers and those who are marketed in close relevance to the brands get maximum response. Then it is an important area of study to determine the level of involvement dispensed by consumers about brands and how their level of involvement could be made higher by fully exploiting their needs. But then brands have also the power to change the thinking process of the consumers and make them behave on different lines. So the topic covers quite a wide area and would definitely try to explore in hidden details inorder to help readers learn from the mistakes of the others.

## **2.2 Type of Research**

The type of the research would be qualitative as the reliance would be on the case studies and literature available regarding the topic and its application. The study would be formulated in the following direction:

- First the basic concepts regarding the brands will be discussed. This part would be known as the literature review from authentic sources thus defining a field for this research.
- Then a selection of successful brands and their strategies would be studied and the factors that led to their success.
- Then few troubled or failed brands would be analyzed and their strategies and practices would be seen through comparison.
- Determination of distinct factors responsible for making a brand complete failure.

## **2.3 Hypothesis For the Study**

H1: Brand wars have the power to eliminate players of insufficient adaptability.

H2: Brand wars cannot be avoided by the help of marketing Mix techniques.

H3: Branding Strategies of leaders, challengers and followers are different in brand wars.

## **2.4 Data Collection methods**

As the research would be based on business journals, case studies, historical records of businesses and the supporting literature, the data on ground would be collected from the following sources:

- Company profiles from Internet
- Case studies from textbooks, class discussions and Internet
- Internet libraries
- If possible, meeting with the brand managers of some brands, depending upon their geographic accessibility.
- Magazines and newspapers

## 2.5 Research Analysis

The most important part of the study would revolve around the analysis done by the researcher. Since this would be the part where the entire crux of the study would be present. It would be the future framework through which the readers can peep into to look for the lessons and can avoid blunders that lead to brand failures. The analysis would be supported in light of the various strategies used by the failed brands and their successful brands in comparison. The identification of the factors and their role would truly be determined in this phase that lead to brand failures. The further study would be complemented with the recommendations and possible alternatives that would prove to be helpful for the reader in order to inhibit these mistakes.

So the analysis would revolve around these areas:

1. The importance of branding in today's world.
2. The particular strategies and their implementation process
3. The repercussions of a particular strategy and its affect on brands
4. The factors that could add or subtract brand power
5. The reasons for selecting a certain product category and its brands
6. The brand elements of a selected brand
7. Firm's effort towards the brand
8. The position of the brand in that particular market
9. Consumer's perception and level of involvement towards the brand.

## **2.6 Units of Analysis: Individuals, Dyads, Groups, Organizations, Cultures**

The units of analysis refer to the level of aggregation of the data collected during the subsequent data analysis stage. If, for instance, the problem statement focuses on how to raise the motivational levels of employees in general, then we are interested in individual employees in the organization and would like to find out what we can do to raise their motivation.

Here obviously the unit of analysis is the individual. If the researcher is interested in studying two-person interactions, then several two-person groups, also known as “Dyads”, will become the unit of analysis.

As the research question addresses issues that move away from the individual to dyads, and to groups, organizations, and even nations, the unit of analysis also similarly, shifts from individuals to dyads, groups, organizations, and nations.

### **2.6.1 Research Study unit of analysis:**

As far as the research study is concerned, the unit of analysis would be restricted to the particular brands and products. The nature of research report is about the brands that are present in different countries having different parent companies. Since their country of origin would play a vital role in determining the characteristics of brands, countries analysis would also come into play. At the same time, the industry would also be used as the unit of analysis. The industry would be peculiar depending upon the type of brand and its nature. The beverage industry for instance, includes soft drinks, juices, water, alcoholic and non-alcoholic drinks and other drinks.

**2.6.2 Convenience sampling** involves collecting information from members of the chosen population who are conveniently available to provide it. It means that convenience sampling would most likely be a Pepsi Challenge contest or Pepsi VS Coke sales in the particular city, where the necessary information can be gathered, whether people prefer one product on

another and on what basis, might be held at retail outlets where retailers could be asked that what extra benefits or brand equity is attached to both these brands that make them preferable over one another.

### **2.6.3 Purposive Sampling**

Instead of obtaining information from those who are most conveniently available, it might sometimes become necessary to obtain information from specific target groups.

In the research study the sampling would be confined to specific types of people who can provide the desired information, either because they are the only ones who possess it, or conform to some criteria set by the researcher.

With the help of this type of sampling, the researcher would be able to identify the related people who are in the best position to provide the information. Here the company officials and all the brand managers depending upon the chosen brands would be interviewed and would be asked to share their point of views having purposive sampling in fashion.

### **2.6.4 Judgment Sampling**

It involves the choice of subjects who are in the best position to provide the information required. For example, people having knowledge about particular brands and those who are into marketing and advertising field would best be able to provide information about brands and their characteristics.

By virtue of having gone through the experiences and processes themselves, they might be expected to have expert knowledge and might perhaps be able to provide good data or the information to the researcher.

Thus the judgment sampling is used when a limited number or category of people have the information that is sought.



### 3.0 LITERATURE REVIEW

**Brand management** is the application of marketing techniques to a specific [product](#), [product line](#), or [brand](#). It seeks to increase the product's *perceived value to the customer* and thereby increase [brand equity](#). Marketers see a brand as an implied promise that the level of quality people have come to expect from a brand will continue with present and future purchases of the same product. This may increase sales by making a comparison with competing products more favorable. It may also enable the manufacturer to charge more for the product. The value of the brand is determined by the amount of profit it generates for the manufacturer. This results from a combination of increased sales and increased price. **(wikipedia encyclopaedia)**

A good **brand name** should:

- be legally protectable
- be easy to pronounce
- be easy to remember
- be easy to recognize
- attract attention
- suggest product benefits (eg.:Easy off) or suggest usage
- suggest the company or product image
- distinguish the product's [positioning](#) relative to the competition

**(wikipedia encyclopaedia)**

A **premium brand** typically costs more than other products. An **economy brand** is a brand [targeted](#) to a high [price elasticity market segment](#). A **fighting brand** is a brand created specifically to counter a competitive threat. When a company's name is used as a product brand name, this is referred to as [corporate branding](#). When one brand name is used for several related products, this is referred to as

[family branding](#). When all a company's products are given different brand names, this is referred to as [individual branding](#). When a company uses the [brand equity](#) associated with an existing brand name to introduce a new product or [product line](#), this is referred to as **Brand Leveraging**.

(wikipedia encyclopediadia).

When large [retailers](#) buy products in bulk from manufacturers and put their own brand name on them, this is called [private branding](#). Private brands can be differentiated from **manufacturers' brands** (also referred to as **National Brands**). When two or more brands work together to market their products, this is referred to as **Co-Branding**. When a company sells the rights to use a brand name to another company for use on a non-competing product or in another geographical area, this is referred to as **brand licensing**.

(wikipedia encyclopediadia)

There are several problems associated with setting objectives for a [brand](#) or [product](#) category.

- Many brand managers limit themselves to setting financial objectives. They ignore strategic objectives because they feel this is the responsibility of senior management.
- Most product level or brand managers limit themselves to setting short term objectives because their compensation packages are designed to reward short term behaviour. Short term objectives should be seen as milestones towards long term objectives.
- Often product level managers are not given enough information to construct strategic objectives.
- It is sometimes difficult to translate corporate level objectives into brand or product level objectives. Changes in shareholders equity is easy for a company to calculate : It is not so easy to calculate the change in shareholders equity that can be attributed to a product or category. More complex metrics

like changes in the net present value of shareholders equity are even more difficult for the product manager to assess.

- In a diversified company, the objectives of some brands may conflict with those of other brands. Or worse, corporate objectives may conflict with the specific needs of your brand. This is particularly true in regards to the trade-off between stability and riskiness. Corporate objectives must be broad enough that brands with high risk products are not constrained by objectives set with cash cow's in mind. The brand manager also needs to know senior managements harvesting strategy. If corporate management intends to invest in brand equity and take a long term position in the market (ie. [penetration](#) and growth strategy), it would be a mistake for the product manager to use short term cash flow objectives (ie. [price skimming](#) strategy). Only when these conflicts and tradeoffs are made explicit, is it possible for all levels of objectives to fit together in a coherent and mutually supportive manner.
- Many brand managers set objectives that optimize the performance of their unit rather than optimize overall corporate performance. This is particularly true where compensation is based primarily on unit performance. Managers tend to ignore potential synergies and inter-unit joint processes.

(Wikipedia, the free encyclopedia).

### 3.1 Brand

A **brand** takes the form of a symbolic construct created by a [marketer](#) to represent a collection of information about a product or group of products. This symbolic construct typically consists of a name, identifying mark, [logo](#), visual images or [symbols](#), or mental concepts which distinguishes the [product](#) or [service](#). A brand often carries connotations of a product's "promise", the product or service's point of difference among its competitors which makes it special and unique. Marketers attempt through a brand to give a product a "personality" or an "image". Thus, they hope to "brand", or burn, the image into the consumer's mind; that is, associate the image with the product's quality. Because of this, a brand can form

an important element of an [advertising](#) theme: it serves as a quick way to show and tell consumers what a supplier has offered to the [market](#). **(Wikipedia, the free encyclopedia)**

Well known products acquire **brand recognition**. When a brand has accumulated a mass of positive sentiment among [consumers](#), marketers say that its owner has acquired [brand equity](#). A **brand name** comprises that part of a brand consisting of words or letters that humans can verbalize. A brand name that has acquired legal protection becomes a [trademark](#).

**(Wikipedia, the free encyclopedia)**

Consumers as a group may look on the brand as an important aspect of a product, and it can also add value to a product or service. It carries the reputation of a product or company. A branded laundry detergent may sell twice as much product as a store-brand detergent. Although the two products may resemble each other closely in almost every other respect, people have learned to regard the branded product as superior, and to believe that because it costs more it offers better quality. **(Wikipedia, the free encyclopedia)**.

## 3.2 Marketing strategies

[Strategy](#) is the crafting of plans to reach goals. **Marketing strategies** are those plans designed to reach [marketing](#) goals. A good marketing strategy should integrate an organization's marketing goals, policies, and action sequences (tactics) into a cohesive whole. The objective of a marketing strategy is to put the organization into a position to carry out its mission effectively and efficiently. (From Wikipedia, the free encyclopedia).

Marketing strategies are partially derived from broader [corporate strategies](#), corporate missions, and corporate goals. They are also influenced by a range of [microenvironmental factors](#). Marketing strategies are dynamic and interactive.

They are partially planned and partially unplanned. (From Wikipedia, the free encyclopedia).

### 3.2.1 Types of Marketing Strategies

Every marketing strategy is unique, but if we abstract from the individualizing details, each can be reduced into a generic marketing strategy. There are a number of ways of categorizing these generic strategies. A brief description of the most common categorizing schemes is presented below.(wikipedia, the free encyclopediadia)

Strategies based on [market dominance](#) - In this scheme, firms are classified based on their market share or dominance of an industry. Typically there are four types of market dominance strategies:

- leader
- challenger
- follower
- nicher

**3.2.1.1 [Porter generic strategies](#)** - Michael Porter assessed strategy on the dimensions of strategic scope and strategic strength. Strategic scope refers to the breadth of [market penetration](#) while strategic strength refers to the firm's [sustainable competitive advantage](#). He felt three types were important:

- cost leadership
- [product differentiation](#)
- [market segmentation](#)

**3.2.1.2 [Innovation strategies](#)** - This deals with the firm's rate of [new product development](#) and [business model](#) innovation. It asks

whether the company is on the cutting edge of technology and business innovation. There are three types:

- pioneers
- close followers
- late followers

**3.2.1.3 [Growth strategies](#)** - In this scheme the question is, “How should the firm grow?”. There are a number of different ways of answering that question, but the most common gives four answers:

- [horizontal integration](#)
- [vertical integration](#)
- diversification (or conglomeration)
- intensification

**3.2.1.4 [Aggressiveness strategies](#)** - This asks whether a firm should grow or not, and if so, how fast. One scheme divides strategies into:

- building
- holding
- harvesting

**3.2.1.5 [Warfare based strategies](#)** - This scheme draws parallels between marketing strategies and military strategies. There are many types of marketing warfare strategies, but they can be grouped into:

- [offensive marketing warfare strategies](#)
- [defensive marketing warfare strategies](#)
- [flanking marketing warfare strategies](#)
- [guerrilla marketing warfare strategies](#)

**(wikipedia, the free encyclopaedia).**

## 3.2.2 Market dominance strategies

These calculations of market dominance yield quantitative metrics, but most business strategists categorize market dominance strategies in qualitative terms. Typically there are four types of market dominance strategies that a marketer will consider: There are market leader, market challenger, market follower, and market nicher. **(wikipedia, the free encyclopaedia).**

### 3.2.2.1 Market leader

The market leader is dominant in its industry. It has substantial market share and often extensive [distribution](#) arrangements with [retailers](#). It typically is the industry leader in developing innovative new [business models](#) and [new products](#) (although not always). It tends to be on the cutting edge of new technologies and new production processes. It sometimes has some market power in determining either [price](#) or output. Of the four dominance strategies, it has the most flexibility in crafting strategy. There are few options not open to it. However it is in a very visible position and can be the target of competitive threats and government anti-combines actions. **(wikipedia, the free encyclopaedia).**

Research in [experience curve effects](#) during the 1970s concluded that market leadership was the most profitable strategy in most industries. It was claimed that if you cannot get enough market share to be a major player, you should get out of that business and concentrate your resources where you can take advantage of experience curve effects and [economies of scale](#), and thereby gain dominant market share. Today we recognize that other less dominant strategies can also be effective. **(wikipedia, the free encyclopaedia)**

The main options available to market leaders are:

Expand the total market by finding:

- new users of the product
- new uses of the product
- more usage on each use occasion

Protect your existing market share by:

- developing new product ideas
- improve customer service
- improve distribution effectiveness
- reduce costs

Expand your market share:

- by targeting one or more competitor
- without being noticed by government regulators

**(wikipedia, the free encyclopaedia).**

### **3.2.2.2 Market challenger**

A market challenger is a firm in a strong, but not dominant position that is following an aggressive strategy of trying to gain market share. It typically targets the industry leader (for example, Pepsi targets Coke), but it could also target smaller, more vulnerable competitors. The fundamental principles involved are:

- Assess the strength of the target competitor. Consider the amount of support that the target might muster from allies.
- Choose only one target at a time.



- Find a weakness in the target's position. Attack at this point. Consider how long it will take for the target to realign their resources so as to reinforce this weak spot.
- Launch the attack on as narrow a front as possible. Whereas a defender must defend all their borders, an attacker has the advantage of being able to concentrate their forces at one place.
- Launch the attack quickly, then consolidate.

Some of the options open to a market challenger are:

- price discounts or price cutting
- line extensions
- introduce new products
- reduce product quality
- increase product quality
- improve service
- change distribution
- cost reductions
- intensify promotional activity

**(wikipedia, the free encyclopaedia).**

### 3.2.2.3 Market follower

A market follower is a firm in a strong, but not dominant position that is content to stay at that position. The rationale is that by developing strategies that are parallel to those of the market leader, they will gain much of the market from the leader while being exposed to very little risk. This “play it safe” strategy is how Burger King retains its position behind McDonalds. The advantages of this strategy are:

- no expensive R&D failures

- no risk of bad business model
- “best practices” are already established
- able to capitalize on the promotional activities of the market leader
- no risk of government anti-combines actions
- minimal risk of competitive attacks
- don't waste money in a head-on battle with the market leader

**(wikipedia, the free encyclopaedia).**

#### **3.2.2.4 Market nicher**

In this niche strategy the firm concentrates on a select few [target markets](#). It is also called a focus strategy. It is hoped that by focusing ones marketing efforts on one or two narrow market segments and tailoring your [marketing mix](#) to these specialized markets, you can better meet the needs of that target market. The niche should be large enough to be profitable, but small enough to be ignored by the major industry players. Profit margins are emphasized rather than revenue or market share. The firm typically looks to gain a competitive advantage through effectiveness rather than efficiency. It is most suitable for relatively small firms and has much in common with [guerrilla marketing warfare strategies](#). The most successful nichers tend to have the following characteristics:

- They tend to be in high value added industries and are able to obtain high margins.
- They tend to be highly focussed on a specific [market segment](#).
- They tend to market high end products or services, and are able to use a premium pricing strategy.

- They tend to keep their operating expenses down by spending less on R&D, advertising, and personal selling.

(wikipedia, the free encyclopaedia).

### 3.2.3 Marketing warfare strategies

**Marketing warfare strategies** are a type of [strategies](#), used in [business](#) and [marketing](#), that try to draw parallels between business and warfare, and then apply the principles of military strategy to business situations. In business we do not have enemies, but we do have competitors; and we do not fight for land, but we do compete for market share. It is argued that, in mature, low-growth markets, and when real [GDP](#) growth is negative or low, business operates as a [zero-sum](#) game. One person's gain is possible only at another person's expense. Success depends on battling competitors for market share.(wikipedia, the free encyclopaedia)

**3.2.3.1 [Offensive marketing warfare strategies](#)** - Attack the target competitor with an objective such as “liberating” some of it's market share.

**3.2.3.2 [Defensive marketing warfare strategies](#)** - Strategies intended to maintain your market share, profitability, sales revenue, or some other objective.

**3.2.3.3 [Flanking marketing warfare strategies](#)** - Operate in areas of little importance to the competitor.

**3.2.3.4 [Guerrilla marketing warfare strategies](#)** - Attack, retreat, hide, then do it again, and again, until the competitor moves on to other markets. (wikipedia, the free encyclopaedia)

**3.2.3.5 [Deterrence Strategies](#)** - Deterrence is a battle won in the minds of the enemy. You convince the competitor that it would be prudent to keep out of your markets.

- 3.2.3.6 Pre-emptive strike** - Attack before you are attacked like [Defensive marketing warfare strategies](#).
- 3.2.3.7 Frontal Attack** - A direct head-on confrontation like [Offensive marketing warfare strategies](#) .
- 3.2.3.8 Flanking Attack** - Attack the competitor's flank like [Flanking marketing warfare strategies](#) .
- 3.2.3.9 Sequential Strategies** - A strategy that consists of a series of sub-strategies that must all be successfully carried out in the right order.
- 3.2.3.10 Alliance Strategies** - The use of alliances and partnerships to build strength and stabilize situations.
- 3.2.3.11 Position Defense** - The erection of fortifications like [Defensive marketing warfare strategies](#).
- 3.2.3.12 Mobile defense** - Constantly changing positions like [Defensive marketing warfare strategies](#).
- 3.2.3.13 Encirclement strategy** - Envelop the opponents position like [Offensive marketing warfare strategies](#) .
- 3.2.3.14 Cumulative strategies** - A collection of seemingly random operations that, when complete, obtain your objective.
- 3.2.3.15 Counter-offensive** - When you are under attack, launch a counter-offensive at the attacker's weak point like [Defensive marketing warfare strategies](#).
- 3.2.3.16 Strategic withdrawal** - Retreat and regroup so you can live to fight another day like [Defensive marketing warfare strategies](#) .
- 3.2.3.17 Flank positioning** - Strengthen your flank like [Defensive marketing warfare strategies](#).
- 3.2.3.18 Leapfrog strategy** - Avoid confrontation by bypassing enemy forces like [Offensive marketing warfare strategies](#).(wikipedia, the free encyclopaedia)

Companies typically use many strategies concurrently, some defensive, some offensive, and always some deterrents. According to the business

literature of the period, offensive strategies were more important than defensive ones. Defensive strategies were used when needed, but an offensive strategy was requisite. Only by offensive strategies were market gains made. Defensive strategies could at best keep you from falling too far behind.(**wikipedia, the free encyclopaedia**).

### **3.2.3.1.1 Offensive marketing warfare strategies**

**Offensive marketing warfare strategies** are strategies designed to obtain some objective, usually market share, from a target competitor. In addition to market share, an offensive strategy could be designed to obtain key customers, high margin [market segments](#), or high loyalty market segments.(**wikipedia, the free encyclopaedia**)

#### **3.2.3.1.1.1 Fundamental Principles**

There are four fundamental principles involved:

1. Assess the strength of the target competitor. Consider the amount of support that the target might muster from allies. Choose only one target at a time.
2. Find a weakness in the target's position. Attack at this point. Consider how long it will take for the target to realign their resources so as to reinforce this weak spot.
3. Launch the attack on as narrow a front as possible. Whereas a defender must defend all their borders, an attacker has

the advantage of being able to concentrate their forces at one place.

4. Launch the attack quickly. The element of surprise is worth more than a thousand tanks.

### **3.2.3.1.1.2 Types of offensive strategies**

The main types of offensive marketing warfare strategies are:

**3.2.3.1.1.2.1 Frontal Attack** - This is a direct head-on assault. It usually involves marshaling all your resources including a substantial financial commitment. All parts of your company must be geared up for the assault, from marketing to production. It usually involves intensive advertising assaults and often entails developing a new product that is able to attack the target competitors' line where it is weak. It often involves an attempt to "liberate" a sizable portion of the target's customer base. In actuality, frontal attacks are rare. There are two reasons for this. Firstly, they are expensive. Many valuable resources will be used and lost in the assault. Secondly, frontal attacks are often

unsuccessful. If defenders are able to re-deploy their resources in time, the attacker's strategic advantage is lost. You will be confronting strength rather than weakness. Also, there are many examples (in both business and warfare) of a dedicated defender being able to hold-off a larger attacker. The strategy is suitable when:

- the market is relatively homogeneous
- [brand equity](#) is low
- customer loyalty is low
- products are poorly [differentiated](#)
- the target competitor has relatively limited resources
- the attacker has relatively strong resources (**wikipedia, the free encyclopaedia**)

**3.2.3.1.1.2.2 Envelopment Strategy** (also called encirclement strategy) - This is a much broader but subtle offensive strategy. It involves encircling the target competitor. This can be done in two ways. You could introduce a range of products that are similar to the target product. Each product will

liberate some market share from the target competitor's product, leaving it weakened, demoralized, and in a state of siege. If it is done stealthfully, a full scale confrontation can be avoided. Alternatively, the encirclement can be based on market niches rather than products. The attacker expands the market niches that surround and encroach on the target competitor's market. This encroachment liberates market share from the target. The envelopment strategy is suitable when:

- the market is loosely segmented
- some segments are relatively free of well endowed competitors
- the attacker has strong product development resources
- the attacker has enough resources to operate in multiple segments simultaneously
- the attacker has a decentralized organizational structure

**(wikipedia, the free encyclopaedia)**

**3.2.3.1.1.2.3 Leapfrog strategy** -This strategy involves bypassing the enemy's forces altogether. In the business arena, this involves either developing



new technologies, or creating new [business models](#). This is a revolutionary strategy that re-writes the rules of the game. The introduction of compact disc technology bypassed the established magnetic tape based defenders. The attackers won the war without a single costly battle. This strategy is very effective when it can be realized.([wikipedia, the free encyclopediadia](#))

**3.2.3.1.1.2.4 Flanking attack** - This strategy is designed to pressure the flank of the enemy line so the flank turns inward. You make gains while the enemy line is in chaos. In doing so, you avoid a head-on confrontation with the main force. ([wikipedia, the free encyclopediadia](#))

### **3.2.3.1.2 Types of Defensive marketing warfare strategies**

**Defensive marketing warfare strategies** are strategies designed to protect your market share, profitability, positioning, or mind share.

#### **3.2.3.1.2.1 Fundamental principles**

There are five fundamental principles involved:

1. Always counter an attack with equal or greater force.
2. Defend every important market.
3. Be forever vigilant in scanning for potential attackers. Assess the strength of the competitor. Consider the amount of support that the attacker might muster from allies.
4. The best defense is to attack yourself. Attack your weak spots and rebuild yourself anew.
5. Defensive strategies should be the exclusive domain of the market leader. (**wikipedia, the free encyclopaedia**)

#### **3.2.3.1.2.2 Types of defensive strategies**

The main types of defensive marketing warfare strategies are:

**3.2.3.1.2.2.1 Position defense** - This involves the defense of a fortified position. This tends to be a weak defense because you become a “sitting duck”. It can lead to a [siege](#) situation in which time is on the side of the attacker, that is, as time goes by the defender gets weaker, while the attacker gets stronger. In a business context, this involves setting up fortifications such as barriers to market entry around a [product](#), [brand](#), [product line](#), market, or

[market segment](#). This could include increasing [brand equity](#), customer satisfaction, customer loyalty, or repeat purchase rate. It could also include exclusive distribution contracts, patent protection, market [monopoly](#), or government protected monopoly status. It is best used in homogeneous markets where the defender has dominant market position and potential attackers have very limited resources. **(wikipedia, the free encyclopaedia)**

**3.2.3.1.2.2.2 Mobile defense** - This involves constantly shifting resources and developing new strategies and tactics. A mobile defense is intended to create a moving target that is hard to successfully attack, while simultaneously, equipping the defender with a flexible response mechanism should an attack occur. In business this would entail introducing new products, introducing replacement products, modifying existing products, changing market

segments, changing target markets, [repositioning](#) products, or changing [promotional](#) focus. This defense requires a very flexible organization with strong marketing, entrepreneurial, [product development](#), and [marketing research](#) skills. (wikipedia, the free encyclopediadia)

**3.2.3.1.2.2.3 Flank position** - This involves the re-deployment of your resources to deter a flanking attack. You protect against potential loss of market share in a segment, by strengthening your competitive position in this segment with new products and other tactics.(wikipedia, the free encyclopediadia)

**3.2.3.1.2.2.4 Counter offensive** - This involves countering an attack with an offense of your own. If you are attacked, retaliate with an attack on the aggressor's weakest point. If you are being attacked with an [advertising](#) campaign, initiate your own promotional campaign aimed at the aggressor's weak spot. If a competitor introduces a new

product, retaliate with a fighting brand that is designed to nullify any advantage the new product might have had. (**wikipedia, the free encyclopaedia**)

**3.2.3.1.2.2.5 Pre-emptive strike** - This is a “defensive” attack initiated because an enemy attack is believed to be imminent. The objective is to use the element of surprise to create chaos. The enemy will need time to regroup and might have second thoughts about an attack. The advantages are that you gain first-strike advantage and you get to choose the battlefield, a battlefield that you can win on. This strategy is similar to the counter-offensive strategy except that it is proactive rather than reactive. (**wikipedia, the free encyclopaedia**)

**3.2.3.1.2.2.6 Strategic withdrawal** - This involves freeing your resources deployed in untenable positions. If an objective becomes strategically unimportant or tactically impossible to defend, then the best strategy can be to withdraw. The resources can be re-deployed where they will be more effective. In business, this can entail dropping

unprofitable products, product lines, or brands. It could also involve exiting a market or market segment. At one extreme, a radical strategic withdrawal involves closing down the business completely. At the other extreme, it involves a contraction of resources in a market segment. **(wikipedia, the free encyclopaedia)**

### **3.2.3.3.1 Flanking marketing warfare strategies**

**Flanking marketing warfare strategies** are strategies designed to minimize confrontational losses.

#### **3.2.3.3.1.1 Fundamental principles**

The fundamental principles involved are:

1. Avoid areas of likely confrontation. A flanking move always occurs in an uncontested area.
2. Make your move quickly and stealthfully. The element of surprise is worth more than a thousand tanks.
3. Make moves that the target will not find threatening enough to respond decisively to. **(wikipedia, the free encyclopaedia)**

#### **3.2.3.3.1.2 Types of flanking strategies**

Flanking strategies can be either offensive or defensive:

**3.2.3.3.1.2.1 Flanking Attack** (offensive) - This is designed to pressure the flank of the enemy line so the flank turns inward. You make gains while the enemy line is in chaos. In doing so, you avoid a head-on confrontation with the main force. The disadvantage with a flanking attack is that it can draw resources away from your center defense, making you vulnerable to a head-on attack. In business terms, a flanking attack involves competing in a [market segment](#) that the target does not consider mission critical. The target competitor will not be as concerned about your activities if they occur in market niches that it considers peripheral. It usually involves subtle [advertising](#) campaigns and other discrete [promotional](#) measures, like [personal selling](#) and [public relations](#). It often entails [customizing](#) a [product](#) for that particular niche. Rather than finding uncontested market niches, the attacker could also look for uncontested geographical areas. The strategy is suitable when:

- the market is segmented
- there are some segments that are not well served by the existing competitors
- the target competitor has relatively strong resources and is well able to withstand a head-on attack
- the attacker has moderately strong resources, enough to successfully defend several niches

#### **3.2.3.3.1.2.2 Flanking Position** (defensive) - This

involves the re-deployment of your resources to deter a flanking attack. You strengthen your flank if you think it is vulnerable. The disadvantage of this defense is that it can distract you from your primary objective and siphon resources away from where they are needed most. In business terms, this involves the introduction of [new products](#), [product lines](#), or [brands](#), the defensive [re-positioning](#) of existing products, or additional promotional activity in a market niche. It requires [market segmentation](#) and/or [product differentiation](#). You protect against potential loss of market share in a



segment by strengthening your competitive position there.  
(wikipedia, the free encyclopaedia)

#### 3.2.3.4.1 Guerrilla marketing warfare strategies

**Guerrilla marketing warfare strategies** are strategies designed to wear-down the enemy by a long series of minor attacks. Rather than engage in major battles, a guerrilla force is divided into small groups that selectively attacks the target at its weak points. To be effective, guerrilla teams must be able to hide between strikes. They can disappear into the remote countryside, or blend into the general population. The general form of the strategy is a sequence of attacking, retreating, and hiding, repeated multiple times in series. It has been said that “Guerrilla forces never win wars, but their adversaries often lose them”.(wikipedia, the free encyclopaedia)

##### 3.2.3.4.1.1 Strengths

The main strengths of guerrilla strategies are :

- Because you never attack the enemy’s main force, you preserve your resources.
- It is very flexible and can be adapted to any situation, offensive or defensive.
- It is very difficult to counter with conventional methods.

(wikipedia, the free encyclopaedia)

The strategy is suitable when:

- the target competitor has relatively strong resources and is well able to withstand a head-on attack
- the attacker has moderately weak resources

A typical entrepreneur should use such guerrilla tactics as:

- word of mouth campaign
- personal canvassing
- telemarketing by all members of the firm
- personal letters
- advertisements in the Yellow pages
- personal meetings
- circulars and brochures distributed at parking lots, homes, offices, malls, etc.
- classified ads
- ads in local community newspapers
- billboards
- truck and automotive signs
- direct mail campaigns
- seminars, lectures, and demonstrations
- searchlights
- flags and banners
- t-shirts
- matches, pens, and calendars

**(wikipedia, the free encyclopaedia)**

It is up to the guerrilla marketer to be creative and devise unconventional methods of promotion. One must use all their personal contacts, both professional and

friends/family. One must examine their company and its [products](#) looking for sources of publicity. Some forms of [publicity](#) can be very inexpensive. (**wikipedia, the free encyclopaedia**)

### 3.3 The Concept of a company Value Chain

The primary analytical tool of strategic cost analysis is a value chain identifying the separate activities, functions and business processes that are performed. The chain of value creating activities it takes to provide a product or service starts with raw materials supply and continues on through parts and components production, manufacturing and assembly, wholesale distribution and retailing to the end user of the product or service.

**(Strategic management, by Thompson and Strickland)**

The value chain includes a profit margin because the markup over the cost of performing the value's creating activities is customarily part of the price borne by buyers-creating value that exceeds the cost of doing so is a fundamental objective of business. **(Strategic management, by Thompson and Strickland)**

### 3.4 Why The Value Chains Of Rival Companies Often Differ

A company's value chain and the manner in which it performs each activity reflect the evolution of its own particular business and internal operations, its strategy, the approaches it is using to execute its strategy, and the underlying economics of the activities themselves. Because these factors differ from company to company, the value chains of rival companies sometimes differ substantially –a condition that complicates the task of assessing rivals' relative cost positions. **(Strategic management, by Thompson and Strickland)**

### **3.4.1 Primary Activities**

1. Purchased Supplies and Inbound logistics-Activities, costs and assets associated with purchasing fuel, energy, raw materials, parts components, merchandise and consumable items from vendors; receiving, storing and disseminating inputs from suppliers, inspection and inventory management.
2. Operations-Activities, costs and assets associated with converting inputs into final product form (production, assembly, packaging, equipment and maintenance, facilities, operations, quality assurance environmental protection.
3. Distribution and Outbound Logistics-Activities, costs and assets dealing with physically distributing the product to buyers.
4. Sales and marketing- Activities, costs and assets related to sales force efforts, advertising and promotion, market research and planning, and dealer/distributor support.
5. Service- Activities, costs and assets associated with providing assistance to buyers such as installation, spare parts delivery, maintenance and repair, technical assistance, buyer inquiries and complaints.

**(Strategic management, by Thompson and Strikland)**

### **3.4.2 Support Activities**

1. Research, technology and Systems development-Activities, costs and assets relating to product R&D , process R&D, process improvement, equipment design, computer software development, telecommunications system, computer assisted design and engineering, new database capabilities and development of computerized support systems.

2. Human Resource management-Activities, costs and assets associated with the recruitment, hiring, training, development and compensation of all types of personnel; labor relations activities; development of knowledge based skills and core competencies.
3. General Administration-Activities, costs and assets relating to general management, accounting and finance, legal and regulatory affairs, safety and security, MIS, forming strategic alliances and collaborating with strategic partners and other overhead functions.

**(Strategic management, by Thompson and Strikland)**

### 3.5 Description of the BCG Matrix

To ensure long-term value creation, a company should have a portfolio of products that contains both high growth products in need of cash inputs and low growth products that generate a lot of cash. **(Condensed volume on Strategic brand analysis).**

The BCG Matrix is a tool that can be used to determine what priorities should be given in the product portfolio of a business unit. The BCG matrix has two dimensions: market share and market growth. The basic idea behind the BCG Matrix is that the bigger the market share a product has or the faster the product's market grows the better it is for the company. **(Condensed volume on Strategic brand analysis).**

Placing Products in the BCG Matrix results in 4 categories in a portfolio of a company.

#### **1. BCG Matrix- Stars (=High Growth, High Market Share)**

-Use large amounts of cash and are leaders in the business so they should also generate large amounts of cash. They are frequently roughly in balance on net

cash flow. However if needed any attempt should be made to hold share, because the rewards will be a cash cow if market share is kept.

**2.BCG Matrix- Cash Cows (= Low growth, high market share)**

- Profits and cash generation should be high, and because of the low growth, investments needed should be low. Keep profits high.

**3. BCG Matrix- Dogs (= Low growth, low market share)**

- Avoid and minimize the number of dogs in a company and beware of expensive “turn around plans”. In such situation deliver cash, otherwise liquidate.

**4.BCG Matrix- Question Marks (= High Growth, low market share)**

- They have the worst cash characteristics of all, because high demands and low returns due to low market share. If nothing is done to change the market share, question marks will simply absorb great amounts of cash and later, as the growth stops, a dog. So either invest heavily or sell off or invest nothing and generate whatever cash it can. Increase market share or deliver cash. **(Condensed volume on Strategic brand analysis).**

### 3.6 BRAND LEVERAGING OF TELECOM PLAYERS

Brand leveraging is the concept that entails the facts where companies have different strategies as far as their brand extensions, line extensions, Co branding etc are concerned. A brand extension is done when a firm uses an established brand name to introduce a new product. When a new brand is combined with an existing brand the brand extension can also be called a “Sub-brand”. An existing brand that gives birth to a brand extension is referred to as the “Parent brand”. If the parent brand is already associated with multiple products through brand extensions, then it may also be called a “Family brand”. **(Condensed volume on brand management)**

Brand extensions can be broadly classified into two general categories.

1. A line extension is when the parent brand is used to brand a new product that targets a new market segment within a product category served by the parent brand. A line extension often involves a different flavor or ingredient variety, a different form or size, or a different application for the brand, such as Head n Shoulders dry scalp shampoo.
2. A category extension is when the parent brand is used to enter a different product category form that currently served by the parent brand, such as Swiss Army watches.

**(Condensed volume on brand management)**

Brand extensions can come in all forms. For example, one well-known branding expert identifies the following seven general strategies to establish a category-or what he calls a franchise-extension:

1. Introduce the same product in a different form: For example, Ocean spray cranberry juice cocktail and Jell-O pudding pops.
2. Introduce products that contain the brand's distinctive taste, ingredient, or component. For example, Philadelphia Cream cheese salad dressing and Haagen-Dazs cream liqueur.
3. Introduce companion products for the brand: For example, Coleman camping equipment and Duracell Durabeam flashlights.
4. Introduce products relevant to customer franchise of the brand: For example, Gerber Insurance and Visa traveler's checks.
5. Introduce products that capitalize on the firm's perceived expertise: For example, Honda lawn mowers and Canon photocopy machines.
6. Introduce products that reflect the brand's distinctive benefit, attribute, or feature owned: For example, Lysol's deodorizing household cleaning products and Ivory's mild cleaning products.
6. Introduce products that capitalize on the distinctive image or prestige of the brand: For example, Calvin Klein clothes and accessories and Porsche sunglasses.

**(Condensed volume on brand management)**

### **3.6.1 ADVANTAGES OF EXTENSIONS**

For most firms, the question is not whether the brand should be extended, but when, where and how the brand should be extended. Well-planned and implemented extensions offer a number of advantages to marketers. These advantages can broadly be categorized as those that facilitate new product acceptance and those that provide feedback benefits to the parent brand or company as whole. Some of the advantages are:

- Facilitate new product acceptance
  - Reduced risk perceived by customers
  - Increase the probability of gaining distribution and trial
  - Increase efficiency of Promotional expenditures
  - Reduce costs of introductory and follow up marketing programs
  - Avoid cost of developing a new brand
  - Allow for packaging and labeling efficiencies
  - Permit consumer variety seeking
- Provide feedback benefits to the parent brand and company
  - Clarify brand meaning
  - Enhance the parent brand image
  - Bring new customers into brand franchise and increase market coverage
  - Revitalize the brand
  - Permit subsequent extensions

**(Condensed volume on brand management)**



### **3.6.2 DISADVANTAGES**

- Can confuse or frustrate consumers
- Can encounter retailer resistance
- Can fail or hurt parent brand image
- Can succeed but cannibalize sales of parent brand
- Can succeed but diminish identification with any one category
- Can succeed but hurt the image of parent brand
- Can dilute brand meaning
- Can forgo the chance to develop a new brand

**(Condensed volume on brand management)**

## **3.7 FCB GRID FOR AD CAMPAIGNS**

FCB Grid is a model that defines the type of ads being marketed by various companies. It has a graphical representation shown in the analysis part of the study.

### **3.7.1 DIMENSIONS**

FCB grid is a model that has been accompanied by two kinds of dimensions. High involvement and low involvement products and services are placed on the left hand side of the grid. As it is a known concept that high involvement products are those on which customers spend a great deal of time and it's not a regular or frequent kind of a purchase, as its extremely expensive and not a commodity product. On the other hand, low involvement products are those on which they are least bothered, where varieties and options are present in the market and customer has the facility to purchase as many products, to fit his or her needs. It is a regular and a frequent purchase, where they are not physically, financially and

mentally involved with the product. Example of high involvement could be an automobile where as low involvement would be a soap.

As far as the inner elements of the grid are concerned, they denote the fact that what kind of message has been transferred across the customer with the help of marketing communication techniques. Messages are extremely different in their nature, scope, theme, style and tones and it depends on the message how the product or company is been perceived by the customer. There are four elements present in the grid. Along the high involvement products, two kinds of messages could be given in the ad.

- Affective
- Informative

Affective ads are the one having emotional element attached with them. Many high involvement products are now been combined with the emotional touch, where marketers are able to deal with the feelings of the customers and affect of the message is high. For example, DeBeers marketed their diamonds with the emotional element of relationships between husband and wife, in the form of an engagement ring.

Informative ads are the ones involving the marketing of a high involvement product whose message has been transferred with the stress on its unique features. These features are meant in order to educate the customer, in the presence of the competition. The company here deals with the benefits and the advantages, thereby focusing on the functionality of the product. Example could be the ads of Honda car, where the marketers give a feel of the car by highlighting the unique accessories and functions of the car.

As far as the low involvement aspect is concerned, it is also accompanied by two elements.

- Self Satisfaction
- Habit Formation

Self satisfaction arises in the use of message, where the highlighting of low involvement product is shown with the help of feelings thereby involving the emotional aspects of the individuals. Like the ad of soap, that is a low involvement product, but through emotions based on family relationships that give purity and safety to the entire family hood.

Habit Formation is the element that stresses the importance of low involvement products with their unique features and attributes. In such cases, variety seeking behavior is very much evident. Because as it's a low involvement product, consumers are confronted with lot many alternatives and substitutes of the same type or quality. For example, the ad of a tooth brush that focuses on the cleanliness and whiteness of the teeth that is claimed by nearly all the toothbrush manufacturers.

### 3.8 PERCEPTUAL MAPPING OF TELECOM PLAYERS OF PAKISTAN

Perceptual Mapping is an important and authentic kind of graphical representation of attributes that are unique to every kind of program and study. This kind of mapping helps in understanding the peculiar and particular attributes that are one of their own kind. At present the group has undergone a detailed research and placed different business schools keeping in mind their market standing and credibility with the help of concrete findings to support the facts.

**(Condensed volume on Product Strategies)**

Perceptual mapping involves two kinds of dimensions that have to be aligned with each other in order to complement the positioning element of the particular organization under study. The mapping is done to understand the concept of positioning that every business school does in order to differentiate itself from others. Positioning is the process that discriminates business from one another and every organization does this in a unique way by highlighting its core competencies. The positioning done by them makes easy for the customers to identify the image of every business and with the help of this; customers would be able to demarcate one from another. **(Condensed volume on Product Strategies)**

### 3.9 THE YOUNG AND RUBICAM GRID: STATURE Vs STRENGTH

The young and Rubicam Grid is about the brand stature and strength. Brand stature implies to the fact regarding the knowledge and esteem that every brand carries. Brand knowledge is associated with the associations, awareness and brand image measures that enhance the brand equity. How much knowledgeable is the particular customer about the brand measures the brand stature and how he or she rates the brand as compared to others denotes the brand strength.

**(condensed volume on brand management)**

#### 3.9.1 DIMENSIONS

Brand knowledge and esteem relates to the type of the product that conforms to the customer's hierarchy of needs. Esteem needs are at a high pedestal and are high in stature. Since these kind of high esteemed products give a customer a feeling that since you are worthy of such kind of product, you deserve to have such kind of product and that's why we have chosen you as target audience. Products like diamonds, cars, credit

cards, jewellery and expensive products would be aimed at enhancing the esteem needs of the consumers about which they have knowledge and this raises the brand stature as compared to other products. **(condensed volume on brand management)**

On the other side of the grid, brand strength that relates to the brand differentiation and relevance to the customer needs and lifestyles is mentioned and products would be placed according to these criteria. Differentiation is the strategy not incorporated by every organization. Since it has to be cost effective, differentiation strategy has to have more benefits while doing the cost benefit analysis. Where customers find visible differences and distinguish immediately. Relevance denotes to the fact that how that product resembles and conforms to the customer needs, since products aimed at customer lifestyles and similar to their preferences, fit into their preconceived schemas and then product acceptability is maximum.**(condensed volume on brand management)**

- Products having low Brand stature and high Brand strength are either strong niche brands or brands with a significant opportunity to grow by increasing their stature. And that every brand can do as long as it has the potential and resources to achieve a higher position. These kinds of brands include Dove Chocolates, Snapple etc.
- On the other hand, products having high brand stature and high brand strength have the greatest brand equity to protect and exploit. These include Sesames Street, Disney Entertainment and Sony.
- Next, products having low brand strength and low brand stature are the ones just getting started, however the brand that stays too longer in this quadrant is not likely to be successful in the long run. The brands included in this cell are QUC, Tag Heuer and Starbucks etc.

- Next products high in brand stature and low in brand strength are the ones largely populated by brands that are tired but still retain some esteem and knowledge. These may include Oldsmobile, Bayer electronics etc.

**(condensed volume on brand management)**

### 3.10 BRAND IDENTITY PLANNING MODEL

Strategic brand identity planning model is a comprehensive kind of a model that denotes the fact that how brands could be positioned and planned in the minds of the consumers as well as for the company. It consists of various stages that involve strategic brand analysis may it be consumers or the entire organization.

The planning model comprises of various stages.

- **Strategic brand analysis**

This is further divided into the following parts that revolves around the customers.

- Customers' analysis
- Competitors' analysis
- Self Analysis

These parts help companies identify their image in the minds of the consumers. They have the chance to do SWOT of the company. They are able to determine what their target market is, what are their needs that are still not been able to be exploited and how many competitors are present in the market that can oppose them to the greatest extent.

- **Strategic Identity System**

This consists of:

- Brand as a person
- As an organization
- As a symbol
- As a product

With this analysis companies are able to know, what their brand stands for, that others are different from it. What is the personality of the brand

for the consumers? How it is symbolized in the market, either positively or negatively? What are the characteristics of the brand that make it unique and different? What are the company's values that are representing it in the outer world?

- Brand identity customer relationship management
- Execution of the model
- Brand position
- Brand Building programs
- Tracking

These are the further steps taken by the company while doing this planning. With the help of this model, planning and execution becomes extremely easy, if situation doesn't change and companies get to know that where the loopholes are, to be improved.

## 4.0 TELECOM COMPETITOR'S OVERVIEW

### 4.1 Ufone

During the past five years, one of the most visible projects successfully completed by government was launch of Ufone service in the country. Ufone service was inaugurated by the Chief Executive of Pakistan (now

President) on 29<sup>th</sup> January 2001, and within only two years of its operations, it has not only shown remarkable performance and growth but has already assumed close to a leadership role in the introduction of highly innovative, latest products and services in the local market. ([www.ptml.com](http://www.ptml.com))

#### **4.1.1 Functions and Activities**

Ufone is the 100% owned subsidiary of Pakistan telecommunication company Limited (PTCL) and the first locally owned cellular operator. It is the 4<sup>th</sup> cellular operator and 2<sup>nd</sup> GSM operator in Pakistan. It has state of the art GSM 900 network. Since its launch, Ufone has expanded its network coverage at an unmatched speed. Today it covers around 60 cities/areas besides some major highways. ([www.ptml.com](http://www.ptml.com))

Ufone not only excelled in growing its network, but also became a market leader in terms of all its products and services. There are quite a few services that Ufone launched in Pakistan for the first time. It was the first company in Pakistan to launch the next generation of technology i.e., 2.5G based GPRS network. This initiative has not only raised Ufone's superiority in Pakistan as the true market leader, but has placed Pakistan among the most advanced nations of the world. By June 2003, it was supporting an ever-growing base of over 550,000 consumers with the market share of 24%. ([www.ptml.com](http://www.ptml.com))

Ufone has changed its market dynamics since its launch. Through efficient management of its cost structures, Ufone was able to offer prices at 50% less than the market and made mobile phone accessible to all segments of the market. This was achieved without compromising any financial targets. Only after 18 months



of operations, the company was profitable. It has also played a key role in the cellular industry of Pakistan by changing the perception of mobile phone and making it affordable for the common man. The profit of the company by the end of the financial year 2002-2003 was 300% of the target. ([www.ptml.com](http://www.ptml.com))

#### **4.1.2 Future Expansion**

The challenge for the Ufone is to expand its network in line with the market demand. In view of tremendous public response and significant additional demand, Ufone network capacity is planned for further expansion of approximately one million subscribers. Upon completion of this vital phase III expansion project, Ufone coverage would become available in additional 45-50 cities/towns of Pakistan. ([www.ptml.com](http://www.ptml.com))

#### **4.1.3 Media Campaigns**

Ufone's television commercials have received a lot of appreciation from both their valued customers and advertising industry professionals in Pakistan.

Ufone, with Pakistan's largest advertising company [Interflow Communications Private Limited](#), has always tried to deliver truthful and interesting advertising to its viewers.

([www.ufone.com](http://www.ufone.com))

#### **4.1.4 Jobs**

Ufone thrives on the potential and competence of its employees. They offer a challenging job environment to their employees with

competitive and attractive packages supported by a strong benefit structure. ([www.ufone.com](http://www.ufone.com))

Currently there are no jobs being advertised, however they encourage potential candidates to submit their résumés.

Candidates' resume will be placed in an electronic data bank and as soon as a job commensurate to their qualifications comes up, Ufone's HR department would get in touch with them.

([www.ufone.com](http://www.ufone.com))

#### 4.1.5 Coverage

Ufone, in less than one year has started providing coverage in most major cities of Pakistan. This roll out plan has been far more aggressive than any of Ufone's competitors. Following map depicts cities covered by Ufone as of today:

##### 4.1.5.1 Ufone Cities

✧ Akora Khattak	✧ Gujrat	✧ Lalamusa	✧ Rawat*
✧ Begum Kot	✧ Gulshan-e-Hadeed	✧ Lawrencepur	✧ Rohri
✧ Bhagwal	✧ Gulshan-e-Maymar	✧ Lilla*	✧ Rawalpindi
✧ Bhai pheru	✧ Haripur	✧ Malot	✧ Salam
✧ Bhalwal*	✧ Hassanabdal	✧ Mandra*	✧ Sarai Alamgir*
✧ Bhera*	✧ Hyderabad	✧ Manga Mandi	✧ Shaddara
✧ Bara kaho*	✧ Islamabad	✧ Mangla	✧ Shiekhupura
✧ Chung	✧ Jhangira	✧ Mirpur	✧ Sialkot
✧ Daska	✧ Jamshoro	✧ Multan	✧ Sihala
✧ Dina	✧ Jehlum	✧ Muridke	✧ Sohawa
✧ Eimanabad*	✧ Kala shah kaku	✧ Nooriabad	✧ Sukheri

✧ Faisalabad	✧ Kalar kahar	✧ Nowshera	✧ Sukkur
✧ Fateh Jhang	✧ Kamra*	✧ Pabbi	✧ Sumbrial
✧ Farooqabad	✧ Kamoke	✧ Peshawar	✧ Tarnol
✧ Ghakarmandi*	✧ Karachi	✧ Pind Dadan khan*	✧ Taxila
✧ Ghotki	✧ Khairpur	✧ Pindi Bhattian*	✧ Wazirabad
GT Road - ✧ LHE-ISB- PESH	✧ Kharian*	✧ Punno aqil	✧ Wah cantt
✧ Gojra	✧ Kohat	✧ Port Qasim	
✧ Goth Taj	✧ Kot Abdul malik	✧ Quetta	
✧ Gujarkhan	✧ Kotri	✧ Rahwali	
✧ Gujranwala	✧ Lahore	✧ Raiwaind	
Motorway ✧ LHE-ISB	KHI- HYD ✧ Super Highway	Sialkot - ✧ LHR Link	Sheikupure - ✧ Faisalabad Link
GT Road - ✧ LHE-ISB- PESH			

(www.ufone.com)

## 4.1.6 Ufone value added services

### 4.1.6.1 GPRS

#### 4.1.6.1.1 Ufone Internet

Busy tones, long dial up times and slow connection speeds are no more there with the help of Ufone internet made through GPRS service. Surfing the net can be difficult except when you have Ufone's GPRS services where you are not tied down by wires any more. **(Speed)** GPRS is the latest in mobile phone technology designed to communicate with IP based networks at high data transmission speeds. Therefore, customers can get

a speed much faster than a dialup connection. **(Always Online)** With Ufone GPRS connectivity customers are always online. They never have to dial up so no more busy signals and no more call drops. **(Cheaper)** Customers are only charged for the volume of data transferred, not the length of the session so thinking and reading time is free! Ufone's incredibly low per MB charges pleasantly surprises them **(Wide range of Devices)**. Customers can have to simply plug-in to their phone to their PC or laptop or opt from within a wide range of PDA's and web enabled phones to enjoy Internet experience. ([www.ufone.com](http://www.ufone.com))

#### **4.1.6.1.2 MMS**

For the first time ever in Pakistan, Ufone gives their customers the flexibility of combining the power of audiovisual expression with the ease of SMS. Each MMS message can be a picture, their voice, some music, just text or a combination of all. **Mobile office (take your office anywhere)** With end-to-end secure connectivity between customer mobile phone and his corporate LAN over Ufone's GPRS network, they can extend their office to their home, favorite hangout. As customers would be charged for the volume of data transferred, not the length of the session, they can save up on dial up costs they normally incur. **(Secure)** The unquestionable security of GSM is inherent in GPRS. So when connecting to LAN

via Ufone, you can safely access any information you want. ([www.ufone.com](http://www.ufone.com))

#### **4.1.6.1.3 Pocket Stocks**

**Live from KSC (Karachi Stock Exchange)** Ufone in collaboration with AKD Trade (Pakistan's first online trading site) introduces "Pocket Stocks" another spectacular service enabling its customers to remain always updated with LIVE stock rates and market trends, directly from KSE. ([www.ufone.com](http://www.ufone.com))

#### **4.1.7 Info services**

Ufone has the answer for U in an instance. Customers can either get a daily update via Ufone Info-Push Services or retrieve the information they require via Ufone Info-Pull Services; the choice is theirs. ([www.ufone.com](http://www.ufone.com))

#### **4.1.8 SMS**

With Ufone's Short Messaging Service customers can now stay in touch without talking. All they need to do is type their 160-character message and send it to the other person's phone. They can receive their message right then and there or whenever they turn their Ufone on. Services like WEB 2 SMS, Global SMS, Email over SMS and Urdu SMS are also offered by Ufone. TeleSMS is a unique kind of service by which customers can send an SMS to Ufone through their PTCL phone. ([www.ufone.com](http://www.ufone.com))

#### **4.1.9 Internet payment facility**

**Another First in Pakistan from Ufone!**

Customers can now pay their Ufone bill or recharge their Prepaid account Right Here! For the first time in Pakistan, they can now use any Visa or Master card to pay their Ufone bill, or recharge their prepaid account securely and conveniently here.

National ID Card No. (or Passport Number for Foreigners)	<input type="text"/>
Ufone Mobile No.	<b>0333</b> <input type="text"/>
<a href="#">Click Here to Make Payment (Secure Page)</a>	

**(www.ufone.com)**

#### **4.1.10 WAP**

WAP in simple terms is Internet content customized for mobile phones. This means that if customers have a GPRS phone with a WAP browser, they can have access to Internet content with out a PC or laptop. **(www.ufone.com)**

#### **4.1.11 International roaming**

Ufone International Roaming allows its customers to take their Ufone outside Pakistan and use it without having to change their telephone number. **(www.ufone.com)**

#### **4.1.12 Call Management**

Ufone offers a host of value added services for its subscribers to provide convenience and better communication solution. The following Call Management Services. **(www.ufone.com)**

##### **4.1.12.1 Conference Call**

Conference call is a very useful feature when you want to speak to more than one person at the same time. Just like conference call on a landline, conference call on a mobile phone is simple and easy to use. Moreover, you don't need to get to a specific number at a pre-determined time for the conference call, as in the case of a landline; with Ufone's Conference call facility you can be reached wherever you are. ([www.ufone.com](http://www.ufone.com))

#### **4.1.12.2 Call Waiting**

Call Waiting intimates you about an incoming call while you are talking to someone on the phone. You will hear a call waiting tone while you are talking. Moreover, your display will show the CLI of the number calling you. ([www.ufone.com](http://www.ufone.com))

In order to take the second call, press yes and the first caller will be put on hold. You will automatically be connected to the second caller. In order to release the first call and speak with the second caller, press "clr", then press "yes" and you will be connected to the second caller.

#### **4.1.13 Ufone Tariffs and Connections**

Ufone's prepaid connections are in the form of Ufone Josh and Ufone Jazba. The value added services are in terms of CLI, Voice Mail, and Incoming SMS Outgoing for Rs. 1.50/ message. ([www.ufone.com](http://www.ufone.com))

Post paid connections are known as Ufone Raabta, Asaish and Lajawab having different line rents and call charges at peak hours. Value added services are CLI, Voicemail, Incoming SMS, and

SMS Outgoing for, Rs.1.50/messageCallWaiting&CallConference @ Rs. 30/ month. Asaish and Lajawab have 70 and 300 minutes that are absolutely free. ([www.ufone.com](http://www.ufone.com))

#### **4.1.14 Cards Denominations**

Ufone Prepaid Cards come in three denominations of Rs. 500, Rs. 1000 and Rs. 1500. The card is valid for six months from the time of activation. Customers can receive incoming calls for six months within regions (Punjab, Capital and NWFP is one region; Sindh and Baluchistan is other region) even if they have spent up their card amount before six month. ([www.ufone.com](http://www.ufone.com))



## **5.0 INSTAPHONE**

### **5.1 Re-Emergence**

Instaphone is among the pioneers in the mobile phone industry in Pakistan. As one of the leading cellular service providers, with the largest active subscriber base, Instaphone thrives on dynamic marketing policies to address customer needs and a rapidly changing market place. ([www.instaphone.com](http://www.instaphone.com))

Instaphone (Pakcom Ltd) is a subsidiary of Millicom International Cellular (MIC) S.A., based in Luxembourg. MIC S.A. currently has an overwhelming interest in 34 cellular operations in Asia, Africa, Latin America and Russia, covering a popular under license of over 584 million. Instaphone is a lucid example of the MIC global standard for cellular excellence, benefiting from international resources to cater to the needs and interests of cellular customers in Pakistan. ([www.instaphone.com](http://www.instaphone.com))

Instaphone has several firsts to their credit in Pakistan. Among them is Insta-One, pre-paid mobile service - recognizing the customer's need that the mobile phone is now more of a necessity and less of a luxury, an essential communication tool. Insta-One's introduction successfully brought both economy and convenience to Pakistani mobile phone users.

([www.pakcom.com](http://www.pakcom.com))

They were also first mobile phone company to launch CPP (Caller Party Pays) packages in Pakistan, well before CPP (free incoming regime) was officially implemented, enhancing cellular phone accessibility to all market segments. ([www.pakcom.com](http://www.pakcom.com))

In a highly competitive market scenario, Instaphone is still near the number one cellular service provider in Pakistan, with the largest active subscriber base, widest coverage network -backed by dynamic marketing strategies to be truly ahead. ([www.pakcom.com](http://www.pakcom.com))

Instaphone already commands the finest quality network throughout Pakistan - **the only cellular service provider in all four provinces of Pakistan**. As a part of on-going investments in Instaphone's cellular infrastructure, their transition from AMPS to TDMA technology ensures customers access to real digital benefits, including a congestion free environment, instant connectivity, optimum sound clarity, call privacy, enhanced battery life, and a plethora of digital value added services such as SMS, SMS Pulse, Web and e-mail SMS services, SMS\*Chat, Insta-Club Voice Chat Service, High Speed Data Transfer, Voice Mail, Long Distance Access (LDA) and much more. ([www.pakcom.com](http://www.pakcom.com))

This technological advantage combined with other value-added services places Instaphone on a threshold of greater successes in future. The introduction of a fresh, revitalized corporate look and brand development, is a reflection of their commitment to attracting new customers and consolidating their position as the leading mobile phone company in Pakistan.

([www.pakcom.com](http://www.pakcom.com))

### **5.1.1 Employment**

At Instaphone, they are always on the look for talented, dynamic professionals and experienced managers, as part of the progressive Instaphone team. If the potential candidates have the zeal and enthusiasm for Instaphone cellular, requisite academic qualifications and job experience, they send in their resumes to the Human resource department.

([www.instaphone.com](http://www.instaphone.com))

## **5.1.2 CONTRACT**

It's all about getting to understand and know you better. About working together. About giving you more, better control. About effectiveness. Instaphone call it "CONTRACT" 4 new specially designed post-paid packages with more value added services that customers can choose from. C4 packages that are easy to choose, easy to use, for customers' life-style, their cellular needs. These are the packages, which work for and with their customers, on their own terms. ([www.instaphone.com](http://www.instaphone.com))

### **5.1.2.1 CCROMPT Mobile phone service for light users**

If you are a new mobile user and has a limited budget that appreciates the value of LNO, early morning and Sunday morning specials and prefer to customize with VAS like Insta-SMS. ([www.instaphone.com](http://www.instaphone.com))

### **5.1.2.2 CCASUAL Mobile phone service for casual users**

The obvious choice if you like making outgoing calls just to remain in touch and prefer to customize with calling discount specials and value added services like LNO and Insta-SMS etc. ([www.instaphone.com](http://www.instaphone.com))

### **5.1.2.3 CULTRA Mobile phone service for regular users**

Irresistible for users with a perfect blend of outgoing and incoming calls. Enjoy unbeatable value, with free outgoing minutes, calling discount specials and more value added services. ([www.instaphone.com](http://www.instaphone.com))

#### 5.1.2.4 CELITE      Mobile phone service for Power users

The best package for those who want nothing but best in life. For the dynamic power user who needs to constantly to stay ahead in life, with unmatched outgoing economy, calling specials and more value added services. ([www.instaphone.com](http://www.instaphone.com))

##### 5.1.2.1.1      CPROMPT

Recommended Outgoing Calls Per Day	Up To 3 Calls
Monthly line rent	295
Free Outgoing Minutes (Monthly)	30
<b>OUTGOING CALL RATES (Airtime/min)</b>	
<b>Early Morning Special (8am-11am)</b>	1.88
Peak (11am-9pm)	3.75
<b>Evening (9pm - 11pm)</b>	2.99
<b>Late Nite (11pm - 8am)</b>	2.99
<b>SUNDAY SPECIAL</b>	
<b>Peak (8am - 9pm)</b>	2.81
<b>Evening (9pm - 11pm)</b>	2.24
<b>Late Nite (11pm - 8am)</b>	2.24
<b>VALUE ADDED SERVICES</b>	
<b>Free VAS Pack:</b>	
	CLI, Call Waiting, Conference Call, Call Forwarding, Do Not Disturb.
	<b>Voice Mail:</b>
<b>On</b>	No Monthly Fee. RS.

<b>Demand</b>	1/min retrieval
<b>Gold</b>	Rs.100 Monthly Fee. Rs. 1/min retrieval
<b>Insta-Club Voice Chat (Airtime/min)</b>	
8am-9pm	4.00
9pm-11pm	2.00
11pm-8am	1.00
<b>Insta SMS: SMS, Web*SMS, SMS*Chat, Email*SMS, SMS*Email, SMS*Plus</b>	
<b>Late Nite Option (Monthly Fee)</b>	<b>350</b>
<b>Corporate Club (Monthly Fee)</b>	<b>300</b>

(www.instaphone.com)

#### 5.1.2.1.2 CCASUAL

Recommended Outgoing Calls Per Day	Up To 6 Calls
Monthly Line Rent	695
Free Outgoing Minutes (Monthly)	70
<b>OUTGOING CALL RATES (Airtime/min)</b>	
Early Morning Special (8am-11am)	1.50
Peak (11am-9pm)	2.99
Evening (9pm - 11pm)	1.99
Late Nite (11pm - 8am)	1.99
<b>SUNDAY SPECIAL</b>	
Peak (8am - 9pm)	2.24
Evening (9pm - 11pm)	1.49
Late Nite (11pm - 8am)	1.49
<b>VALUE ADDED SERVICES</b>	
<b>Free VAS Pack</b>	
CLI, Call Waiting, Conference Call, Call Forwarding, Do Not Disturb	
<b>Voice Mail</b>	
<b>On Demand</b>	No Monthly Fee. RS. 1/min retrieval
<b>Gold</b>	Rs.100 Monthly Fee. Rs. 1/min retrieval
<b>Insta-Club Voice Chat (Airtime/min)</b>	
8am-9pm	4.00
9pm-11pm	2.00
11pm-8am	1.00
<b>Insta SMS: SMS,</b>	

Web*SMS, SMS*Chat, Email*SMS, SMS*Email, SMS*Plus	
Late Nite Option (Monthly Fee)	300
Corporate Club (Monthly Fee)	100

(www.instaphone.com)

### 5.1.2.1.3 CULTRA

Recommended Outgoing Calls Per Day	Up To 12 Calls
Monthly Line Rent	1,099
Free Outgoing Minutes (Monthly)	125

#### OUTGOING CALL RATES (Airtime/min)

#### VALUE ADDED SERVICES

**Free VAS Pack** :  
CLI, Call Waiting, Conference Call, Call Forwarding, Do Not Disturb.

#### Voice Mail:

<b>On</b>	No Monthly Fee. RS.
<b>Demand</b>	1/min retrieval
<b>Gold</b>	Rs.100 Monthly Fee. Rs. 1/min retrieval

Insta-Club Voice Chat (Airtime/min)

<b>Early Morning Special (8am-11am)</b>	1.00
Peak (11am-9pm)	1.99
Evening (9pm - 11pm)	1.50
Late Nite (11pm - 8am)	1.50
<b>SUNDAY SPECIAL</b>	
Peak (8am - 9pm)	1.49
Evening (9pm - 11pm)	1.13
Late Nite (11pm - 8am)	1.13

	8am-9pm	4.00
	9pm-11pm	2.00
	11pm-8am	1.00
<b>Insta SMS: SMS, Web*SMS, SMS*Chat, Email*SMS, SMS*Email, SMS*Plus</b>		
<b>Late Nite Option (Monthly Fee)</b>	<b>250</b>	
<b>Corporate Club (Monthly Fee)</b>	<b>100</b>	
Recommended Outgoing Calls Per Day	17 calls or more	

**w.instaphone.com)**

#### **5.1.2.1.4 CELITE**

Monthly Line Rent	1,799
Free Outgoing Minutes (Monthly)	300
<b>OUTGOING CALL RATES (Airtime/min)</b>	
<b>Early Morning Special (8am-11am)</b>	0.50
Peak (11am - 9pm)	0.99
Evening (9pm - 11pm)	0.99
Late Nite (11pm - 8am)	0.99
<b>SUNDAY SPECIAL</b>	
Peak (8am - 9pm)	0.74
Evening (9pm - 11pm)	0.74
Late Nite (11pm - 8am)	0.74
<b>Value Added Services</b>	
Free VAS Pack :	
CLI, Call Waiting, Conference Call, Call Forwarding and Do Not Disturb.	
<b>Voice Mail:</b>	
On Demand	No Monthly Fee. RS. 1/min retrieval
Gold	Rs.100 Monthly Fee. Rs. 1/min retrieval
Insta-Club Voice Chat (Airtime/min)	
8am-9pm	4.00
9pm-11pm	2.00
11pm-8am	1.00

([www.instaphone.com](http://www.instaphone.com))

### 5.1.3 Connections and unique features

#### 5.1.3.1 Insta Xcite

Instaphone has **Insta Xcite Plus**, which has all the features of lowest outgoing calls at Rs: 3. ([www.instaphone.com](http://www.instaphone.com))

Insta has some of the features that differentiate it from others, thereby giving unique value added features. **Lowest Daily fee, Talk 'n' Save**-as customers will talk longer; their calls actually get cheaper. Only **Rs. 1.99/-** outgoing airtime after the 1st minute to the end of your call, all day. **Talk Freely** - during the night, only 25 paisas outgoing airtime per minute would be charged. **Voice Mail Gold** - Voice Mail Gold is an exclusive advanced feature for Insta Xcite customers.



<b>Daily fee</b>	<b>Rs. 5/-</b>
*Outgoing - Day time 7 am - 12 am	1st min. <b>Rs. 3.99/-</b> After the 1st min. onwards <b>Rs. 1.99/-</b>
*Outgoing - Night time 12 am - 7 am	<b>25 paisas</b>

([www.instaphone.com](http://www.instaphone.com))

#### 5.1.3.1.1 Negligible Transference Charges

Customers can switch to Insta Xcite Plus or come back from Insta Xcite or Insta Xcite Plus to Insta One by simply dialing \*414. A user friendly IVR will guide them in switching to Insta Xcite Plus or Insta One Package. Insta Xcite Customers can switch to Insta Xcite Plus for free.

Insta One to Insta Xcite Plus	<b>FREE</b>
Insta Xcite Plus to Insta One	Rs. 35/-

([www.instaphone.com](http://www.instaphone.com))

#### 5.1.3.1.2 X-Call Conference

In conference call now customers can talk to 2 people at the same time, in 3-Party simultaneous conversation.

##### 5.1.3.1.2.1 Procedure

1. During your conversation with the caller 1 (incoming only), dial caller 2 (or Press 2 and SEND to attend second incoming call).
2. When caller 2 receives the call, Press 3 and SEND for establishing a 3-Party conversation.

- To shift between caller 1 & 2, Press 1 and SEND for talking to caller 1 and 2 and SEND to caller 2.

([www.instaphone.com](http://www.instaphone.com))

#### 5.1.3.1.2 X- Call waiting

Customers can attend incoming calls while in conversation with another call, ensuring that they are never found busy to other callers.

#### 5.1.3.1.3 X-Card Denominations

Insta pre-paid cards come in easy and affordable denominations to suit customers' usage, budget and style.

Scratch Card Denominations (Rs.)	Outgoing Call period	Incoming Call period
350	45 Days	2 Months
650	11 <sup>1/2</sup> Months	12 Months
999	11 <sup>1/2</sup> Months	

([www.instaphone.com](http://www.instaphone.com))

#### 5.1.3.1.4 X-Coverage n Roaming

Instaphone reaches more than 161 cities nationwide... where others simply don't. With Insta Xcite, consumers can always get best signals within each city, the best call connectivity and free roaming in more than any other mobile phone company in Pakistan. So this way they can keep on enjoying Insta-One and Insta Xcite Plus anytime, anywhere, and everywhere! They can also enjoy Free Roaming within each province, between Punjab & Baluchistan.

AREA	CHARGES
Within Provinces	<b>FREE!</b>
Between Punjab & NWFP	
Between Sindh & Balochistan	

([www.instaphone.com](http://www.instaphone.com))

### 5.1.3.2 Insta one

Insta One is the right choice if customers prefer incoming calls & occasionally like to make outgoing calls just to stay in touch. Insta One is the Best Value Prepaid Connection. Insta One now lets them enjoy **12 Months Free Incoming**, which lets them stay contactable for as low as **Rs. 54 per month** by refreshing with Rs. 650 Insta prepaid card. They can also enjoy **Roam Free Incoming, Insta SMS** and much more on their most affordable contactable prepaid connection.

#### 5.1.3.2.1 Tariffs

Insta One is the Best Value prepaid connection. You Bet!

Daily Fee	ZERO
*Outgoing - Day time 7am - 11 pm	Rs. 5.75/- <b>INCOMING FREE</b>
*Outgoing - Night time 11 pm - 7 am	Rs. 1.99/-

([www.instaphone.com](http://www.instaphone.com))

	Contactable Per Month*	Max Free Incoming
<b>INSTA</b> BEST VALUE	<b>Rs. 54</b>	<b>12 Months</b>
<b>Jazz</b>	<b>Rs. 104</b>	<b>6 Months</b>
<b>Ufone</b>	<b>Rs. 83</b>	<b>6 Months</b>
<small>*Based on max free incoming periods and lowest priced equivalent prepaid card.</small>		
<b>PTCL</b>	<b>Rs. 200</b>	
<small>Monthly line rent</small>		

(www.instaphone.com)

- Roam Free Incoming
- Lowest priced Rs. 299 Insta prepaid card with 2 months of free incoming calls
- Insta SMS

#### 5.1.3.2 Value added services of Insta one

Call waiting, conference calling, and voice mail, Insta SMS, international SMS.

#### 5.1.3.2.3 Insta prepaid cards

Scratch Card Denominations (Rs.)	Outgoing Call Period	Incoming Call Period
<b>299</b>	<b>45 Days</b>	<b>2 Days</b>
<b>650</b>	<b>11<sup>1/2</sup> Months</b>	<b>12 Months</b>
<b>999</b>	<b>11<sup>1/2</sup> Months</b>	



(www.instaphone.com)

#### **5.1.4 TDMA**

Instaphone has recently introduced digital services. They have just launched “Time Division Multiple Access” (TDMA) digital service in Islamabad, Rawalpindi, Lahore, Sialkot and Karachi, which will provide Instaphone and Insta-One customers with real and unmatched digital benefits, including:

- Instant Call Connectivity
- Enhanced Battery Life
- Voice Privacy
- Better Coverage
- Digital Value Added Service Including SMS, SMS\*Pulse, SMS\*Chat & Voice Chat.

This is all part of their ongoing efforts to invest and improve Instaphone’s cellular network for providing better services to their customers throughout Pakistan.

TDMA is one of the leading cellular standards in the world, widely used in the US, Canada and Latin America and will provide that global edge to Instaphone & Insta-One customers in Pakistan.

## **6.0 MOBILINK**

Mobilink GSM (PMCL), a subsidiary of Telecom, is the market leader in providing state-of-the-art communications solutions to over 2 million people in Pakistan. They can proudly boast of being the first cellular service provider in Pakistan to operate on a 100% digital GSM technology.

They offer tariff plans that are exclusively designed to cater to the communication needs of a diverse group of people, taking into account

occasional users to businessmen. To achieve this objective, they offer both postpaid and the prepaid (JAZZ) solutions to our customers.

In addition to providing advanced voice communication services, they also offer a number of value added services to their valued subscribers. Keeping in mind their customers' convenience, they have also bundled mobile handsets, sold either independently or bundled in Get Set Go Pack.

Mobilink GSM started operations in the year 1994, from then on it has shown enormous growth. At the time when it entered the market it was a small player in the cellular market of Pakistan it is now the market leader both in terms of growth as well as having the largest subscriber base in Pakistan.([www.mobilink.com](http://www.mobilink.com))

## **6.1 Achievements**

- ISO 9002 Quality Management System Certification for Billing, Engineering Departments and CS Contact Center.
- Implementation of a full Intelligent Network (IN) platform from Siemens for the Prepaid platform.
- Biggest Call Center in Pakistan, which is there to assist the customers 24 hours.
- Only cellular service in Pakistan to provide coverage on the M2 motorway.
- Bilateral roaming agreements signed with 61 countries around the world to have true roaming service operational in 151 operators of the world.
- MOBILINK GSM's Short Message Service Center allows Vehicle Tracking and Fleet Management services that are being provided by Tracker (Pvt.) Ltd., under the brand name of C-Track, a company licensed by Pakistan Telecom Authority (PTA). Tracker currently

operates from Karachi but can provide these facilities at all those locations where GSM coverage is available.

[www.mobilink.com](http://www.mobilink.com)

## **6.2 Human resources**

At Mobilink, their belief is that "Our people are our greatest asset". They take great pride in acknowledging the contribution each one of those who makes. They focus on People Development and for that they ensure:

- Staff Mobilink with world class Professionals and ensure that the right systems are in place to encourage them to develop to their full potential.
- Create a collaborative and mutually supportive work environment that encourages people to grow.
- Build a team of professionals who deliver expertise by participating in business decisions.
- Develop Performance Management and reward systems underlying their Business strategy.

[www.mobilink.com](http://www.mobilink.com)

## **6.3 Unique Services**

### **6.3.1 Hand set Kiosk inside Mobilink Service Centre**

As another initiative in providing the best and complete service solutions to our valued customer, a "Hand set kiosk" has been set up at Mobilink Service Centre at Awami Markaz, Karachi. This



kiosk has been set up in collaboration with Mobile Zone. After test running this kiosk at Awami, they will be setting up such kiosk in other service centers as well.

From now on their customers will have the added convenience of purchasing quality hand sets of leading manufacturers such as Nokia, Samsung or Sony Ericsson right from our Service Center. On every purchase the customers would get some free gifts to add more value to their purchase. These will include the following:

1. Game pack CDs by Sony
2. Ericsson Nokia life style CDs
3. Nokia wallpaper CDs
4. 4.Duffle bags

As further value addition, some free accessories such as Fast chargers, Hands free kits and Car stands would also be given on sale of handsets from the kiosk. ([www.mobilink.com](http://www.mobilink.com))

### **6.3.2 Opening of the Peshawar Customer Services Centre**

In line with their commitment for providing quality Customer Services to their valuable Customers Mobilink is proud to announce the opening of the Peshawar Customer Services Centre on Monday 12th April 2004. ([www.mobilink.com](http://www.mobilink.com))

### **6.3.3 Welcome to the New Mobilink**

As they stand at the threshold of a new era of Communication in Pakistan, Mobilink GSM is proud to share its renewed values and it's new identity.

Mobilink GSM – Reshaping Communication

As Mobilink continues to grow, it is no longer *just* a cellular company but the preferred choice of customers for their communication needs. Their new logo the **Mobilink World encompasses people’s hopes, their wishes and their dreams.** Through their untiring efforts they commit bringing these to reality through their state-of-the-art systems. They definitely bring people together. ([www.mobilink.com](http://www.mobilink.com))

#### 6.3.4 International Roaming, TDCA Afghanistan

Mobilink GSM has commenced International Roaming with Afghanistan; TDCA .Now Mobilink has roaming partnership with 176 operators worldwide. Operators that they have launched recently are:

	<b>Country Name</b>	<b>Operator Name</b>	<b>Frequency</b>
1.	Afghanistan	TDCA	900
2.	Tunisia	oTT	900
3.	Algeria	Djezzy	900/1800
4.	Yugoslavia	Mobtel	900/1800
5.	Yemen	Sabafone	900/1800

MOBILINK is the First one to commence International Roaming Services in Afghanistan with TDCA in continuance of its efforts to provide best services and maximum coverage around the globe. ([www.mobilink.com](http://www.mobilink.com))

#### 6.4 Post paid connections

Life whispers. Life Laughs. Life talks. However customers connect with life's moments, a Mobilink Indigo connection is by their side. With countless, value added ways to keep them connected. Mobilink Indigo is the new complexion of communication. After all, only family really knows your true colors. ([www.mobilink.com](http://www.mobilink.com))

### 6.4.1 New Supplementary Connection

*Supplementary connection from indigo.*

*Same connection same Bill Two numbers.*

Imagine having all the post paid benefits Mobilink's customers current indigo connection-all over again? A supplementary connection is all this and more. And because it will be billed on your existing monthly statement, there's less paperwork and more control on top of having a great new number.

*New Service*

*New call and Control*

**Call & Control** is aimed at customers who currently fall between prepaid and postpaid. These are customers who want the prestige and benefits of postpaid with the control and convenience of prepaid. They could include parents buying connections for their children, companies buying connections for their sales force with the control of prepaid cards and so on. The media campaign for the product will also emphasize these control and convenience features. ([www.mobilink.com](http://www.mobilink.com))

#### 6.4.1.1 Additional Information for post paid (indigo)

##### Access Charges

All outgoing Access Charges are in addition to Mobilink outgoing airtime rates.

Mobilink to Mobilink Nationwide Access Charges (per minute)

Distance Bands (km)	Peak (0700-2130)	Off-Peak(2130-2300)	Late Night(2300-0700)
25-80	Rs.2.00	Rs.1.00	Rs.1.00

80-160	Rs.5.00	Rs.2.50	Rs.2.00
160-600	Rs.5.00	Rs.2.50	Rs.2.50
600+	Rs.8.00	Rs.4.00	Rs.4.00

([www.mobilink.com](http://www.mobilink.com))

#### **Other Network\* Access Charges**

Other network nationwide (NWD) access charges	Rs.2.00 per min
International (ISD) access charges	Rs.3.00 per min

([www.mobilink.com](http://www.mobilink.com))

#### **6.4.1.2 Incoming Roaming Charges**

No incoming roaming charges within customers' respective region. Between North & Central Regions: Rs.2.00 per min between South & North Regions and south & Central Regions: Rs.6.00 per min. ([www.mobilink.com](http://www.mobilink.com))

#### **6.4.1.3 Important Information**

Voice Mail charges are Rs.1.00 per 15 seconds for retrieval of messages. Relevant charges on forwarded calls are applicable. Additional surcharge of Rs.3.00 per message will be charged on all outgoing international SMS. ([www.mobilink.com](http://www.mobilink.com))

### **6.5 Value Added Service (VAS)**

Power Tools	G-mail	International Roaming	Gup Shup Corner
SMS	Data Service	Conference Calling	Mobile Banking
V-mail	Fax Service	Song Dedication	

([www.mobilink.com](http://www.mobilink.com))

## 6.6 Mobilink’s Long Distance Charges (postpaid)

Distance band (Km)	Peak	Off-peak	Late-night
	0700-2130	2130-2300	2300-0700
0-25	0	0	1
25-80	2	1	1
80-160	5	2.5	2.0
160-600	5	2.5	2.5
600+	8	4	4

(www.mobilink.com)

### 6.6.1 PTCL Charges

Zone	Distance Band	Per minute Charges *		
		0700-1759 Peak	1800-2129 Off Peak	2130-0659 Late Night
Zone 1**	Within 25 km	2.01	2.01	2.01
Zone 2	26 km – 80 km	3.478	1.74	0.87
Zone 3	81 – 160 km	5.65	3.044	1.522
Zone 4	161 & above	7.39	5.685	2.843
Zone 5	161 & above	7.39	5.685	2.843

(www.mobilink.com)

## 6.7 Supplementary Packages of INDIGO

1. Two new supplementary packages, “Family” and “Family Plus” introduced.
2. All calls between the supplementary and primary numbers will be charged at 50% of the airtime of the respective package.
3. Only one bill (addressed to the user of primary connection) will be generated for both numbers.
4. Customers on high-end packages (line rents Rs.1300 and Rs.1850) will have a choice between either of the two (Family or Family Plus) supplementary packages. On the other hand, the low end Mobilink postpaid subscribers will only be able to avail the Family supplementary package. (www.mobilink.com)

## 6.8 Calls and Control

Mobilink is pleased to announce the launch of a new Mobilink Package- "Call&Control". "Call & Control" is a postpaid package with the following features:

1. Airtime is charged through Jazz vouchers.
2. Line rent is charged in monthly bills.
3. There is no scratch card validity period - your account remains active as long as you pay the monthly bill.
4. Instant NWD and ISD calling - no security deposit required

Call & Control is aimed at customers who currently fall between prepaid and postpaid. ([www.mobilink.com](http://www.mobilink.com))

## **6.9 Indigo services**

### **6.9.1 On call services**

A bundle of great services to help manage customers' calls, activate CLI, Call waiting/holding, Call Forwarding, Conference Call, and V-Mail now. ([www.mobilink.com](http://www.mobilink.com))

### **6.10 Voice mail**

A great service that allows callers to leave a voice message when they are unable to take a call. ([www.mobilink.com](http://www.mobilink.com))

### **6.11 Stock Watch**

Get continuous updates on each customers' stocks listed on the LSE (Lahore Stock Exchange) or KSE (Karachi Stock Exchange) anytime through Mobilink's Stock Watch. ([www.mobilink.com](http://www.mobilink.com))

### **6.12 Mobile Banking**

M Banking maximizes the ease and the satisfaction of their customers by offering them banking services from their mobile handset. This service is provided to their customers who are banking with MCB or Standard Chartered. ([www.mobilink.com](http://www.mobilink.com))

### **6.13 Mobilink indigo tariff**

**Tariff-Indigo airtime charges (Rs. per minute)**

	Indigo Basic	Indigo 50	Indigo 100	Indigo 200	Indigo 400	Indigo 2000
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Line Rent	300	600	850	1,300	1,850	3,900
Free Minutes	-	50	100	200	400	2,000
Outgoing Calls Peak (0700 - 2130)	3.50	2.90	2.60	1.90	1.00	1.00
Outgoing Calls Off-Peak (2130 - 0700)	3.00	2.20	1.80	1.50	1.00	0.50
SMS (per message)*	1.50	1.50	1.50	1.50	1.00	1.00
On Call Services (CLI, Call Waiting & Call Forwarding)	Free	Free	Free	Free	Free	Free

[www.mobilink.com](http://www.mobilink.com)

#### 6.14 Network of Mobilink

During the last five years, Mobilink has set up one of the largest cellular networks in the country. Currently, they are covering more than 250 cities and towns. This has involved an investment in the company of more than US\$ 150 million. They have 5 Switches and have plan to a number of cell sites in the next two years. ([www.mobilink.com](http://www.mobilink.com))

<b>Switches</b>	Siemens
<b>Radio Base Stations</b>	Motorola
<b>Billing System</b>	TelesensKSCL and Ericsson
<b>Intelligent Networks</b>	Siemens
<b>Microwave Equipment</b>	DMC
<b>Operating Frequency</b>	900MHz
<b>SMSC</b>	CMG

## 7.0 Millicom & Paktel

All of MIC's operations in Asia took steps during the year to position their products as market leaders in terms of quality, coverage and price, through product launches, the development of value-added services and innovative advertising campaigns. In Pakistan, Paktel pitched Tango Silver as the cheapest prepaid product on the market through an advertising campaign with the strap

line: “Only silence is cheaper”. Paktel also launched a new product, Tango Platinum, in December 2003 with a reduced daily fee and minimal call charges during the night to cater for the youth sector, which attracted more than 18,000 customers in little over a month.

<http://www.millicom.com/index4.htm>

## **7.1 Value Added Features**

The number of SMS messages increased by 63% over the year. Millicom Lao Ltd (“MLL”) in Laos is offering SMS, ring tones and logos to position itself as an innovative service provider and, since the launch of Tango in April 2003, has adopted an aggressive commercial strategy to increase the early adoption of these services in the domestic market. It has also introduced the lowest denomination refill card on the market at \$1.85 and by the end of December this card had taken 45% of market share.

<http://www.millicom.com/index4.htm>

## **7.2 Distribution**

New freelance and multi-level marketing (“MLM”) models of distribution were introduced in Asia and the number of nontraditional distribution outlets increased considerably in line with the strategy of product availability “everywhere and anywhere”. These outlets, which include convenience stores, post offices, bus stations and petrol stations, are sold refresh cards by a dedicated sales team. A number of training sessions were conducted during the year and these, together with incentivisation schemes and sales promotions, succeeded in boosting sales and gaining the confidence of the extensive dealer network. In Pakistan development of the “franchise concept” has produced a very extensive distribution network and in Laos, Tango has equaled or exceeded the number of distribution outlets of its competitors in all three cities under coverage. Steps have also been taken to improve the visibility of MIC’s distribution outlets with shop



flag signs being rolled out nationally in Pakistan and through the use of square board markers at all outlets in Sri Lanka to advertise the Cellcard brand.

<http://www.millicom.com/index4.htm>

### **7.3 Network and capital efficiency**

The most significant network development for MIC Asia occurred in Pakistan with the allocation of GSM frequency to Paktel under its existing license, in October 2003. A GSM offering, starting in mid 2004, will increase the growth rate in Pakistan substantially and it is anticipated that one million new subscribers will be added in the 12 months following its launch. As well as allocating capital expenditure to the GSM network layout, MIC also executed two major expansions in its TDMA /AMPS network in Pakistan in order to keep the network growing and to increase the number of bases prior to the entry of two new cellular operators, which is expected by year-end 2004.

<http://www.millicom.com/index4.htm>

MIC Asia continues to improve its network and capital efficiency through the use of new techniques and the improvement of capex pricing through competitive selection of suppliers.

<http://www.millicom.com/index4.htm>

### **7.4 Outlook for 2004**

The focus of MIC's Asian operations in 2004 will be on business improvement initiatives: understanding and targeting new market segments, developing mass market distribution, the launch of new value-added services and the continued improvement in network capacity and coverage aimed at maintaining its market-leading positions, thus capitalizing on the high growth potential of the region.

<http://www.millicom.com/index4.htm>

## 7.5 PAKTEL APPROACHES PTA FOR GSM LICENSE

Paktel, a subsidiary of South Africa-based Millicom International Cellular, has approached the Pakistan Telecommunication Authority (PTA) following Lahore High Court (LHC) directives to the company to approach the authority for GSM operations license. MIC's portfolio of assets currently comprises 16 cellular operations in Asia, Latin America and Africa, covering a population under license of approximately 387 million people.

([http://www.dailytimes.com.pk/default.asp?page=story\\_10-8-2004\\_pg5\\_2](http://www.dailytimes.com.pk/default.asp?page=story_10-8-2004_pg5_2))

Sources close to the authority said the company had formally submitted an appeal to the authority as asked by the LHC.

Paktel has submitted its appeal to the PTA, The appeal is in accordance with the LHC directives and hopefully a decision in this regard would be made soon.

The LHC Rawalpindi Bench initially dismissed an appeal filed by the Paktel, against the order of the PTA that demanded the company to deposit \$38.8 million for switching its system from AMPS to GSM regime.

([http://www.dailytimes.com.pk/default.asp?page=story\\_10-8-2004\\_pg5\\_2](http://www.dailytimes.com.pk/default.asp?page=story_10-8-2004_pg5_2))

In a brief hearing, the PTA told the court that the decision, referred by Paktel, was taken by an individual not empowered to decide on PTA's behalf and therefore company's concerns were unfounded.

([http://www.dailytimes.com.pk/default.asp?page=story\\_10-8-2004\\_pg5\\_2](http://www.dailytimes.com.pk/default.asp?page=story_10-8-2004_pg5_2))

Accordingly, the court decided to dismiss the appeal on technical grounds and asked the Paktel management to approach the PTA for final settlement of the

matter.

And following such orders, Paktel has submitted its appeal and waiting for hearing. In the month of July 2004 , the PTA directed Paktel to deposit \$38.8 million for launching its GSM service.

[\(\[http://www.dailytimes.com.pk/default.asp?page=story\\\_10-8-2004\\\_pg5\\\_2\]\(http://www.dailytimes.com.pk/default.asp?page=story\_10-8-2004\_pg5\_2\)\)](http://www.dailytimes.com.pk/default.asp?page=story_10-8-2004_pg5_2)

The company, which is currently operating on AMPS, wanted to convert its services to modern GSM, for which it was asked to deposit \$38.8 million.

The PTA told the company management to deposit \$19.4 million at the time of launching of its GSM service and the remaining \$19.4 million within next 30 days of launching the system.

[\(\[http://www.dailytimes.com.pk/default.asp?page=story\\\_10-8-2004\\\_pg5\\\_2\]\(http://www.dailytimes.com.pk/default.asp?page=story\_10-8-2004\_pg5\_2\)\)](http://www.dailytimes.com.pk/default.asp?page=story_10-8-2004_pg5_2)

In addition, the company would also have to pay Rs 200 million for not converting to GSM system about two years ago despite being given the permission.

[\(\[http://www.dailytimes.com.pk/default.asp?page=story\\\_10-8-2004\\\_pg5\\\_2\]\(http://www.dailytimes.com.pk/default.asp?page=story\_10-8-2004\_pg5\_2\)\)](http://www.dailytimes.com.pk/default.asp?page=story_10-8-2004_pg5_2)

Sources said PTA's arguments before the Court has lifted hopes of the company management to receive go ahead for GSM operations. However, But PTA still sounds determine to receive \$38.8 million from Paktel before allowing it GSM operations.

[\(\[http://www.dailytimes.com.pk/default.asp?page=story\\\_10-8-2004\\\_pg5\\\_2\]\(http://www.dailytimes.com.pk/default.asp?page=story\_10-8-2004\_pg5\_2\)\)](http://www.dailytimes.com.pk/default.asp?page=story_10-8-2004_pg5_2)

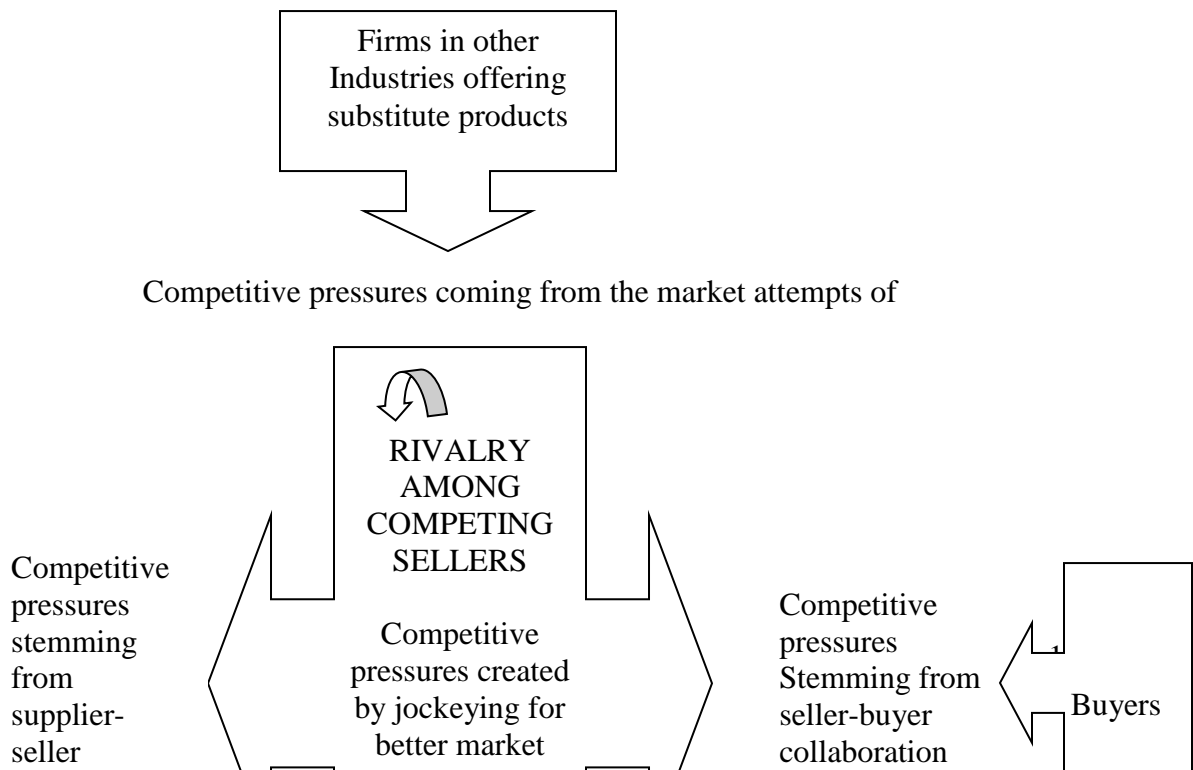
“The PTA will allow Paktel to switch to GSM only when they pay \$19.4 million

before launching the new service and remaining \$19.4 million within the next 30 days,” a PTA spokesman told Daily Times from Islamabad.

[http://www.dailytimes.com.pk/default.asp?page=story\\_10-8-2004\\_pg5\\_2](http://www.dailytimes.com.pk/default.asp?page=story_10-8-2004_pg5_2)

“After the cellular mobile policy was announced, existing licensees were allowed to renew their licences on the terms and conditions applicable to two new cellular mobile operators (Telenor and Warid Telecom),” he said. He said it was also the requirement of the policy that existing licensees shall pay the same frequency spectrum price as determined in the auction of two new cellular mobile licences. The PTA spokesman said the authority presented the true picture before the court and won the legal battle. The LHC has given the decision and this means the company (Paktel) has to pay \$38.8 million before launching GSM operations.

[http://www.dailytimes.com.pk/default.asp?page=story\\_10-8-2004\\_pg5\\_2](http://www.dailytimes.com.pk/default.asp?page=story_10-8-2004_pg5_2)



## **8.0 THE FIVE FORCES MODEL OF COMPETITION:**

### **A key Analytical Tool for Diagnosing the Competitive**

One important component of industry and competitive analysis involves delving into the industry's competitive process to discover what the main sources of competitive pressures are and how strong each competitive force is. This analytical step is essential because managers cannot devise a successful strategy without in-depth understanding of the industry's competitive character.

## **8.1 THE FIVE FORCES OF COMPETITION**

Even though competitive pressures in various industries are never precisely the same, the competitive process works similarly enough to use a common analytical framework in gauging the nature and intensity of competitive forces. As Porter has truly defined that competition in any industry is guided by following forces:

- The rivalry among the competing sellers in the industry.
- The potential entry of new competitors.
- The market attempts of companies in other industries to win customers over to their own substitute products.
- The competitive pressures stemming from supplier-seller collaboration and bargaining.
- The competitive pressures stemming from the seller-buyer collaboration and bargaining.

### **8.1.1 The rivalry among competing sellers**

The strongest of the five competitive forces is usually the jockeying for position and buyer favor that goes among rival sellers of a product or service. In some industries, cross-company rivalry is centered on price competition-competing to offer buyers the best (lowest) price is typical among internet retailers and the sellers of such standard commodities as nails, plywood, sugar, printer paper, and gasoline. Occasionally price competition can be so lively that market prices temporarily fall below unit costs, forcing losses on some or most rivals.

In other industries, like the telecom industry of Pakistan, price competition is minimal to moderate and rivalry is focused on one or more of the following: offering buyers the most attractive combination of performance features, being first to market the most innovative products, out-competing rivals with higher quality or more durable products, offering buyers longer warranties, or creating a strong brand image. The intensity of rivalry among competing sellers is a function of how vigorously they employ

such tactics as lower prices, snazzier features, expanded customer services, longer warranties, special promotions and new product introductions. The big complication in most industries is that in most industries is that the success of any one firm's strategy hinges on what strategies its rivals employ and the resources rivals are willing and able to put behind their strategic efforts. The best strategy for one firm depends on the competitive capabilities and strategies of rival companies. Such interdependence means that whenever one firm makes a strategic move, its rivals often retaliate with offensive or defensive countermoves.

The rivalry is highly intense as far as the telecom players are concerned and they every now and then come up with something over and above one another to gain the maximum market share. Mobilink is having a competitive advantage as far as its GSM nature is concerned. GSM has the added feature of more capacity of users as compared to AMPS service providers. In order to beat the competition and move market to their end, they have devised methods to increase the subscriber ratio. Ufone, Mobilink, Instaphone, Paktel all are in a state of never ending war and survivors are those that have unique strategies in order to win the battle.

Rivalry in the telecom industry has also intensified due to presence of many competitors and they are more or less of same size and capability. It is also increasing at an indefinite rate because demand is guided by the consumers as level of sophistication has risen to a great extent. Rivalry has also exceeded in this industry because there are players like Ufone and Paktel, that are dissatisfied with their market position and launch moves to bolster their standing at the expense of other rivals.

### **8.1.2 The potential Entry of new Competitors**

New entrants to a market bring new production capacity, the desire to establish a secure place in the market and sometimes-substantial resources with which to compete. Just how serious the competitive threat of entry is in a particular market depends on two classes of factors: barriers to entry and the expected reaction of incumbent firms to new entry. A barrier to entry exists whenever it is hard for a new comer to break into the market or economic factors put a potential entrant at a disadvantage relative to its competitors. There are several types of entry barriers:

- Economies of Scale- Scale economies deter entry because they force potential competitors either to enter on a large scale or to accept a cost disadvantage and consequently lower profitability. Trying to overcome the disadvantages of small size by entering on a large scale at the outset can result in long term overcapacity problems for the new entrant and it can so threaten the market shares of existing firms that they retaliate aggressively to maintain their positions.
- Cost and resource disadvantages independent of size-Existing firms may have cost and resource advantages not available to potential entrants. These advantages can include partnerships with the best and cheapest suppliers of raw materials and components, possession of patents and proprietary technology, existing plants built, favorable locations.
- Inability to match the technology and specialized know how of firms already in the industry.
- Brand preferences and customer loyalty.
- Capital requirements
- Access to distribution channels

As far as telecom industry of Pakistan is concerned, the industry is operating at a boom. Pakistan is considered to be a highly attractive place for investment and large number of companies like TeleNor and Al-Wareed have recently entered into the competition, as they saw lot many



opportunities still left untapped by present companies. TeleNor is a Norwegian company and Al-Wareed a Dubai Based company that are gaining favorable acceptance in the marketplace. It has been determined that on a frequent basis, employee base of established companies like Mobilink and many others is trying to move towards these companies, as they are offering more competitive salary benefits as it's a fresh start up company. So the competition is extremely intense and threat of rivalry is very much from these companies who have already started their operations. Nokia has also entered officially in Pakistan as a telecom player, although initially it was present in the market operating through Chimera.

### **8.1.3 Competitive Pressures from Substitute Products**

Firms in one industry are quite often in close competition with firms in another industry because their respective products are good substitutes. The producers of eyeglasses compete with the makers of contact lenses and with eye specialists who perform laser surgery to correct vision problems. The sugar industry competes with companies that produce artificial sweetener and high fructose corn syrup. Just how strong the competitive pressures are from substitute products depends on three factors: whether attractively priced substitutes are available, whether buyers view the substitutes as being satisfactory in terms of quality, performance and other relevant attributes and whether buyers can switch to substitutes easily.

If we see the telecom industry, all communication providers would be the substitutes of mobile and cellular technology providers of Pakistan. In this regard, PTCL telephones, calling cards facility that can be availed with only STD phones, booths, Internet dialup facilities, Yahoo messenger and the emergence of technologies like Web cam, public call offices, all come

as the substitutes for telecom service providers. In these substitutes now the point under discussion is whether these substitutes have that strength that they can move the competition at their end. Even if they don't have that strength, the presence of them makes things difficult for the major players who are ruling the market. Definitely, much greater than the users who are availing the facility of mobiles in Pakistan, are those who are deprived of this communication factor. People in far flung areas feel more better when talk either through calling cards or PCO's that satisfy their routine needs. This way they overcome the probability of incurring high prices that are charged with the purchase of mobile sets and a connection to make full use of that.

#### **8.1.4 Competitive Pressures Stemming from Supplier bargaining power and supplier seller collaboration**

Whether supplier seller relationships represent a weak or strong competitive force depends on: whether suppliers can exercise sufficient bargaining power to influence the terms and conditions of supply in their favor, and the extent of supplier-seller collaboration in the industry.

Suppliers have little or no bargaining power or leverage over rivals whenever the items they provide are commodities available on the open market from numerous suppliers with ample capability to fill orders. In such cases it is relatively simple for rivals to obtain whatever is needed from any of several capable suppliers, perhaps dividing their purchases among two or more suppliers to promote lively competition for orders.

Suppliers also tend to have less leverage to bargain over price and other terms of sale when the company they are supplying is a major customer. In such cases, the well being of suppliers is closely tied to the well being of their major customers. Suppliers then have a big incentive to protect and

enhance their customers' competitiveness via reasonable prices, exceptional quality and ongoing advances in the technology of the items supplied.

In contrast companies have little bargaining power with major suppliers like in the case of Mobilink. Mobilink is the company that is dealt by three vendors, as far as its BSS and NSS systems are concerned. They are all foreign-based renowned and professional companies of world known as Motorola, Alcatel and Siemens. Since they all are given different kind of responsibilities by the firm, they are at a higher bargaining power, as far as expertise and knowledge of their equipment handling is concerned. Mobilink is only the customer and these companies are its makers, that can exercise their terms and conditions.

#### **8.1.5 Competitive Pressures stemming from Buyer bargaining power and seller buyer collaboration**

Just as with suppliers, the leverage that buyers have in negotiating favorable terms can range from strong to weak. Buyers have substantial bargaining leverage in a number of situations. The most obvious is when the buyers are large and purchase a sizeable percentage of the industry's output. Typically purchasing in large quantities gives a buyer enough leverage to obtain price concessions and other favorable terms.

Even if buyers do not purchase in large quantities, they may still have some degree of bargaining leverage in the following circumstances:

- If buyers' costs of switching to competing brands or substitutes are relatively low.
- If the number of buyers is small or if a customer is particularly important to a seller.
- If buyers are well informed about sellers' products, prices and costs.

- If buyers pose a credible threat of integrating backward into the business of sellers.
- If buyers have discretion in whether and when they purchase the product.

Customers in the telecom industry of Pakistan are in the mix of those who are quite aware of the type of services being given by service providers and those who only use the service for the sake of staying in connection and communication with their related ones. Introduction of new kind of products and services for this class of the market that are not that much aware is not a good suggestion. This is evident from the Ufone's strategy where they are capitalizing on their unique value added features that are extremely difficult for a common man to understand and make use of them. So they feel more motivated in using the other service providers' service.

Those customers that have reached to the level of sophistication are tapped by companies known as Mobilink. Where this company sees that customers want affordability and convenience, so every now and then come up with services like no roaming in order to retain their existing line of consumers yet smooth ways to attract new ones. This is the situation where customer bargaining power is high and he is thrown in front of many players, among which he has to select.

## 9.0 FOREIGN FIRMS ENTERING INTO PAKISTAN AS BIG THREATS

### 9.1 The Cake is Big Enough

## 9.2 Why Two More?

The telecom sector in Pakistan is poised for bigger and better. With 150 million people growing annually by the size of the entire population of Oman next door, a tele density of 2.9% means more than 145 million potential users still in need of tele services. Since the introduction of CPP (Calling Party Pays) cellular telephony is the highest growth sector with an estimated 15 million cellular users by 2008. It is expected to attract fresh investment to the tune of \$1.5 billion over the next five years with new licensees investing up to \$500 million each to set up their networks. The PTA auctioned two more licenses in order to improve and accelerate the distribution of cellular services, especially in rural areas which have largely gone unattended. The sale was warmly welcomed by current users desperate for better service.

<http://www.bluechipmag.com/0604/art05.html>

## 9.3 The Successful Bidders

In response to PTA's invitation, 33 Expressions of Interest were received, including some major international names such as SingTel, Malaysia Telekom, Telenor, as well as leading domestic business houses in Pakistan (Engro, Rupali, Dewan, Gatron, Fauji Foundation and WorldCALL amongst others). From this list, 9 contenders deposited \$10 million each in order to participate in the final bid. <http://www.bluechipmag.com/0604/art05.html>

The top five from these nine finalists (selected through a sealed bid) then took part in the open outcry round and included TeleNor, Spell (Fauji Foundation's consortium), WorldCALL, Space Telecom (Syria Tel's consortium) and Al Warid (Sheikh Al-Nahyan Group). The sealed bids by these five ranged from \$101 million (Space) to \$161 million (TeleNor). Judging from the very aggressive way in which Space Telecom participated towards the latter end of the bidding, it is interesting that they were the lowest amongst the top five bidders at this stage. What made the open outcry bidding more interesting was the way Space Telecom

jumped into the fray at a very late stage when it appeared that the contest for the two licenses was between Fauji, **Al-Warid and Telenor**.

<http://www.bluechipmag.com/0604/art05.html>

### **9.3.1 What Next**

A lot of people will be watching the cellular industry as this is very much the 'happening' sector with big investment activity, new employment, thousands of new cell sites to be fought over, telecom teams being poached and repoached — every day brings forth new issues. At least one of the two new licensees is already involved in preparing to be the first to market an aggressive campaign that will rely a great deal on significant capacity outlay and improved service range. The high bid price means it is critical to attract and retain subscribers and in a future which may see mobile number portability, it is the consumers that will benefit. Existing operators, who will have to match the license fee as their own licenses come up for renewal, will have to plan their future strategies taking many new factors into account, not least whether they choose to continue in an increasingly cut-throat environment.

<http://www.bluechipmag.com/0604/art05.html>

## **9.4 The Telenor group**

Telenor is the largest provider of telecommunications services in Norway, and has substantial international mobile operations. Continued development of Telenor's mobile operations is essential to the Group's positioning as an international player in the telecommunications industry. Norway, the Nordic Region and internationally. Telenor has gone from being a national telecommunications operator to become an international player with its main focus on mobile services.

**(www.telenor.com)**

In the continued development of its activities, Telenor will continue to build on the solid, existing platform. The strong Norwegian position will form the basis for

new growth. In immature markets and with respect to new product ranges, Telenor will look for options to position itself for the future. Growth will come through a strengthening of our international commitments in growth markets.

**(www.telenor.com)**

#### **9.4.1 Mobile**

Mobile is Telenor's business area for development and management of mobile services within voice, data, Internet and content services in Norway and internationally. **(www.telenor.com)**

Telenor Mobile has ownership interests in 12 mobile operations and is geographically concentrated in selected countries in Europe and South East Asia. In 2003, 42% of Telenor's external revenues were derived from the mobile operations.

**(www.telenor.com)**

Telenor Mobile's international commitments are based on Telenor's acquired experience and skills, and on products and services developed in the Norwegian market. The creation of synergies between the mobile operations, and preparations for further industrialization will be central to Telenor's future strategy.

**(www.telenor.com)**

#### **9.4.2 Human Resource**

**Telenor shall have skilled and proud employees in an efficient organization.** Telenor shall attract and retain the best people by being an attractive employer for managers and employees. Telenor's management and organization shall give the Group a competitive edge. Telenor's organization shall contribute to create attractive and educational jobs that

give employees freedom to make decisions and offer them opportunities for the future. ([www.telenor.com](http://www.telenor.com))

Telenor's organization shall be imbued with a joint set of values. The work to develop both individuals and the organization shall contribute to create a customer-oriented corporate culture and a positive and safe working environment. Telenor's employees and their skills will be developed within the framework of the Group's strategies and corporate structure. ([www.telenor.com](http://www.telenor.com))

## **9.5 About Telenor in Pakistan**

On April 14, 2004 Telenor acquired a nationwide GSM licence in Pakistan. At present this license for mobile operation includes GSM, GPRS and EDGE. Telenor's Pakistani company will launch a world-class mobile service platform including multimedia services within April 1, 2005.

<http://www.telenor.com/pakistan/>

The license terms stipulate that by year 4 we will cover 70 per cent of Pakistan's 297 administrative Tehsil headquarters. They will naturally at least fulfill the license requirements and provide superior quality coverage.

<http://www.telenor.com/pakistan/>

Telenor's Pakistani mobile operator will have headquarters in Islamabad and regional offices in Karachi and Lahore.

Telenor is ranked by the GSM Association among the 12 largest mobile operators in the world, with 34.2 million subscribers at the end of March 2004, based on 100% figures from the operations. Telenor has owner shares in mobile operations in 11 countries across Europe and Asia in addition to the license in Pakistan. The



family of mobile operations benefit from economy of scale and sharing of knowledge and best practice initiatives across all the companies.

<http://www.telenor.com/pakistan/>

They are proud to build mobile communication infrastructure in Pakistan and very much look forward to combining their experience in mobile technology with the local Pakistani high level of competence. Their primary aim is to offer top quality mobile services and promote healthy competition in the mobile market.

## **9.5 AL-Warid in Pakistan**

Warid Telecom is privately owned company by a group of UAE based investors, and is headed by His Highness Sheikh Nahayan Mubarak Al Nahayan, UAE Minister of Higher Education and Scientific Research, chairman of United Bank Limited and a principal of Bank Al Falah, two of Pakistan's leading commercial banks. Recently, Warid Telecom was awarded a license to launch a new GSM mobile telephone service in Pakistan, and is currently bidding for a domestic local loop (LL) licenses besides LDI.

<http://www2.ccnmatthews.com/scripts/ccn-release.pl?current/0802002n.html>

Warid Telecom, a UAE Based company has awarded Nortel Networks a Four-year frame contract to provide a voice over Internet Protocol (VoIP) next generation network (NGN) in Pakistan. This highly efficient network will allow Warid to deliver high quality National and International Long Distance under license from the Pakistan Telecommunications Authority (PTA).

<http://www2.ccnmatthews.com/scripts/ccn-release.pl?/current/0802002n.html>

"Pakistan is the first venture in Warid Telecom's plan to provide telecommunications services to markets in the Middle East and Africa, and this contract with Nortel Networks is the first we have awarded," said Hamid Farooq, chief operating officer, Warid Telecom. They have selected Nortel Networks because of its global leadership in IP telephony and NGN technologies and because of its strong local presence in Pakistan.

<http://www2.ccnmatthews.com/scripts/ccn-release.pl?/current/0802002n.html>

By leveraging a Nortel Networks NGN solution that is widely recognized by global carriers for reducing capital and operating costs while speeding time-to-market for differentiating services, Warid Telecom is poised for success in Pakistan's newly deregulated LDI market," said Kamal Ahmed, managing director, Pakistan, Nortel Networks. "There is great potential in Pakistan's telecommunications market, and we look forward to working closely with Warid now and into the future."

<http://www2.ccnmatthews.com/scripts/ccn-release.pl?/current/0802002n.html>

## 10.0 SWOT ANALYSIS OF TELECOM PLAYERS

### 10.1 MOBILINK

### 10.2 Ufone

### 10.3 INSTAPHONE

## **10.4 PAKTEL**

### **10.1.1 STRENGTHS (Mobilink)**

#### **10.1.1.1 First Mover Advantage:**

Mobilink that is partially owned by Orascom Company has the greatest strength attached with it, being the first to enter the market with GSM technology and this company laid the foundation and built awareness among the people as to how to become an advanced nation. Mobilink, having the first mover advantage is the company due to which people associate meaning as to how to use the communication device of mobile. Their applicability and importance became clear to them after this company came and initiated the concept of telecommunication.

#### **10.1.1.2 Mobilink & Motorola:**

Telecom companies cannot survive in any market, without the presence of efficient and reliable network companies. Mobilink is backed by world's one of the most renowned and advanced companies known as Motorola that is responsible of carrying out all the operations of Mobilink in Pakistan. Motorola name being associated with the firm also adds to the competitive strength of the company, because today on what all grounds the company is standing is only because of solid networking base of Motorola.

#### **10.1.1.3 Highest Number of Subscribers:**

Mobilink is the company in Pakistan that is the highest number of customers in the form of subscribers. This denotes the fact that Mobilink started the concept of mobile communication in Pakistan and people are mostly aware of this company. According to the survey, it has been determined that Mobilink distinguishes itself on the basis of this element that is also backed by their telecommunication company called Motorola. Because Mobilink has the responsibility of giving mobile connections to customers, after that all work has to be done by Motorola, who makes possible for the firm not to incur any kind of problems in the reception, networking and signals while talking through Mobilink's system. Because at a time it is very difficult for the firms to operate unless they don't have proper infrastructure at their back. The load of too many calls at the same time, the number of subscribers and their different destinations, all are dealt by companies like Motorola.

#### **10.1.1.4 Highest Coverage**

Mobilink is the company that has able to gain recognition in the market because of its continuous investment in the coverage development as far as cities of Pakistan are concerned. Initially Instaphone

ruled it, but now Mobilink has taken precedence in this area too. Instaphone used to advertise with this competitive advantage that it covers those cities where no one can imagine reaching, as far as competition is concerned. After knowing this advantage, in order to surpass the competition, Mobilink has tried its level best to become synonymous as far as highest coverage of cities are concerned. It can be evident by the fact that cities like Tal, Wana, few kilometers ahead of Daira Ismail Khan are now the ones that are in reach of Mobilink and people there who lacked such facilities, because of underdeveloped infrastructure can now also take advantage of communication.

#### **10.1.1.5 Aggressive and Continuous Marketing Campaigns**

Mobilink invests a lot as far as aggressive and too the point marketing campaigns are concerned. The reason that lies behind it is due to a professional advertising company that is into a contractual relationship with the company known as “Manhattan Private Limited” (MPL) Company. On the other hand, the type of products and value added features proposed by company are so accepted by the masses, that the message becomes clear to the target audience. Mobilink knows the nature of the company and keeping in view that fact keeps on investing on a regular basis on the advertisements and marketing innovations. Celebrity endorsements are heavily being done by the organization in order

to increase the reputation and credibility of the company. As the media has started playing an important role in everybody's life, people take enormous effect from such commercials, that are glamorous yet at the same time suits their needs and expectations. The company as well as the advertising message given by MPL are so strong in their intent and attitude, that people don't get a chance of forgetting any particular thing about the company. Such are the tactics that keep companies alive in the hearts and minds of people and keep their products their first preference.

**10.1.1.6 High Class Image attached with the Service:**

Mobilink through its rich and aggressive marketing campaigns, its relations with higher ups of the society, commercial linkages all have added up to the selection of that clientele that is image conscious and class sensitive. Although this company has not done this intentionally, because it was the one who initiated the concept for the first time in Pakistan, but the price ranges given by the company, demarcates the type of individuals from those who are using Ufone or other telecom service providers' services. This is a strength that has been achieved by the company with not planned intentions but has proved helpful in maintaining an exquisite class in the society.

**10.1.1.7 Presence of Seasoned Professionals:**

Mobilink invests a lot in their company in order to build upon its human resources. It protects its internal as well as external employees as major assets of the company. It makes sure to hire extremely devoted and dedicated cream of the market from reputed management institutes of Pakistan and after that do everything to retain that individual if he's performing upto the standards of the company. The pay packages are above the competition and are attached with numerous facilities.

#### **10.1.1.8 Proactive Approach**

Mobilink is synonymous in the market because of its proactive approach and a sensing ability to predict the environment that tells it that what's going to be the next move of the competitor. May it be marketing campaigns, the type of value added features offered by the company, launch of new kind of connections for different target markets or any attached element that may have the danger of either being copied or introduced by someone else.

It is evident from the fact that Ufone nowadays was planning to do something extra for the consumer that he feels a visible difference in its service as compared to the competition. It was in the planning and formulation stage, when Mobilink announced that all Mobilink customers would be able to avail the facility of having only local charges while talking to other person having a Mobilink

connection. PTCL charges would be applied to it and at the same time, Mobilink is now free from any kind of roaming charges. Such kind of tactical and proactive moves really alarms and exceeds customer expectations. This move has facilitated the practice that is only attached to Mobilink having highest number of subscribers that would ultimately be making use of this facility and at the same time increased the opportunities to bring new customer base for the organization. This way they have not only retained their existing, loyal customers, but opened more avenues to attract potential ones.

#### **10.1.1.9 Involvement in Big Events:**

Mobilink has been able to gain acceptable recognition not only in the consumer market, but in the corporate, government, social and commercial sector too. It is an active participant as far as social gatherings of high officials and influential people are concerned because of its sound and professional management. This gives an edge over other companies where big multinationals, government agencies, NGO's, social media channels and entertainment agencies feel overwhelmed while being a part of this company or find ways to be sponsored by such popular telecom companies of Pakistan. Music is something that will never attain maturity or decline in any part of the country and Mobilink knows how to make use of this area also, by sponsoring music artists, shows and songs,



thereby keeping a unique existence in that part of entertainment also.

## **10.1.2 WEAKNESSES**

### **10.1.2.1 Weak Networking Infrastructure**

One of the biggest weakness that is attached with Mobilink has transformed from its biggest strength that is the highest number of subscribers. This is due to the reason that Mobilink though takes plenty of consumers and offer them connections at one go, but then fails to accommodate them in a proper manner. The target that is set by the companies that this much of connections would be given to people on first come first serve basis, they do this duty very well, but at the time of activation, makes networking companies like Motorola's life miserable when they fail to handle so much of subscription that goes over the target line. This is due to this reason that at most of the times, either the call is in such modes of engaged, busy, lack of signals, reception or networking problems.

It can be evident from the situation that at the time of Pakistan's social events like Basant, as Mobilink is the first choice of customers and because of its relations with influential people, they ask for it by name. Mobilink gave lots of connections to all the foreign delegations and high officials that came from other countries. At that time it became a

humongous problem not only for those officials but also for the common man who is the owner of this company's connection that calls were not been able to connect. This is due to heavy load that they were not able to deal thereby giving bad connotation to the company.

#### **10.1.2.2 Ill-fated Sales Promotions:**

Company like Mobilink although knows a lot as to how to attract customers' attention as far as message content and delivery is concerned, but at times use of ill fated promotions that have the potential to make customers unhappy could lead to disastrous results. So it is always better to have a clear, focused message that is understandable both the company as well as the people who are ultimately going to buy it. This is evident by an example, when Mobilink started advertising about its Prepaid and postpaid connections only at the price of Rs: 499 and at the end of the ad, placed a small, difficult to read caption that all government taxes are applicable. Now this kind of message that on the first impression delights the customers and after visiting gets a different impression, really demoralizes him. At the same time, even if the company has lowered down its connection prices, such tactics will not prove to be fruitful in the long run, as competitors can always imitate the strategy in a nick of time. So such ill-fated promotions don't add much to the customer building of company that must be avoided.

## **10.1.3 OPPORTUNITIES**

### **10.1.3.1 Increase the Clientele**

Mobilink has the opportunity to capitalize in a better way on those far flung areas that are owned by its competitors like Instaphone but now due to no roaming facility and local PTCL charges can also attract as many cities as possible. All players are in the state of fierce war, where if one takes the initiative, every body start following it but in a more sensible manner with more benefits attached to it. This industry is the classic example of how brands enter into a war with one another to steal the maximum market share as possible. They simply don't give enough thinking and decision making to customers, where he is in a fix as to which service is better and once any one of them succeeds in winning the battle, maximum share moves to its side.

## **10.1.4 THREATS**

### **10.1.4.1 Competitors**

Definitely the biggest threat is from the established competitors in the market that if don't have that much of customer base, but enough resources to command market at their end. It's a highly competitive brand war that is taking place at an accelerated rate, in which survivors are those that keep on coming up with innovative products and

services, and tapping those markets that are still left to be capitalized.

#### **10.1.4.2 Government**

Another threat is from the government instability, and especially for those who are government owned like Ufone. But then if government and ministry of technology and telecommunication come up with any kind of decisions that have direct or indirect bearing on these players, the chances of getting affected are enormous. It could be in the form of government taxes, subsidies and areas where they are not allowed to operate, price fluctuations, economy disruptions, currency changes, etc.

#### **10.1.4.3 Networking Companies**

Motorola is the supporting company that is dealing all the operations of Mobilink as far as entire networking, subscription, coverage and ease of connectivity is concerned. As more and more companies are entering and investing into Pakistan, like TeleNor, Warridh, Nokia etc, there's an acute possibility that Mobilink staff find their ways to these companies. Because they are fresh platforms offering much more attractive benefits and packages to attract devoted human resource from Pakistan.

### **10.2.1 STRENGTHS (Ufone)**

### **10.2.1.1 Brand Name**

Ufone is the company this is operating in Pakistan under Pakistan Telecom Mobile Limited. It's a government owned company but direct in competition with the leading players of the market. The brand name of company attaches itself the biggest strength that portrays "U" element by convincing the customer that it's a company that is meant for you and has been made keeping in your considerations and needs.

### **10.2.1.2 Unique Value Added Services**

Ufone is a company that offers exquisite and different value added features that are up till now, not been able to be managed by other players of the market. These features include GPRS, MMS, Urdu Text Messaging, etc. These are the features that give this company a definite competitive edge over others, because Mobilink has still not been able to tap this segment of market and is in a process to launch GPRS in coming days, after seeing its popularity with the help of Ufone. Some other value added features are in the form of a particular menu in the mobile phone of individuals with the name of "Ufone" in which people are able to know anything about weather, religion, entertainment, horoscopes, stock options and quotes, finance, sports, news, daily jokes, top websites, history etc by sending message to Ufone.

### **10.2.1.3 Humorous Marketing Campaigns:**

Ufone has made itself synonymous with humor that can be strength as well as a weakness. The company doing marketing and advertising for Ufone is Pakistan's renowned and top class one known as "Interflow Advertising Agency". The type of message and content used by the company is entirely different from the one being used by Mobilink, Instaphone or Paktel. But the element of humor that is attached with the company, leaves something in the consumer mind, that help him in making a memory recall.

### **10.2.1.4 Ufone & Siemens**

Just like Mobilink, as it's a GSM based company, here Motorola's practices and responsibilities are being managed by Siemens for Ufone that is no doubt a state of the art and top class telecom company not only of Pakistan but internationally also. This is one of the biggest strength of Ufone that is dealt in a fantastic manner by Siemens that unlike Mobilink, it only gives that specific number of connections to customers, that they are able to manage over a period of time. This definitely hinders their ability to expand more in cities and increase the number of subscribers, but then customers don't get in a problem of being overburdened with too many disruption and network problems that is dealt efficiently only because of Siemens.

## **10.2.2 WEAKNESSES**

### **10.2.2.1 Limited Number of Subscribers**

Ufone is working in this area in order to overcome this weakness of having limited number of subscribers. Because Ufone comes after Instaphone with Mobilink leading in this field although Instaphone is not GSM based.

### **10.2.2.2 Ineffective Marketing Messages**

Companies like such can't survive for long on messages that are not close to reality, because communication and staying in connection, touch with your loved ones is a universal phenomenon and one cannot capitalize for a longer period of time on those features that are secondary to the target audience. Ufone introduces itself in the market with products having marketing message that are entirely based on humor, having no direct meaning and sense. This is one of the biggest weaknesses, because these companies only move on the basis of their marketing and clarity of messages.

Another weakness is in terms of their value added services that they are not able to communicate to their audience in a proper manner. Because GPRS is a service that first needs to be known by the customer, only then he will be able to make use of

it, which they fail to make them understand through their message.

### **10.2.2.3 Combination of market with Services**

Ufone unlike Mobilink has now been synonymous with the type of company that has done each and every thing to make every type of person its customer. People from far-flung areas, illiterate, literate, all are its customers, mainly because of its initial price in comparison with Mobilink and others being non-GSM. Now when the target market is so small and in that too they have not demarcated and made this product for everybody, such kind of services would also be availed only by those that are literate and influential. And it is unfortunate that Ufone has not a sizeable market if we consider this aspect of service utilization. In such case your message should be so easy and understandable that even ordinary consumer tries to make use of it.

## **10.2.3 OPPORTUNITIES**

### **10.2.3.1 Coverage**

Ufone has started investing into this area, because it is too important now in order to stay as an active competitive player of the market and that is to increase the coverage and the presence of Ufone in major cities of Pakistan, because value added features will not give any use to the company until



and unless people would not be there to make use of it and other competitors having a sound infrastructure and coverage would snatch your customers more easily.

#### **10.2.3.2 More Investment in Marketing**

Ufone has a big opportunity to communicate the type of services in a more fashioned and meaningful manner across the country and must keep on doing that, in order to keep the name alive in the customers' circle of preferences. More segments should be identified and suitable products to suit their needs must be introduced with less focus on value added features like Mobilink came with a new service known as "Indigo" post paid service for entirely new market and segment with aggressive marketing.

#### **10.2.3.3 Expansion**

For Ufone, expansion of target market and usage of the service can also be increased if they exploit the market by offering cards with fewer denominations. This is another opportunity that has been capitalized by other players of the market. Keeping one restricted only to few denominations of cards and that too in large amounts are difficult to stay there for a long period of time. It has the opportunity to increase the usage in this manner.

### **10.2.4 THREATS**

**10.2.4.1 Competition**

**10.2.4.2 Players having Aggressive Marketing Campaigns**

**10.2.4.3 Sizable Consumer base of Competitors**

**10.3.1 STRENGTHS (Instaphone)**

**10.3.1.1 Coverage**

Instaphone is the company that has right from the very beginning has capitalized on this edge over others that it has the maximum coverage of serving the highest number of cities. It is present everywhere, anywhere.

**10.3.1.2 Card Denominations**

Company is offering cards with minimal denomination of even Rs: 299 that are highly affordable by majority people of Pakistan. That definitely increases the repeat purchases and at the same time, has given this facility to the buyers of having negligible amount that they have to incur after 12:00 at night till 7:00 in the morning. They have less airtime and more talk time with only 25 paises per minute while talking to a person having same Instaphone.

**10.3.1.3 Flexibility**

Instaphone has incorporated flexibility in its operations and has made customers' lives also easy and convenient. These are the factors on which companies can take their customer along with them for long. With the help of Instaphone connection, they have given the facility to transfer Insta 1 to Insta Xcite and vice versa, their pre and post paid connection by a single call to their call centres via helpline that is free of cost.

#### **10.3.1.4 Aggressive Marketing Tactics**

Though this feature is not everlasting on which they can capitalize for long that is the coverage and number of cities. But initially the way they have marketed themselves stressing on this core competency increased their customers to a large extent. The use of celebrity endorsements and the use of popular models, with exquisite interior and setups used by the company made their mark for a longer period of time. At the same time involvement in big occasions and events and sponsoring mega programs also add up to the development of the company goodwill.

Instaphone is the official sponsor of Pakistan Cricket Board and its high involvement keeps this company alive in Pakistani people having extreme love for the sport.

## **10.3.2 WEAKNESSES**

### **10.3.2.1 AMPS Vs GSM**

As the trend is moving towards more usage and development of GSM, the AMPS popularity is not gaining acceptance now, to a favorable extent. People are switching towards GSM and want to take advantage of the services that are attached to it and not AMPS. A great number of people also feel good while carrying beautiful and attractive handsets and mobiles that are not available in AMPS. Unless they switch themselves to GSM, they have to constantly come up with innovation in order to keep its name alive in its target market.

## **10.3.3 OPPORTUNITIES**

### **10.3.3.1 Transference to GSM with same VAF's**

## **10.3.4 THREATS**

### **10.3.4.1 GSM Technology**

### **10.3.4.2 Competition**

## **10.4.1 STRENGTHS (Paktel)**

### **10.4.1.1 Old-timer**

The presence of Paktel in the telecom industry, reveals the fact of brand wars in the best manner,

because this is the company that is the oldest one in the field but failed to get acceptable recognition in the market because of its competition and its inadaptable approach towards changing marketplace. But being the old timer is its strength that differentiates it from others. The brand name is very popular and ingrained in customers' minds for long, because of its AMPS nature, as this is the company that initiated the concept of AMPS in Pakistan and just like Mobilink gained remarkable acceptance with in no time and attracted a large base of consumers.

#### **10.4.1.2 Established Brand Name**

The name is highly visible in the market because of its established presence in the market and as it laid the foundation of AMPS and its name is definitely in the early starters of mobile communication in Pakistan.

#### **10.4.1.3 Efficient Strategies**

Although it doesn't invest a lot in the marketing campaigns, but the type of strategies that is comes with every now and then, have proved to be efficient and fruitful. The type of message is clear with the shortest airtime and offering prepaid cards having limits of a complete year. But this facility can only be availed from July to 21<sup>st</sup> August. This is more of a sales promotion in which consumers are given the opportunity to make use of it as much as

possible, as the time is limited and within restricted range.

## **10.4.2 WEAKNESSES**

### **10.4.2.1 Weak marketing**

Paktel not at all invests heavily in its marketing. The last campaign done by the company was about its prepaid connection of “Tango” with stress upon its price Leadership strategy being the most affordable connection in the marketplace. Companies have to invest a lot in their advertising message and marketing development to gain prominence, especially when the competition is extremely visible and fierce.

## **10.4.3 OPPORTUNITIES**

### **10.4.3.1 Transference to GSM**

### **10.4.3.2 More stress on marketing tactics**

### **10.4.3.3 Capitalization on the Established name in Market**

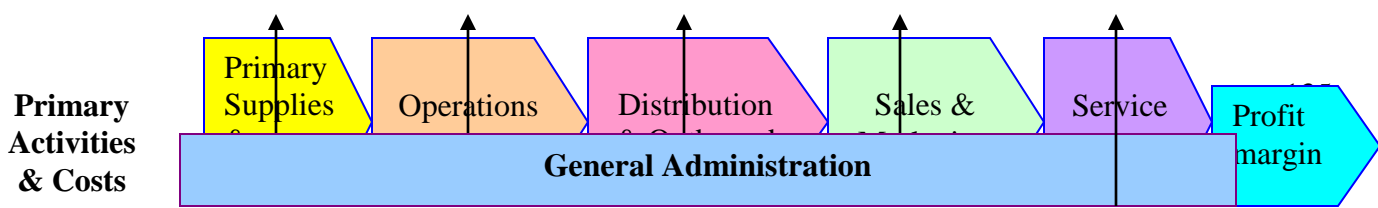
## 10.4.4 THREATS

### 10.4.4.1 Established GSM Players

## 11.0 VALUE CHAIN ANALYSIS

Competitors must be ever alert to how their costs compare with rivals. While every firm engages in internal cost analysis to stay on top of what its own costs are and how they might be changing, strategic cost analysis goes on a step further to explore how costs compare against rivals.

Every company's business consists of a collection of activities undertaken in the course of designing, producing, marketing delivering and supporting its product or service. Each of these activities gives rise to costs. The combined costs of all



these various activities define the company's internal cost structure.

## 11.1 VALUE CHAIN OF TELECOM PLAYERS

### 11.1.1 MOBILINK

The value chain of all the telecom players have to be different because his is another facet by which companies are distinguished from one another. Mobilink's main vendors are three big and renowned world companies. They are Motorola, Siemens and Alcatel. Motorola a US based, Siemens

#### Support Activities & Costs

**Source:** Strategic  
Management, Concepts  
and Cases By Thompson  
and Strickland

German and Alcatel is a French company that are given different responsibilities by Mobilink. Mobilink is the sole client of these vendors in Pakistan.

### INBOUND LOGISTICS , OPERATIONS

**Motorola** has won the expansion contract for largest GSM Network in Pakistan, as it's the vendor of Mobilink, due to its unique value added activities given to its client and making its primary activities hard to imitate by the competitors. It has won an expansion contract for the largest GSM network in Pakistan that currently serves one million subscribers.

Pakistan Mobile Communications Limited (PMCL) (Mobilink), Pakistan's largest mobile phone operator in terms of subscribers,



has selected Motorola's Global Telecommunications Solutions Sector (GTSS) to provide wireless network infrastructure equipment that will double the operator's subscriber base capacity to two million customers on its nationwide network. Commercial deployment is scheduled by mid 2003.

As part of the agreement, Motorola will work with PMCL (Mobilink) to extend an overlay Global System for Mobile (GSM) communications system on PMCL's (Mobilink) 900 MHz network. The total value of the GPRS/GSM contract is approximately \$39 million, which includes network equipment as well as offerings from Motorola's Lifecycle Services portfolio to enhance and optimize network performance.

The expansion comes as a part of PMCL (Mobilink's) continued efforts to increase its network. 'PMCL (Mobilink) is the market leader in Pakistan, and their consumers expect them to provide them with reliable, countrywide service. 'Motorola has been their **sole supplier** for radio infrastructure during the past eight years, providing them with the equipment, expertise, optimized technology and services to help them meet the growing needs of their customers. Soon PMCL (Mobilink) will launch the GPRS being currently deployed by Motorola.'

The GSM network, featuring Horizon base stations, is upgradeable to General Packet Radio Service (GPRS) to handle data services as well as voice.

Motorola has worked closely with PMCL (Mobilink) to play a critical role in supporting the continued growth of the telecom industry in Pakistan. With this agreement, they will help PMCL (Mobilink) expand its coverage and capacity to deliver mobile

communications that help make life simpler for its customers and pave the way for high-speed data services in the future.

### **SUPPLIER, OUTBOUND LOGISTICS**

The contract strengthens Motorola's position as a leading supplier of cellular infrastructure equipment to the still fast growing Middle East and Africa regions. Motorola supplies complete network solutions for GSM, GPRS, and Enhanced Data for GSM Evolution (EDGE), Universal Mobile Telecommunications System (UMTS) and Code Division Multiple Access (CDMA) networks.

The smart cards of Mobilink that are known as SIMS (Subscriber identity Module) in the technical terms are prepared by world's renowned company in multi-number of products known as “**Schlumberger**”. There are two kinds of systems known as Base Station Sub System (**BSS**) and Mobile Switching Centres (**MSC's**). Motorola deals with the BSS and other two companies of Siemens and Alcatel are responsible for MSC's. These vendors, apart from equipment, services, technology expertise etc, also give support services.

### **MARKETING AND ADVERTISING**

Marketing and advertising of the company is done by the reputed ad agency of Pakistan known as **Manhattan Communications (Pvt) Limited**. Right from the very beginning to this day, when they have launched their indigo services, MPL has constantly refurbished their marketing messages that are highly noticed by people that leave impressions in consumers' minds due to emotionality attached with this service.

### **HUMAN RESOURCE MANAGEMENT**

Personnel and prospective employees are hired by the company, where they have to go through a tough selection procedure, as its one of the leading service providers, so takes a lot of care while screening individuals that should be of top quality in education, conduct, personality and knowledge. This includes, an interview at different levels, written test at some levels and practical demonstrations in some cases to determine the candidate's potentials to work in different setups.

## **DISTRIBUTION**

Retail stores, franchise centres, and authorized dealer network, apart from their main sales and customer services centres are the sources through which distribution is made in the entire country.

### **11.1.2 UFONE**

#### **INBOUND LOGISTICS AND OPERATIONS**

Nortel Networks and Siemens are the vendors of Ufone that are providing services in the Pakistani market like Motorola and Alcatel. One of the biggest strength that is attached to the company because of their vendors is their "Optimized Network" that unlike Mobilink has the facility to offer calls that will not get dropped due to too much load. Sound doesn't break; no dropping of calls is made, thereby having a very low Drop call ratio (DCR).

Schlumberger prepares the SIMS like Mobilink for Ufone also.

#### **MARKETING AND ADVERTISING**

Marketing and advertising is done by world's state of the art company known as **“Interflow Communications”** that is Ogilvy and Marthur based company. The type of ads that have been projected by keeping the humor element in their minds in order to help customers recall the message when some good and lively mood is evoked is given by this ad agency. But the company doesn't invest a lot as far as its projections in the marketing of the service is concerned.

## **HUMAN RESOURCE MANAGEMENT**

The personnel is hired, from reputed universities, having credible management and masters degree. The selection criteria is in line with the market requirements and candidates feel honored being a part of this Pakistani company, who has got full potentials to compete with other foreign players. The human resource department, with probation time, makes the interview policies; orientation period and then terms and conditions are set up by the company employee and employers.

## **SERVICE**

Customer service centers in the form of company main outlets, retail stores, authorized dealers presence in the market and active, state of the art call centres are the means through which customers complaints, demands and products could be catered for. The call centres are present the whole day and night and are there to offer support and help with the help of consumer cell phones, with built in facilities of helpline.

## **OUTBOUND LOGISTICS AND R&D**

Research, technology and systems development occupies a central position in the company and helps to differentiate from others. This company is a prime example of providing hi-tech and advanced features for the consumers, like GPRS, MMS, Urdu Text, WAP, etc that are at present no other company has launched. This is due to their efficient research and development centre that is proactive and highly responsive to customers' needs.

Pakistan's Pak Telecom Mobile Limited (PTML) has awarded Nortel Networks a contract estimated at US\$56 million to implement a major expansion of PTML's national Ufone GSM900 network. This is the second major expansion by Nortel Networks since building the original network for PTML in 2001, and it is expected to raise Ufone's capacity to 1.3 million subscribers. (www.ufone.com)

Under this agreement, PTML plans to expand and upgrade [GSM](#) radio base stations, switching, packet core and other related equipment from Nortel Networks to support its [wireless network](#). As part of this expansion, PTML will also be deploying Nortel Networks Packet Voice Gateway (PVG), a packet voice solution delivering toll quality voice on Nortel Networks Passport multi service data switching platform.

In addition to the initial network build and two network expansions for PTML, Nortel Networks has also provided Pakistan Telecommunications Corporation Ltd (PTCL), PTML's parent company, with a long haul optical backbone to provide enhanced [bandwidth](#) capacity for voice and data customers. Nortel Networks

has also built an ATM backbone to support the [wireless](#) network of two of Pakistan's other major cellular operators.

To build on its growing presence in Pakistan and as a sign of its confidence in the local market, Nortel Networks recently opened a new office in Islamabad. The opening was officiated by Canadian Minister of Industries Allan Rock.

### **11.1.3 INSTAPHONE**

#### **INBOUND LOGISTICS AND OPERATIONS**

Instaphone has grasped the market opportunity like Paktel and has started offering its services in GSM technology. Initially it was in AMPS service, although those connections that were taken in AMPS shape are still workable and functional for the consumer. Instaphone is the registered trademark of Pakcom Limited. The primary and support activities are provided by this parent company and this is the company that for the first time in Pakistan, along with Paktel offered consumers a source of communication without any subscriber Identity module facility.

Although with the GSM technology customers have the ease of use by placing the same SIM in multiple handsets and make use of this attractive product of the market in a number of ways. But at the same time, the possibility of losing this smart card also reduces because of this AMPS facility.

#### **MARKETING AND ADVERTISING**

Instaphone invests a lot as far as its marketing and advertising practices are concerned, with heavy celebrity endorsements only backed by a Multinational ad agency known as **“Orient McCann**

**Erickson**". The company has a rich heritage of sponsoring various big brands like Coca-Cola.

## **DISTRIBUTION**

The same channels of distribution like retail outlets do the distribution, company owned sales and customer service centres, with added facility of all day and night present call centres.

### **11.1.4 PAKTEL**

#### **OPERATIONS**

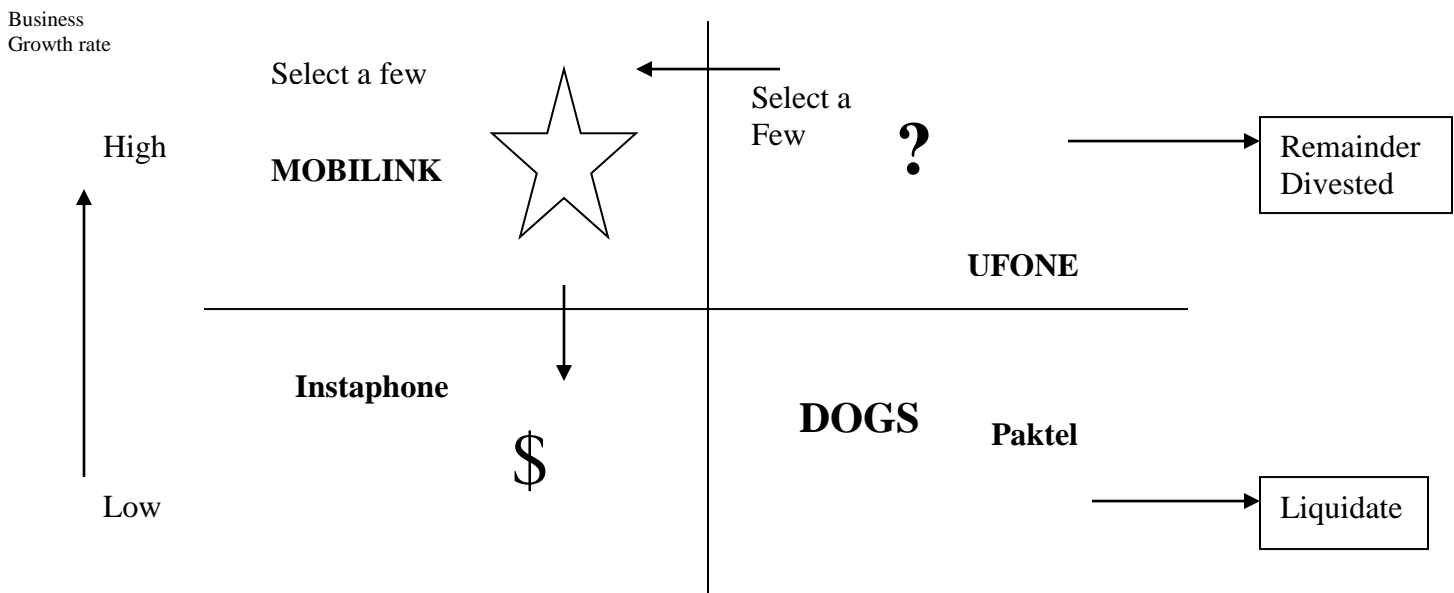
Paktel used to be a strong brand in Pakistani telecom market, as Mobilink and Paktel are the names that used to be synonymous with providing ultimate and excellent service to the consumers. The name is also differentiable from the rest of the competition, because of a local element in it. But they failed to stay abreast of the changing trends and market changes, that seemingly left it out of the war like situation of telecom players.

The primary activities are done by the company itself, with little focus on the secondary, support ones, as it realized the importance of its presence in the market after a long period, when other competitors managed to fix their positions strongly in the marketplace.

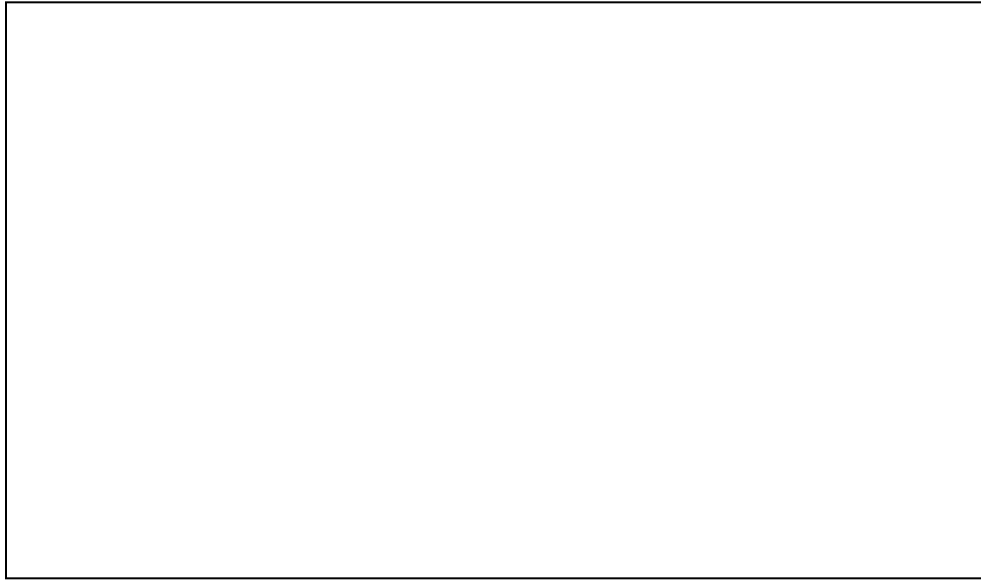
Orient does the marketing to a very minimal level, initially. When companies would bombard consumers with unique, aggressive marketing campaigns, it rally becomes difficult for those who fail to make use of this projection. Paktel does that and with infrequent projections, failed to get too much response from the market as compared to competition.

The R&D department has started working on their transference from AMPS technology to GSM and many company owned outlets have been opened in few cities of Pakistan, though they should have come with aggressive entry into the country, thereby depicting a humongous come back by the company.

## 12.0 THE BCG MATRIX PRODUCT PORTFOLIO







High

Low



**Relative Position (Market Share)**

## **12.2 PLACEMENT OF TELECOM PLAYERS IN BCG MATRIX**

### **12.2.1 STARS-Mobilink**

Mobilink has been placed in the Stars quadrant having high growth rate and high market share. After undergoing an in-depth analysis, the reason is quite obvious that who is striving hard to win the battle of competition as far as telecom industry of Pakistan is concerned. Telecom industry is operating at a boom nowadays and it has been predicted by many telecom

gurus that this industry is going to stay at the growth stage for a long period of time. Because of international investments taking place in our country and international advancements, a lot of expansion is expected in the near future, where engineers would be of utmost value apart from other group of professions.

The industry as a whole will remain and at present at the growth stage and Mobilink being the first to enter in Pakistani market, a GSM technology provider, having highest number of subscribers of Pakistani population has been placed in the stars section. At the same time, the market share of the company is much greater as compared to other competitors as industry analysis denotes that fact. There is still a room for improvement where advanced value added services would keep on emerging in this industry, from foreign countries and at present Mobilink has taken every possible measure to grasp the maximum share of the market.

#### **12.2.2 QUESTION MARKS- Ufone**

Cash cows are the ones that operate in high growth market, but whose market share is comparatively lower than the stars but that has the capability and potential to reach to the stars level, if appropriate measures are taken and if weaknesses are removed from their operations. Ufone has been included in the cash cows quadrant, keeping in view the type of market it is catering, that is also GSM based and it is capitalizing in the market on the basis of its value added features and as the second best option left to the consumers after Mobilink. The market share is lower due to the fact of its low consumer base, its weak marketing tactics that are not much effective in gaining customers' attention and its little coverage as compared to the competition.

Market share can only be increased if the number of customers would be enlarged, as they are the primary source of income generation for the

company and then at that time they will be able to command the market and ask for even premiums. Now they are lowering the connection's price to such an extent that people are associating more cheapness and not affordability to the company and are inviting negative connotations for the firm's overall image.

### **12.2.3 CASH COWS- Instaphone**

Cash cows are the ones having high market share and low business growth. Particularly keeping in view this type of industry, the trend and specialization of technology is moving towards greater use of GSM based systems and AMPS technology is taking a back seat. There was a time when it gained the same amount of recognition in the market as those of GSM providers. But on the global scale, this trend is taking place in the technological business arena.

Instaphone has been placed in this section having high market share and low business growth, due to the fact of low growth attached with the AMPS technology, as it's a mature or declining market. Consumers are switching more towards GSM systems also due to the fact that the same kind of benefits and services that can only be availed by AMPS customers, are now easily available and offered by companies like Mobilink and Ufone. This fact has also decreased their presence in the market, thereby having a low business growth on the whole.

On the other hand, the market share is very much high as compared to Ufone even, due to the fact that Instaphone covers majority of cities of Pakistan, and because of its extreme affordable nature, the number of customers are entirely comparable to those of Mobilink's and in some cases slightly higher. This gives them an edge over others, as they are the one who came up with maximum coverage, yet at the same time, no roaming charges, thereby giving customers' plenty of chances to make use of this facility as much as possible.

#### **12.2.4 DOGS- Paktel**

Whenever brands enter into any kind of strategic war with one another, survivors are those who never give up and stay in competition even if it goes over their limits and potentials. Paktel, is definitely a classic example, as it makes this study understandable, by revealing the fact that there are numerous strategies that tell companies how to deal in turbulent, competitive, smooth, quiet, or different kind of environments in order to win the battle of success.

Business world is not at all free from all kind of players. There are market leaders, challengers who have the ability and will to be a part of war even certain constraints are there at their side and market followers who still keep alive by following their leader. In some cases followers come up with certain strategies that leaders fail to adopt. At times they are at advantage cause they learn from the mistakes of the leaders and stay careful not to attempt any kind of mistake.

But unfortunately, Paktel didn't come up with any kind of proactive or reactive strategy that keep this player also in the competition. Now the stage has reached where other three competitors don't feel any offense or danger from this company that at one time enjoyed a peak in terms of growth and success. Paktel has been placed in the quadrant of having low market share and low business growth, because of AMPS technology and the lowest number of subscribers left at their end. This is because of this threat and decline that now they have realized and moving towards the GSM technology.

Paktel could have taken a big advantage of its established brand name, as Mobilink and Paktel were the early starters in Pakistan. It could have revisited its strategies as far as marketing or advertising is concerned. It

could have built more effective and sound infrastructure and could have come up with GSM a little earlier, because it's a brand that didn't need any furnishing, as it was already known and established in the market. . But it left itself from the competition and now, it's too late to gain the same momentum and lot of customer trust and attention is needed to come back at the lost position.

## 13.0 RANKING INDEX CRITERIA OF PLAYERS

The ranking index criteria for calculating the market ranking of telecom players of Pakistan are on the basis of following parameters that are selected with suitable justifiable reasons to support them.

1. Quality/ service, product performance
2. Reputation/Image

3. Manufacturing capability
4. Technological skills
5. New product innovation
6. Customer service capability
7. Number of Subscribers
8. Marketing know how
9. Value added features
10. Strong core competencies
11. Network providers
12. Coverage
13. Brand Name
14. Customers' preference
15. Ad agencies
16. Celebrity endorsements
17. Retailer's preferences
18. Connections' ease of use
19. Active reception
20. GSM provider

### **13.1 NOTABLE COMPETITORS**

- Mobilink
- Ufone
- Instaphone
- Paktel

## **13.2 Facts to support chosen parameters**

Above is the list of chosen group of parameters that are different for every telecom player of Pakistani market and on the basis of their ranking, the index would be formulated and each company's share would be calculated.

As far as number of subscribers is concerned, Mobilink is at the leading position in the GSM technology where Instaphone is also shifting itself to this emerging technology from AMPS. This company also claims to be around one that has the advantage of covering largest number of cities of the country. Ufone lacks a considerable element as far as coverage is concerned. Paktel is also missing in this area.

As far as value added features are concerned, Ufone is placed at the highest pedestal, as its focusing only on the development of this area, with little focus on subscriber enhancement. Because of this lag, it would be right to comment that Ufone is into secondary things and leaving primary things that would increase the opportunities for the secondary elements. Mobilink and Instaphone are the followers in this regard, but it is important to note here, that Ufone's strategy of investing heavily into the features have not invited the consumer base to a very large extent, since consumers feel more obliged when use other services like Instaphone, Mobilink, who although don't have those services like GPRS, MMS, Urdu Sms, but others that have the power to be preferred over Ufone.

As far as Brand name is concerned, Mobilink is again ruling the market, as it laid the foundation of connectivity and cellular communication in Pakistan, being the first mover. Then heavy investments in marketing and advertising of its services make it popular from others and keep alive its name in consumers' minds. Because companies like these have to be frequently in collaboration with the marketing promotions and their marketing departments play an important role in their overall business operations.

Advertising agencies are MPL, Interflow, Orient McCann Erickson who have given the responsibility to project each company's core competencies though easily copied by one another. So when the environment is so intensely furnished with competition and the bargaining power is at the end of customers, then they have to differentiate themselves on the basis of message, its content, style of delivery etc, so that apart from the service, the message stays clear in their minds and leave an impression to be recalled when ever the need arises.

Motorola, Siemens and Alcatel are three network providers as far as Mobilink operations are concerned in Pakistan. These are foreign-based companies having US, German and French nature. One of the leading network providers that are helping boosts Mobilink's system. Siemens and Nortel networks are at the back of Ufone, having second position, because Ufone's biggest competency is their optimized network system as compared to others. Calls are not blocked, and not get dropped especially with this service because of its providers.

Because of this GSM technology that is at present, only at the disposal of Mobilink and Ufone, customers have the facility to switch their SIMS with the help of the single mobile. Because of this technology, they are able to enjoy various, state of the art mobiles that have revolutionized the Pakistani market. Every now and then, advertisements of upcoming models of various mobile companies do appear and confuse the customer with built in features that are highly differentiable from others. Some of the leading mobile companies that are offering their products in Pakistan are Nokia, Samsung, Sony Ericsson, Motorola, and Siemens etc. This service can't be availed by the AMPS technology.

After having a retailer's preference, it has been determined that Mobilink and Ufone are operating in the market with sound, authorized dealers that have the ability to provide services to the customers unable to reach their sales and customer services centres. Mobilink has a wider coverage in this regard, and retailers also feel that the customers themselves ask them Mobilink's prepaid cards. Retailers make sure to ask for the cards of Instaphone and Mobilink,



following Ufone and Paktel. These companies have the highest affordable card denominations with flexible built in features of free airtime, no roaming, and PTCL charges.

Ufone and Paktel is the best as far as active reception of calls is concerned, as calls don't get dropped and can be dialed easily from one destination to another, but only those that are in their coverage.

### 13.3 TABULAR FORM OF RANKING INDEX

<b>RANK</b>	<b>PLAYER</b>	<b>Brand Name</b>	<b>Subscribers</b>	<b>Maktg Know how</b>	<b>Value added features</b>	<b>Customers Preference</b>	<b>Retailers Preference</b>
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1	Mobilink	95%	90%	85%	80%	90%	90%
2	Instaphone	92%	92%	83%	78%	87%	85%
3	Ufone	90%	70%	70%	90%	85%	85%
4	Paktel	89%	60%	62%	65%	50%	45%

<b>Customer Service capability</b>	<b>Ease of use</b>	<b>Celebrity Endorsements</b>	<b>Network Providers</b>	<b>Coverage</b>	<b>GSM Technology</b>	<b>Product innovations</b>
85%	90%	95%	95%	90%	100%	85%
87%	0%	93%	70%	95%	0%	80%
87%	90%	70%	90%	60%	100%	70%
70%	70%	60%	65%	50%	50%	75%

## 14.0 BRAND HIERARCHIES OF TELECOM PLAYERS

**14.1 CORPORATE BRAND** is the brand that identifies the corporation behind the product or service offering.

- 14.2 RANGE BRAND** is the one that ranges over several product classes.
- 14.3 PRODUCT LINE Brands** are those brands that are associated with the organizations' specific products.
- 14.4 SUB BRANDING** are the basic product brands that can be refined through sub branding.

Mobilink's line of products that are offered in the form of pre and post paid connections come under the category of Product line brand. Same is in the case of Ufone, Instaphone and Paktel. Because the type of services and connections given by all these companies are indicative of the type of business of these companies. It is these connections like Josh, Jazba, JAZZ, Insta1, InstaXcite, and Tango that denote the fact that these are telecom providers of Pakistan. It is these product types that have become brands and now become associated with the organization and make clear the type of their business in the market.

#### **14.5 BRAND ROLES**

- **Endorser brand** is the one that provides support and credibility to the driver brand's claims. Because corporate brand usually represents an organization with people, culture, values and programs, it is well suited to support a driver brand, and thus it often plays the endorser role.

The primary role for these endorsers is to reassure the customer that the product will deliver the promised functional benefits because the company behind the brand is a substantial, successful organization that would only be associated with a strong product. This reassurance is of particular importance when the product is new and untested. Infact an endorser brand can sometimes fade after it provides the initial support.

- **A driver brand** is the one that drives the purchase decision; its identity represents what the customer primarily expects to receive from the purchase. The brand that plays the driver role represents the value proposition that is central to the purchase decision and use experience.

- **A strategic brand** is one that is important to the future performance of the organization.
- **A silver bullet** is a sub brand or branded benefit that is employed as a vehicle for changing or supporting the brand image of a parent brand.

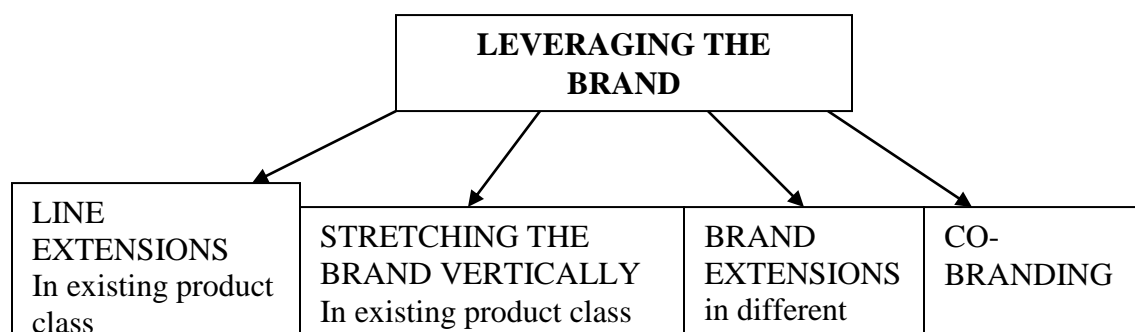
The telecom players' specific products and services are their driver brands, as they have numerous benefits attached to them that are related to the value proposition of the company. It is because of their advantages and unique value added features attached to their usage, that customers' purchase is instigated. Different kind of prepaid and post paid connections are the driver brands that are selected by the target market, according to their needs and preferences, as post paid customers are different from those using the prepaid service.

Endorser brand as well as the silver bullet can be seen as the "Indigo" service launched by the Mobilink with different outlook and appearance thereby claiming to reshape the communication. Indigo is the new name given to their Star post paid connection that has been now endorsed in a more aggressive manner by celebrities like Shan. The target market has also been expanded with more focus on families, as two numbers can be taken on the same line, with local PTCL charges and no roaming. Such endorsements keep brands alive in consumers' mind; instead they stay nourished in their circle of choice. Such endorsements increase the credibility and reputation of the service providers.

Brands like Ufone pre paid and post paid services and those of Instaphone could be seen as their strategic brands, where they have the possibility of incurring maximum profitability in the market for the company, if frequent investments are made in the brand

development and image nurturing of organization. Because after all these are the brands that gives true meaning to the company, and the whole returns are dependent on the right use of these strategic brands.

## 15.0 BRAND LEVERAGING



## **15.1 EXPLANATION THROUGH PLAYERS**

Telecom industry of Pakistan is confronted with a wide range of competitors, as the marketplace is booming at an indefinite rate. Many foreign based firms are investing in the country as they feel that it's an attractive platform to invest as the life cycle is at the growth stage and winners are those that keep on rising as far as customers' expectations and service delivery is concerned. All the players have leveraged their brand to a more or less extent and at the same time customers' are puzzled with the advantages and disadvantages associated with brand extensions.

As described earlier that line extensions are those that are done keeping in mind the brand name or parent brand name. They are done by changing the color, taste, smell etc to complement the family brand. If we consider Mobilink, the type of connections in the pre and post paid nature are their basic products that are offered in the market. As far as leveraging the brand is concerned, they have stretched the brand in existing product class. This is due to the fact that their pre and post-paid connections signify the same product type, where the target market is different for both the products. People belonging to different class, having different professions and age groups, preferences, work schedule buy different connections. So they have stretched the brand up and down. The pre paid connection that is of fewer prices has been stretched for those consumers who want to have

this facility, for fun or social sake. Whereas their post paid connection has been given the additional facility of billing system, where a certain limit is assigned and user can call up to that limit and after that he keeps on receiving the bills by mail or online. The brand here has been stretched up for the different target market that is committed, busy, belong to higher age group and are affluent as compared to those having prepaid facility.

Recently Mobilink has launched their new postpaid connection with the name of “Indigo” that has been introduced with new color, shape and outlook. This is the product that symbolized their claim of an organization that is reshaping the communication. The target market is the same as that of their initial connections, but the way they are marketing the message through tied bonds of families having close knitted relations is something different. As Mobilink invests a lot in it’s marketing, this indigo post paid connection has been offered where individuals can have the facility of having two numbers on the same line. That is they’ll get two bills with same line. The name indigo has been given to their previous post paid service of “Mobilink Star”. In this regard, it would be known as brand extension, in different product class, since its catering to different target market.

Different denominations of their prepaid cards could be included in line extensions, as they are offered with slight changes of amount, limits and duration for the customer.

Ufone like Mobilink is also offering two kinds of connections. Ufone Josh and Jazba, and Ufone Asaish. These are their pre and post paid connections that also lie in stretching of brands down and up, but the product class is very much existing. They also offer cards in denominations of Rs: 500, 1000 and 1500, that are their line extensions,

since they are communicating the brand name of Ufone across the entire country.

Instaphone is operating in the market with its two kinds of connections in AMPS technology. One is Insta1 and the other is Insta Xcite. These are their pre and postpaid connections also stretching the brand vertically up and down, with slightly different target market. They are also offering cards of different denominations that are highly affordable as compared to the competition in the price brackets of Rs:299 and Rs:649.

Paktel is present in the market by offering its connection in AMPS technology in prepaid market, through the card known as Tango.

## 16.0 EVALUATION OF MARKETING CAMPAIGNS OF TELECOM PLAYERS THROUGH FCB GRID

### **Pakistan's Advertising Industry-2003**

#### Top 5 Agencies



Rank	Name	Affiliate of	Annual Billings USD (2002)
1.	Interflow Communications	O&M	15 Million
2.	JWT Asiatic	JWT	11.3 Million
3.	Orient McCann Erickson	McCann-Erickson	10.8 Million
4.	R-Lintas (Pvt.) Ltd.	Lowe Worldwide	10 Million
5.	Spectrum Communications	DY&R	6.8 Million

[www.nation.com.pk](http://www.nation.com.pk) July 2003

#### 16.1 ADVERTISING INDUSTRY HAPPENINGS AT A GLANCE

The top agencies by rank throw up a few familiar names — JWT Asiatic, Orient McCann, Interflow O&M, Prestige Grey, Rauf & Lowe, Manhattan Leo Burnett, Manhattan BBDO and IAL Saatchi. There are fierce brand wars waged here — not just between traditional rivals like Mobilink, Ufone, Instaphone and Paktel, Surf and Ariel or Coke and Pepsi; local tea brand Tapal has taken on Lipton even as confectionery makers Candy land and Hilal slug it out. [www.nation.com.pk](http://www.nation.com.pk) July 2004.

“The mix of MNC’s and local clients is pretty even. In some categories like soap and toothpaste there exist large MNC’s but down the line there are the local brands with substantial market shares. All the major categories are dominated by MNC’s, automobiles, shampoos, soaps, tea, ice cream, detergents, scourers, skin-care, carbonated drinks, biscuits, razors, pharma/agricultural and mobile communications. Locals are strong in confectionery, snacks (chips), toothpaste, edible oil, petroleum and spices”.

[www.nation.com.pk](http://www.nation.com.pk) July 2004

However, almost everyone will tell you that things are far from satisfactory with the industry at large. First off there’s the attitude of clients, especially the large

local companies to contend with, many of who are partial to safe run-of-the-mill advertising. Jamal Mir who heads Prestige Grey, says, “The clients are often more concerned about cutting costs and there’s a lot of bossing around that takes place.” Often, personal issues overpower professional roles. Multinationals are by and large considered more evolved clients. Says Farhan Shahzad, media director, JWT Asiatic, “The advertisers need to change their approach. The typical local client; the ‘Seths’ as we call them, still want to see themselves in their ads. They plan media on gut feel and prefer placing ads on programmes and channels that their families or friends watch.” A slightly different take comes from Khan who says local clients are occasionally easier to work with since they are less protocol-bound and formula-driven than multinationals: “There’s a certain openness and leeway to do something more creative. On the other side, some local clients are averse to taking risks because production budgets tend to be high and so they want something tried and tested. Your relationship with clients matters; the confidence they have in you. ([www.nation.com.pk](http://www.nation.com.pk)) July 2004.

The attitude of clients is also said to be one of the primary reasons for the industry’s inability to attract the best talent, a problem by no means restricted to Pakistani advertising. Clients squeezing margins makes it hard for a career in advertising to be particularly lucrative — besides many of them seem oblivious to the value addition an agency is able to bring. The attitude is often, shockingly enough, ‘Koi bhi kar lega’ — with anyone capable of designing a logo or conducting a shoot entrusted with the job. “Careerwise, advertising has not been given proper industry status. Qualified people don’t want to get in, since the overall client-agency relationship is bad. People don’t get adequate exposure and are not treated as equal partners.” Most fresh MBAs thus make a beeline for either banks or the client side of the business. ([www.nation.com.pk](http://www.nation.com.pk)) July 2004.

A possible solution to the talent problem getting expatriates in runs up against a roadblock. Expatriate managers on the client’s side in multinationals are getting numerous, and the advertising industry is expected to follow suit, but it is unable

to, due to government restrictions. For instance, Indian citizens are not allowed work permits in the country. Nirvik Singh, chairman – South Asia, Grey Global, whose responsibilities include Pakistan, says, “It’s easier to transfer someone from Sri Lanka or Bangladesh to Pakistan.” ([www.nation.com.pk](http://www.nation.com.pk)) July 2004

S.H.Hashmi, patron-in-chief of the Pakistan advertising association, speaking on the occasion said the awards, which are distributed every year, have created an environment of competition in the world of advertising. The tradition should continue for healthy growth of advertising in the country as quoted by him. ([www.dailyjang.com](http://www.dailyjang.com))

It has been stressed that recently imposed taxes on the advertising agencies should be abolished. He urged the information minister to intervene in the matter and help resolve it. He said the government should revive the advisory committees that existed earlier to get better results. He said the government should use the advertising and PR agencies to get opinion of the different sectors. ([www.dailyjang.com](http://www.dailyjang.com))

Mahmood Parekh, Chairman of the PAA 18th Excellence Award Committee, said around 28 awards have been given to 12 advertising agencies which included TV advertisers, corporate advertising, public service advertising, outdoor advertising and electronic media. He said advertising provides consumers an opportunity to choose the best product. It also sets an environment of competition for the producers and the quality of the products gets better. ([www.dailyjang.com](http://www.dailyjang.com)).

## 17.0 EVALUATION OF MARKETING CAMPAIGNS OF TELECOM PLAYERS THROUGH FCB GRID

After undergoing a detailed understanding of the marketing companies that are at the back of these telecom players, it would be easy evaluating each one’s intended message. The content, style, delivery, theme and message all are differently been

used by the players in their own way. This the distinctiveness of the type of message delivered by the companies where advertising companies attached with them are highlighted. In this competitive environment, that message which is taken by the masses in the most responsive manner, the credit goes to that company's advertising agency.

Telecom players have stresses upon their particular benefits and attributes while communicating their message across the country. They sell their competitive advantages with the help of electronic media.

FCB is a type of Grid that differentiates the type of advertising done by respective companies depending upon their moods and areas of concentration. The advertisements of all the players would be placed in this grid with suitable, justifiable reasons to support them, that would reveal the fact that why certain campaigns have been proved to be successful and why not others.

Marketing and advertising done by each player, also puts every company in the state of war and further strengthens their positions in the market. They use multitude of strategies either in an offensive or defensive manner to protect their own self at the expense of others. They do each and every thing to highlight their practices and unique advantages in comparison to the competition and sometimes attack the rival directly or indirectly.

## **17.1 MOBILINK**

Before placing every player in the grid, it is important to recall the particular ad campaigns employed by every player in the market and the use of content would be seen in order to differentiate them. Mobilink is an active participant of media and commercial industry, and tries its best to be in the forefronts as far as exposure and awareness creation among the masses is concerned.

Mobilink changed its entire outlook few months back and came with a new appearance in the market, thereby claiming to reshape the communication. Mobilink's marketing department is the most visible and demanding area of the entire operations, as this is the field that brings awareness of products and services in the market. Marketing serves to influence the target market in both ways, positively as well as has the power to influence customers in a negative manner, because the ultimate aim of companies is to generate sales and increase their market shares. Companies are in the state of immense war like situation as far as their promotional and marketing tactics are concerned.

Country like Pakistan is faced with various players all of a sudden and the market is an excellent platform to invest further. Any common consumer, that moves out to take a round of the cities of the country, are fully exposed to plenty of billboards of only these players of market. They are hanged facing one another at busy and important places of cities, where customer attention is highly expected.

#### **17.1.1 Star Campaign**

Mobilink advertising campaign of their "Star postpaid connection" is still alive in the minds and hearts of people. The ad is highly impressive and attention seeking. The environment has been created by stressing the relationships of our society. Services like these cannot be imagined by messages like these that are based on pure emotions, feelings and conservation of healthy relations with your loved ones.

Manhattan Private Limited (MPL) is the advertising agency that develops effective and creative ads for Mobilink. The messages are quite clear and boost the emotions of consumers. The agency has played very rightly with the emotions of people by instigating the relations and showing setups where people associate service like Mobilink with affection, love, and reliability and emotional.

Nowadays Mobilink is marketing its post paid connection known as “Indigo” that has helped company to reshape the communication in an innovative manner. The service has been targeted merely to the families of Pakistan, where the agency knows the fact that relations are hold dear in this society. This service has been made by showing family setups with the use of celebrity endorsements like popular actor Shan. So on the whole, the company relies on the emotional aspect more and by this, tries to transfer the value added features of the company. They make use of two facets of the company in the single go of advertisements that are catchy yet effective.

Mobilink has come up with astounding and surprising features of no roaming charges and local call facility given to the Mobilink users only. This is the advantage that is surprising, but they are communicating the message in simple and informative manner to the consumers by building more and more to the brand development in the form of a company that truly reshapes communication.

Keeping in view all these aspects of Mobilink’s marketing, it has been placed in the “High involvement Affective quadrant”. This is a high involvement service because of the fact that many other competitors are present in the market, and because of high prices charged by the companies for their connections, this decision is taken by them in a realistic manner. Then they think of value added features that are unique to every firm’s operations.

## **17.2 Ufone**

Ufone is another big player in the telecom industry and invests in the marketing development of its service but not with aggression unlike Mobilink. It only advertises its service, when need arises and that too is identified by the company itself. The move made by the company as far as its technological sound feature

GPRS, MMS are concerned was not needed if we see the target market of the company. The service has not been fully used by a large number of consumers, where they have not been able to communicate the message. Their lies the biggest discrepancy attached with this company's advertising agency. Although the agency occupies the central position in the leading framework of advertising agencies of Pakistan, the responsibility lied on the company's shoulders, because this was not the time to launch such kind of hi-tech value added features for the market, who is at present was not ready for advanced innovation.

### **17.2.1 Ufone's Humorous Ads**

Ufone is guided in the market by top of the class company known as "Interflow advertising agency". The surveys have demonstrated that interflow occupied first position in both years of 2002 and 2003. Interflow has taken the prime responsibilities of addressing the unique issues of Ufone in Pakistani market. The type of message, appeal, style and theme all are in different tone as compared to Mobilink. The ads were made when Ufone launched its service in 2000 and with them the initiation of humorous ads took place featuring comedian Faisal Qureshi and his jokes that amused the market to a great extent.

Although the message appeal is not that much promising, but they were able to build a strong brand image in the country because of its unique name. Ufone came after Mobilink and a name like this that was meant for the entire consumer class, having a U element in it, convinced them that as its operating under PTML, will definitely take care of customers' expectations.

After that, Ufone stayed quiet and didn't come up with any advertisements may it be electronic or print media. But it kept it alive as far as sponsorships are concerned with sports events and

musical shows at various occasions. The next move came from the company when the

company wanted to highlight its core competency that it carries in its value added features, such as MMS. Eid-ul-Azha was made a big event by the company and making use of this holy occasion, company realized their customers, the use of its services.

Ufone doesn't invest a lot in its advertising on a frequent basis. Since the long time, it's capitalizing only on the basis of its features and is not trying hard to increase the customer base.

Their ads have been placed in the quadrants of "High involvement Affective quadrant". Here lies the biggest constraint on the company, that as the company tried to stress more on its value added features, the combination humor with this projection did not prove to be right and at the same time, target market is not that much aware of such services.

This is the discrepancy that have forced them not to play at an optimal rate in order to win this never ending war of telecom industry. As companies' positioning done in the minds of the consumers is the path by which customers perceived out of something from the service and differentiate it from others, if their need is exploited in the best possible manner by the manufacturers.

### **17.3 Instaphone**



Instaphone laid the foundation of AMPS technology in Pakistan and like Mobilink; it also invests a lot in its marketing tactics. The company has the right mix of competencies that have been combined with the right kind of strategy. Its an understandable fact that successful companies are those, who conquer on the basis of their chosen competitive advantage that serves to distinguish them from the rest of the competition.

Orient-McCann Erickson is the advertising agency that claims to be Pakistan largest agency and is responsible for carrying out the brand development of Instaphone in the Pakistani market. Orient has a rich heritage of serving a large number of brands in Pakistan. Definitely the ads made by this company have the ability to match and compete with world's leading advertisements. The ads are highly informative, stress a lot on company's unique expertise in specific areas. To complement the setups, the color red helps to identify the service in the presence of competition. The use of celebrities and popular models of our country facilitate the popularity of the service.

### **17.3.1 Instaphone, Any where, every where**

Instaphone right from the very beginning is a staunch believer of aggressive and extreme advertising. The company has concentrated on its core competencies and unlike Ufone started with something that will ultimately going to prove profitable for the company in the long run. This is their uniqueness as far as maximum coverage and presence in market is concerned in the AMPS technology.

However, the technology trend on the global scale is moving towards the GSM technology, Instaphone is in the planning stages to shift towards the GSM. The ads have been made keeping in mind the core competencies of the firm that is the maximum coverage of cities and favorable presence in the market. As far as the FCB grid is concerned, the use of information in the ads categorizes them in the "High involvement Informative" quadrant.

The ads though classy and trendy, but their main aim is to highlight the features like numerous ring tones, picture messages, international messaging, no roaming, maximum coverage with their claim of anywhere everywhere, makes them different from others and provides ample information that can be availed by the use of such kind of service.

#### **17.4 Paktel**

Although Paktel has moved itself to the emerging technology of GSM, those old subscribers are still making use of this service. They don't spend a lot into the marketing and advertising and on the brand building as compared to the competition.

Paktel has forced it all by itself that now its no more present in the war like situation as an active player. It could have capitalized on its established brand name that it had acquired with the period of time, when only few players were ruling the market. But as the competition grew more fiercely, it lost its pace and failed to deliver the same kind of service.

##### **17.4.1 Paktel, Khamoshi ad**

The last advertisement that has been aired by this company, after claiming them to be the lowest cost provider and having the strategy of extreme leadership in the price charged as compared to the competition was Paktel. The ad used to compete on the basis of their claims of offering connections at the most affordable prices. After that they came up with their prepaid service known as "Tango". This card has the ability to have 50% free airtime, on those cards that will be purchased in the month July 2004 to August 2004. This marketing promotion is nowadays taking place with the tango service.

As far as its placement in the grid is concerned, it would be placed in the “High involvement informative “quadrant, where they are communicating this information to the consumers that they are the most affordable, though the brand has lost its once established position.

**FCB GRID OF TELECOM PLAYERS**

<b>High Involvement</b>	<p><b>Informative</b> JAZZ, Anywhere Everywhere, Khamoshi</p>	<p><b>Affective</b> Star, Indigo, Ufone</p>
<b>Low Involvement</b>	<p><b>Habit Formation</b></p>	<p><b>Self-Satisfaction</b></p>

**18.0 BRAND IDENTITY PLANNING MODEL OF TELECOM PLAYERS**

The Strategic Brand Analysis develops a long-term perspective to the vision where the overall industry is operating & is expected to operate in the market. The

brand identity-planning model determines the detailed overview regarding three key areas of strategic planning. Following are the key areas that construct the structure & the content of the Brand Identity Planning Model.

**(Condensed volume on brand management).**

## **18.1 KEY AREAS OF THE BRAND IDENTITY PLANNING MODEL**

18.1.1 Strategic Brand Analysis

18.1.2 Brand Identity System

18.1.3 Brand Position

18.1.4 Execution

18.1.5 Tracking

### 18.1.1 Strategic Brand Analysis

#### **18.1.1.1 Customer Analysis**

Customer needs are vital to be kept in mind while doing the strategic planning. The existing era is the time of closing distances & bridging pathways among the suppliers, manufacturers, customers & the retailers with the help of long-term Customer Relationship Management (CRM). Customers must be satisfied in continual basis & efforts must be made to make them brand loyal to the institution & eventually have a number of client advocates that trigger support & sales.

Industries like these that have the ability to rule the market and ultimately become necessities of consumers first enter into the market, by creating a need. As Mobilink in GSM and Paktel in AMPS were the first to enter in Pakistan and revolutionized the telecom industry by initiating with the concept of cellular technology.

As long as the introduction stage remains the bargaining power is at the end of manufacturers and service providers, but as the market matures and gets sophisticated, with the growing number of investments by other competitors, the bargaining power moves to the consumers, where they exercise their demands and preferences. In such circumstances, winners and survivors are those that keep on coming with innovative products according to the customers' specifications and expectations.

Customer analysis has to be done in a professional manner to exploit their hidden needs, especially with the growing competitive market.

Mobilink, Ufone, Instaphone and Paktel all are catering to same target market having same income and needs, but their way of exploiting their needs is different and that can only be done by that company in a more realistic manner that has done effective customer analysis.

#### **18.1.1.1.1 Trends**

The market trends are in the direction of e-commerce, computer engineering, marketing & sales, banking or Information technology. Trends are the areas that never keep constant and keep on emerging, depending upon the international awareness, media exposure, customer preferences and economic conditions of the country. Telecom industry is at the boom stage and it is flourishing at an exciting rate. At the same time, companies are changing their setups and trends are moving towards more affordable, technologies that can ease

the use for the consumers as far as communication is concerned.

AMPS technology is being replaced by GSM technology and companies are investing and are shifting towards this emerging trend, like Paktel and Instaphone is also in phase of this step. Now customers are getting more aware and they have reached to that sophistication level after being faced by a number of players in the market. The way these companies offer value added features and forecast environment make customers users of that kind of trend. Like Ufone came up with GPRS and trends like MMS and now a lot many customers are using this technology and making Pakistan also an advanced country.

People have come across lot many players who are in the state of serious battle and in this environment selection becomes difficult and intelligent movers are those that gauge customers' interests.

It has now become a trend and a symbol of image at the same time a necessity for the life of a common man. With the new advancements, people's interests and self esteem needs also move to a higher pedestal and they want to be recognized and services like this that are different in all players can be availed in a much bigger manner.

#### **18.1.1.1.2 Motivation**

Motivation plays a prime role in the acceptance and popularity of different kinds of products and motivation is provided by the service providers. As consumers in any kind of market are confronted with lot many competitors and alternate solutions to satisfy their demand, but those who have the ability to keep the levels of motivation high among the consumers win the battle.

Motivation and likeliness for a product or service can be provided by these companies in the form of unique value added features, features that are demanded by customers and where they can feel a visible difference in contrast to competition. The use of media and the delivery of message to the target audience and bringing something new and innovative to retain them in every possible manner.

Some of the motivation created by Instaphone, one of the leading player who is surviving hard too win the battle, is its 12 months incoming calls facility that can be availed now only for Rs: 54.

#### **18.1.1.1.3 Unmet Needs**

The unmet needs of the customers must be satisfied with high R&D on learning about the consumer preferences & future market orientations. The unmet needs and demands must be reduced with the

help of high research & development in the related areas.

The gaps must be identified to reach up to a leadership position. The gaps must be bridged before the competitors can identify & exploit them.

Unmet needs are the area due to which leaders, challengers, followers are distinguished in the market. Because due to this factor, they are able to stand in the market in an individualized manner, due to their unique strategies and as its obvious that leader can only be one. As far as this telecom industry is concerned, we have seen that profitable are those who have exploited those markets that are still not been able to be tapped by others.

Instaphone and Mobilink are striving hard to win the battle as far as coverage of maximum cities is concerned, and if we see in the regard of Ufone, this need has still not been able to be satisfied by them, thereby having low number of subscribers. So unmet needs have to be satisfied immediately, before someone else sees the opportunity and grasps it for their market share.

#### **18.1.1.1.4 Segmentation**

Segmentation must be properly done of what are the major industrial zones & how thy can be segmented



in clusters to identify the apt target market that must be communicated properly to the targeted segment.

Segments must be made in the development and introduction of any kind of product into the market because first segmentation and identification of target market is done and on the basis of that chosen market, identity of the company is done.

Companies have to have a unique and appropriate identity for the target market. Because this is the identity that pays in the longer run upon which positioning is made by the company in the minds of the consumers. After positioning companies are able to differentiate themselves from the competition on the basis of technology, core competencies, human resource, advanced research and development, brand name etc.

Telecom companies have segmented the market as a whole, as it has now become a commodity product, and needed by almost every common man in order to facilitate the use of communication. The prices of these service providers are more or less the same, with different benefits attached to them for creating a difference in the market. Since the competition is played by the number of competitors, now it's the customers' preference, as to which service better suits to their needs, otherwise the target market is not specific.

#### **18.1.1.2 Competitors Analysis**

As far as competition is concerned, the study has been carried out to make readers understand the reasons why big companies of same nature enter into a war like phenomenon with one another. Because healthy competition always stays between companies and without there's no motivation for them to stand out either as leaders, challengers or followers. But there are very few industries in which the major players enter into a war and do every possible measure to gain the maximum market share and win the battle.

By the help of this study, it would make readers understand that how this battle leaves behind those who fail to compete in a holistic manner and what are their strategies that have forced them to leave the battle due to fierce competition and how their strategies are different from those of leaders and survivors.

In order to comment on this competition aspect, major players who have been identified to clear the concept of brand wars and failures are Pakistani market telecom companies that are different in one way or another due to lot many reasons. They are:

1. Mobilink
2. Ufone
3. Instaphone
4. Paktel

After undergoing the SWOT analysis of each of the firm, it would be understandable by the readers that Mobilink has the highest number of consumers that can be compared

with that of Instaphone. Ufone is low in this regard and Paktel has lost its presence in the market, as it lacked certain practices that left it out of the competition. Although it could have capitalized on its established market presence and brand name at one point in time.

Mobilink has got the first mover advantage and it laid the foundation of cellular and mobile technology in Pakistan and capitalizing on this factor, it has never stopped itself from continuous growth. Ufone is operated in Pakistan by PTML and has gained enormous recognition in very few years because of highly exclusive optimized switching capabilities.

#### **18.1.1.2.1 Brand Image/ Identity**

Brand image plays a crucial role in the development of perception in the minds of the consumers. It is this image that fosters healthy relationships with the customers that brings goodwill to the company in contrast to competition. Unique positioning done by the companies in the minds of the consumers helps to build a reputable brand image, as companies are not only known in the marketplace by the type of products or services they offer, but the practices that make them different from others make the brand image more consistent and distinct among the target group.

Mobilink is a company that has achieved good reputation over a period of time, as now it has been able to make itself synonymous with quick and reliable service. The brand speaks out in presence of other players that has been acquired by the effective marketing and maximum presence in the entire country.

Ufone also carries uniqueness in its brand name, as the message that they deliver is quite effective carrying a “U” element in it. This brand name influences the customer to recognize the brand as it does everything to suit their needs and has been specially made to fulfill their expectations. The image has been complemented by advertising campaigns that are in their own way creative. The value addition and efficient service makes them different from others.

Instaphone originated with AMPS technology and it has got extreme popularity as far as media exposure is concerned, because of its advanced and highly in demand practices being portrayed through advertisements. It capitalizes on its unique selling proposition that is their competitive advantage of maximum coverage and no roaming charges that are perceived as the biggest benefits by the customers. The

image is highly visible among the masses, and is taken in a positive manner.

Paktel has the biggest advantage attached to it and that was its brand name that is extremely patriotic yet at the same time, they are early starters of AMPS technology in Pakistan.

### **18.1.1.3 Self Analysis**

Self-analysis is the stage where individuals associate themselves with the activities & the operations of the related organization for the sake of self-esteem. It could be the other way where the self-analysis might lead to dissatisfaction & discouragement. Self analysis can be done by the service providers as well as the customers can also analyze themselves, whether he proposed service fulfills their unmet needs or whether they do lie in the bracket of those individuals who are able to afford such kind of services offered by players of the market.

#### **18.1.1.3.1 Organizational Values**

Companies distinguish themselves on the basis of rich and protected culture of their setups that are formed by each one's particular organizational values and practices.

This culture and values are communicated to the outside world with the help of innovative strategies and customers' satisfaction levels. Word of mouth plays an important role in

this manner. Marketing tactics, presence of seasoned human resource are all the elements that help to transfer that culture to the world, thereby distinguishing them from one another.

Mobilink holds its people, Ufone its Customers in every regard, Instaphone stresses its sound infrastructure and Paktel, its brand name are their values that are dear to them and can't do anything at their expense.

## **18.1.2 Brand Identity System**

### **18.1.2.1 Brand as a Product**

#### **18.1.2.1.1 Product Scope**

Telecom industry is a service provider and companies offer their connections with the element of trust, reliability and convenience tied with that service.

#### **18.1.2.1.2 Product Attributes**

Connections and service given by these companies are distinguished on the basis of unique attributes and benefits attached with them. Now the environment is so competitive and in a state of war, that one thing offered by one company is easily given by the other company with something extra attached to that benefit.

Like Instaphone used to claim on its coverage advantage. Mobilink now claims this factor also, with additional benefits of no roaming and local PTCL

charges with Mobilink system. So it's really hard to select service for the consumers in this state of extreme war.

### **18.1.2.2 Brand Customer Relationships**

Telecom companies enjoy good and healthy relations as far as their target markets are concerned and are trying their optimal to expand the consumer base while retaining their existing class of consumers.

#### **18.1.2.2.1 Brand as a Symbol**

Brands must be distinguished with its unique symbols in forms of logos & designs.

Mobilink has recently changed the color scheme of the company from Red to Lilac. The company name, its marketing themes all have been revitalized with a new slogan "Reshaping the Communication". Not on frequent basis but companies must always strive to refurbish their ideas as far as brand development is concerned. The whole new look has been given to the company and customers have liked the idea, with only exceptions. Immediately after the change of color scheme and a dramatic look to the company, they came up with the new postpaid service known as "Indigo" that has now been synonymous with their new look and helping to reshape the communication in a practical manner. Mobilink has succeeded in gaining market trust and is a symbol of pride, social symbol and reliable service.

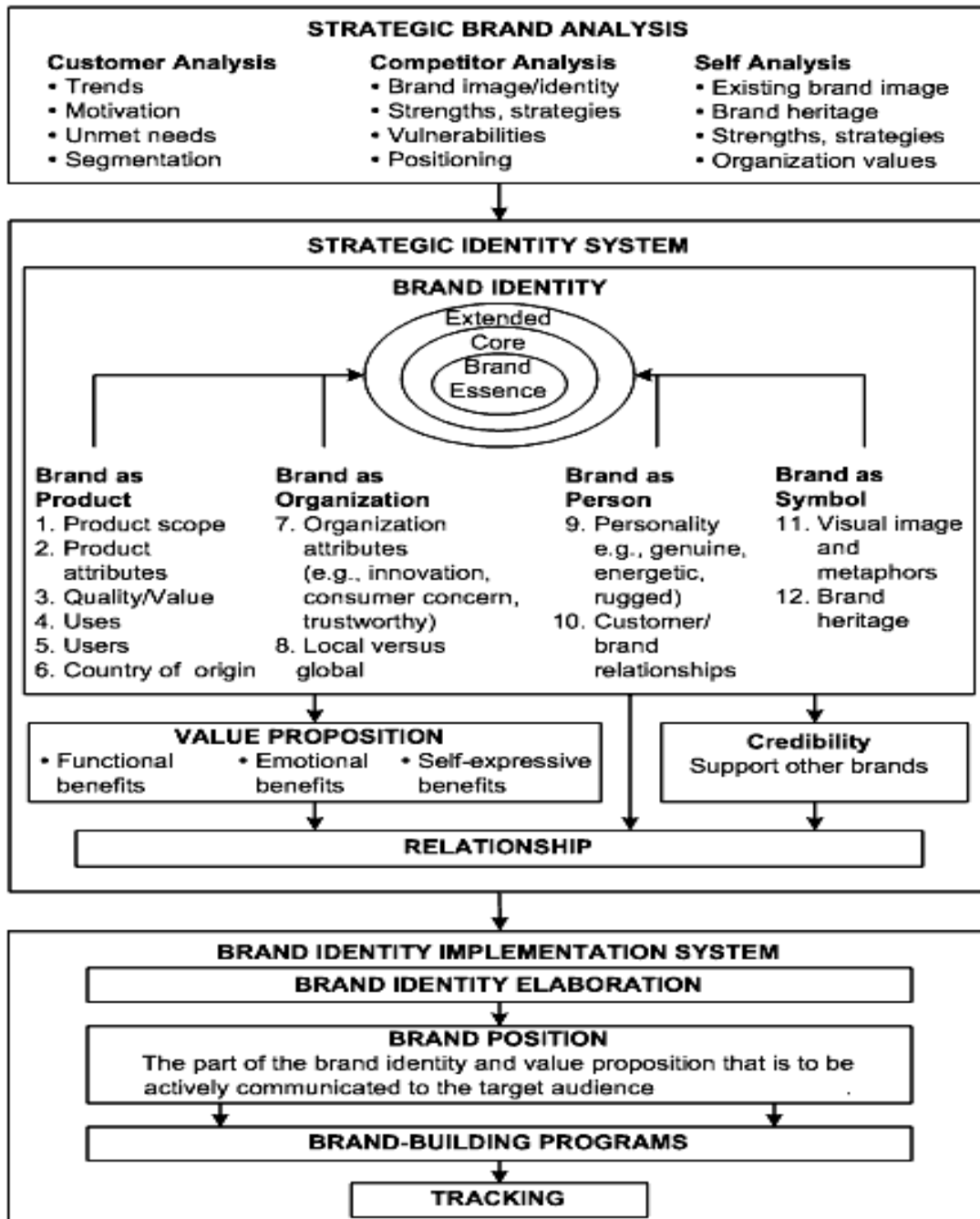
Ufone is still with the same look and is capitalizing on its name. The colors are decent and professional with more distinction given to the U of Ufone. It's a symbol of customers' needs and a service that cares a lot for its customers in every possible manner.

Instaphone invests a lot in the name recognition of the company through aggressive marketing campaigns and highlight its unique attributes. It's a symbol of flexibility that has brought ease in the use of communication, by offering the most affordable service in the market.

Paktel is a symbol of patriotism attached to that, thereby acting as a representative of a local service provider, highlighting country's origin and used to be a symbol of pride, honor and reliable service for the consumers.



## Brand Identity Model



Kilde: Aaker, David A. & Hoachimsthaler: Brand Leadership. The Free Press. 2000.

## **19.0 PERCEPTUAL MAPPING**

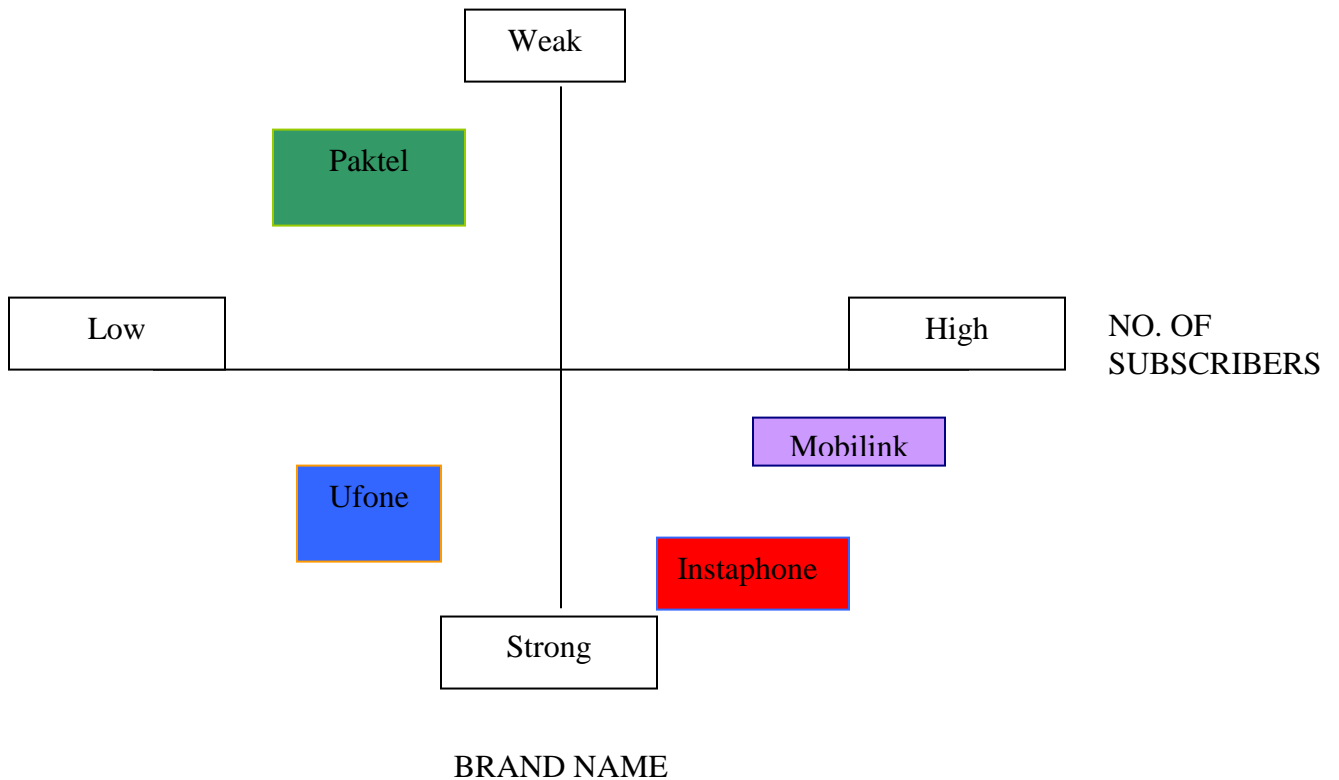
### **19.1 MOBILINK**

Mobilink is known in the market as a kind of service provider that has able to make itself synonymous with reliable communication in Pakistan, because of its first mover advantage. Company further polishes this advantage, by aggressive marketing tactics and exploitation of technological advancements in the world. The perceptual mapping helps in making a position in the minds of the consumers, thereby distinction is given to the company, on the ways that are peculiar to it and are present in the customers' frame of reference.

The perceptual map is different for different businesses as they all try to expend different core competencies that are source of competitive advantage for them. As far as the Mobilink is concerned, two dimensions, having scales of high and low, have diagrammed the map.

On the x-axis, Number of subscribers in the Pakistani market has been plotted with the ranges of high to low. On the y-axis, the brand name has been displayed from strong to weak. This denotes the fact that which company spends enormous amounts as far as their marketing and advertising is concerned. Because this is the unique method, due to which brands can be developed and differentiated in the minds of consumers through distinct message delivery.

Mobilink has the highest customer base, as evident from the above sources of information. Instaphone claims to have the highest market, but due to AMPS technology, Mobilink is preferred over Instaphone. At present Mobilink is in those areas, where even Instaphone has still not been able to enter like Wana.

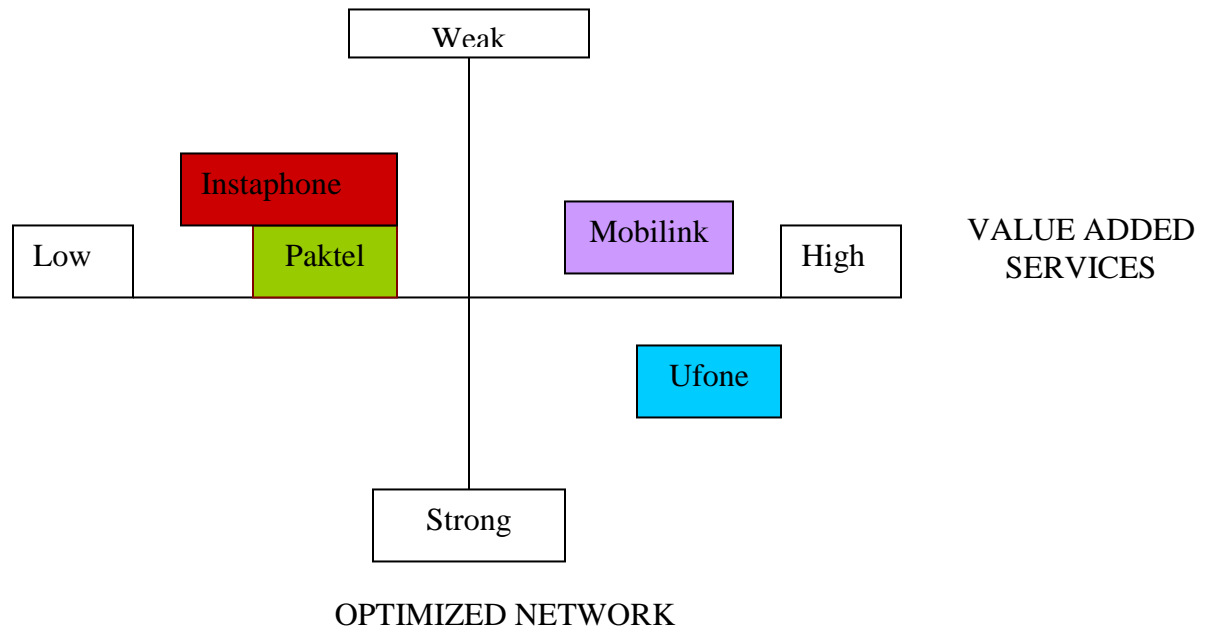


Ufone comparatively has low number of subscribers, but Paktel has the lowest consumer base. They don't invest heavily in the marketing projections, only when the need arises, with limited promotional campaigns. But the brand name of Ufone is much stronger than that Paktel, because of its technological, sound research and development practices.

## 19.2 UFONE

Ufone is popular in the market because of its value added services that are unique to the company; an up till no other company has entered into these services. Mobilink would be the follower, as far as GPRS technology is concerned. Ufone is also renowned in the market because of its highly optimized cellular network that is backed by top class vendors known as Siemens and Nortel Networks. This

is because of this strength and efficient operating system that the drop call ratio of this service is very active and customers conveniently become accessible to one another, even at the peak hours of calls.



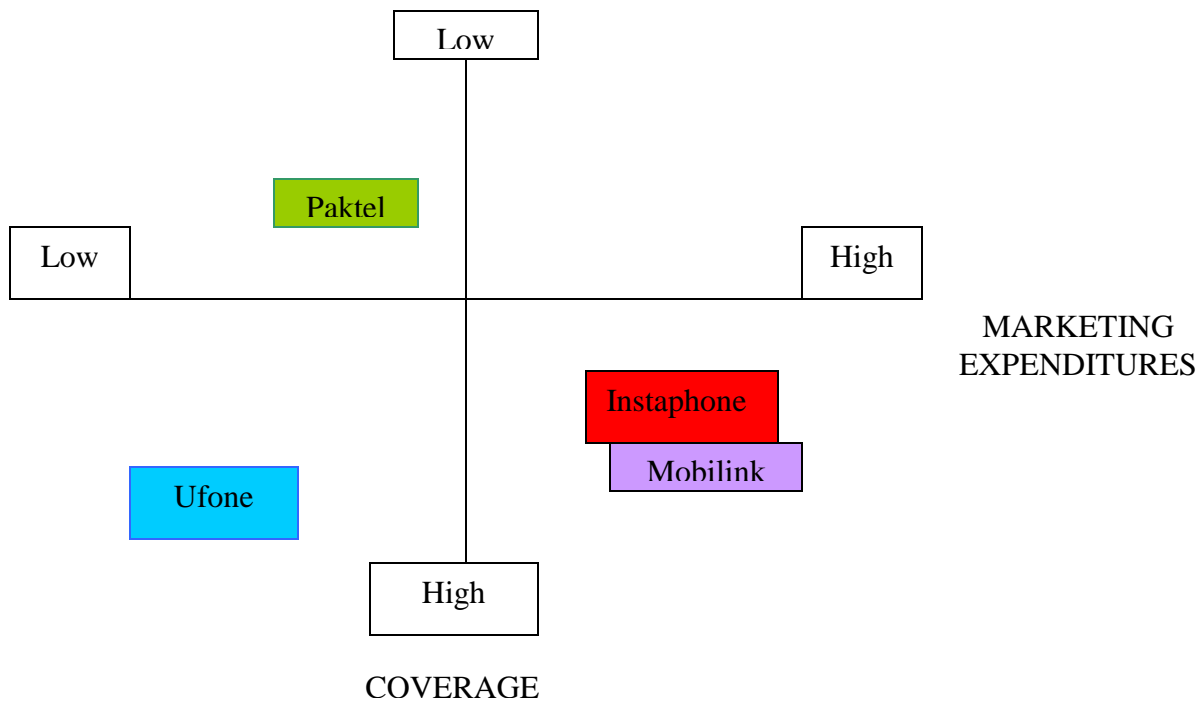
Optimized network is weak as far as Mobilink and Instaphone are concerned. It gets affected mainly because of weak and non-responsiveness from vendors in some cases and at times because of large number of consumers that are dialing simultaneously at various times. Ufone manages fully that much of consumer connectivity, about which it has set targets that from this limit, it will not offer connections to the consumers, in order to overcome the drop call ratio. Paktel has a strong network, because of its low consumer base but weak in the manner that it fails to equip itself with state of the art value added features that are the need of the day for the common consumer. Instaphone offers services like No roaming charges, affordable card denominations, 12 months free incoming calls only at Rs: 54, affordable call charges for Instaphone users, with 25 paisas per minute after

12:00pm and flexible techniques to fulfill the demands of consumers. But Ufone has the highest number of value added services, but the biggest discrepancy is the fact that there is no market hat can avail those features to an optimum level.

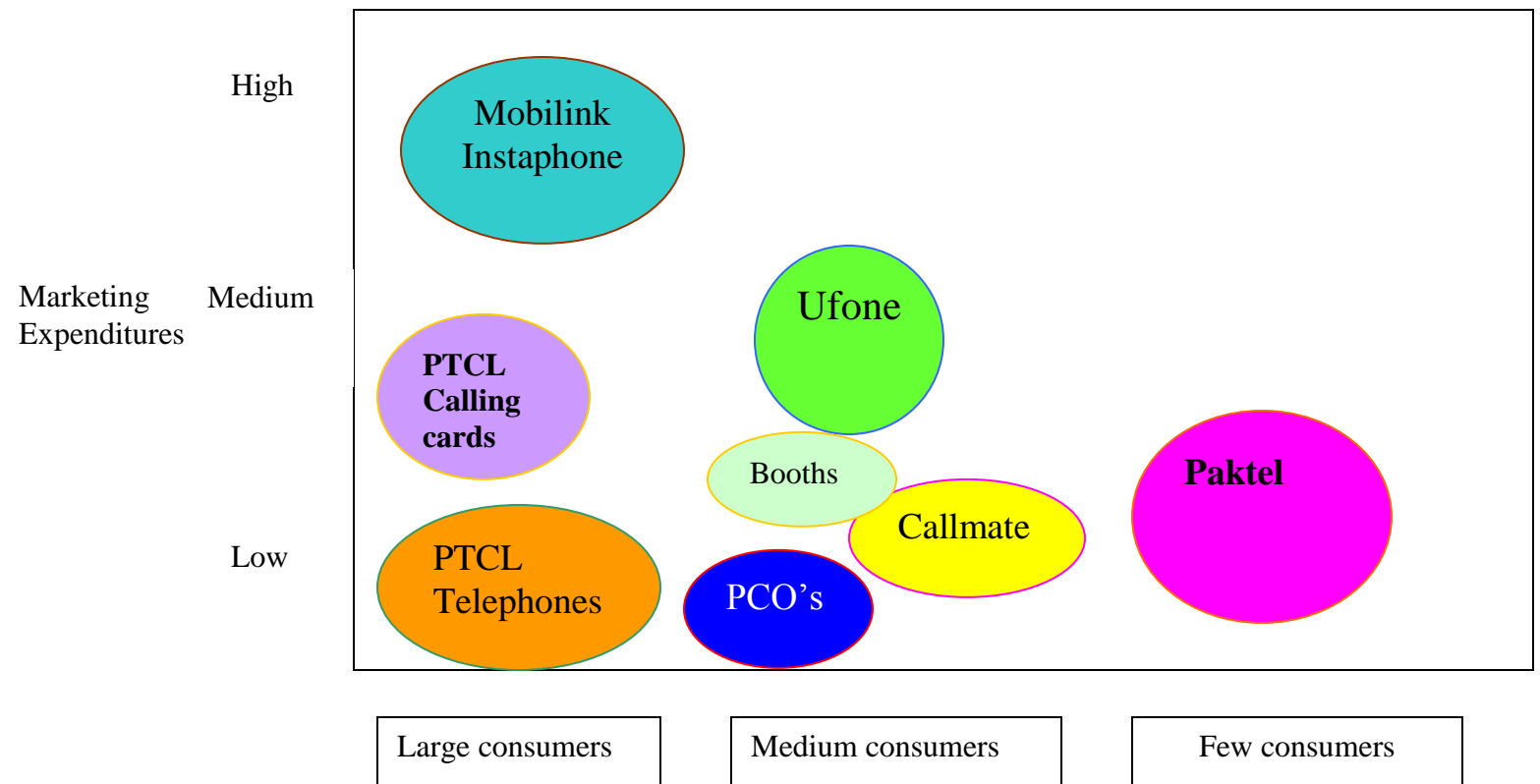
### **19.3 INSTAPHONE & PAKTEL**

Instaphone is synonymous with providing state of the art AMPS technology, although the trend is no more at their side. The company is exploiting the market on the basis of its coverage competency, and the only AMPS provider that charges affordable prices from the customer. Because after a practical demonstration, it has been revealed, that Instaphone line rent is cheaper as that of Mobilink and Ufone. Instaphone has the cheapest line rent if dialed to another user of this service, especially after midnight till 7:00 in the morning.

Paktel has left the war that is taking place between the telecom players of Pakistan. But it had the necessary market know-how and skill to fight with rigor and agility, because of its established brand name in the market. But it altered its focus and failed to adapt to the changing market trends and fail to move in the competition, because of its late entry into the GSM market. Entry into the GSM market, if kept at a back seat, it could have exploited in the manner Instaphone is doing, thereby fighting in an excellent manner with the combination of both technologies.



## 20.0 STRATEGIC GROUP MAP OF TELECOM INDUSTRY OF PAKISTAN



### 20.1 EXPLANATION

Strategic Group mapping has been done to determine that how many players are there in the telecom industry. This is not particularly the mobile service providers but on the whole, how the industry is operating as far as communication is concerned.

Strategic Group mapping accompanies two dimensions. On the horizontal axis, type and number of consumer base has been plotted. This is the element that determines the maximum market share attached with companies because customer base is something that entails the fact that this company is driving the growth in terms of maximum presence in the market. So keeping this fact in mind, large, medium and few customers have been taken.

On the vertical axis, the marketing expenditures by various players of the market have been plotted. Because telecom industry is such a platform that is ruled by commercialized companies that make their roots stronger in countries, where media is given an attractive place by the masses. Advertisements really influence people and associate such services with their social prestige and serve to fulfill their self-esteem needs. Limits have been attached to them by placing high, medium and low amount of expenditures spent by the companies on marketing and advertising.

Before the inception and introduction of such kind of service in countries, people are obviously dependent on the use of normal telephones that had taken so important place in a common man's life as that of bread and butter. They are very much present in every household, and such services have complemented their lives because of more easiness and convenience brought in their routines. So as far as PTCL telephones are concerned, the number of consumers is the highest, as those not carrying mobile phones with them, are making use of this normal facility at their homes, offices etc.

But the amount of marketing expenditures on this service is extremely minimal. On the other hand, if we see Mobilink and Instaphone, they have the largest consumer base and at the same time spend vast amount of money on marketing development in the form of continuous celebrity endorsements, highlighting their unique value added features through billboards, electronic advertisements, print advertisements, sponsorships, transit advertising, etc.

Ufone has medium number of consumer base because of its lack of coverage facilities and the marketing infrastructure is also that much active, as they only come up with ads when they launch or introduce anything in the market.

Paktel has the lowest customer base, and very few advertisements.



PTCL calling cards company, and other telephone card companies, like Callmate, Kismet, Connet2Connect though have a quite favorable and large market presence, but the amounts spent on awareness are very low. It is important to note that far flung areas where awareness and infrastructure of such service providers is missing, a large portion of population still relies to a great extent on these calling cards. But the main constraint and limitation attached with their use is that they can only be dialed with an STD phone facility, and it is a known fact that majority of masses don't have this facility, as this service is targeted to those who either can't afford other services like calling cards or mobile connections or those who don't have access to such services.

PCO's also occupy a big market as far as Pakistan is concerned and people from low to lower medium and even above that avail this facility because of its accessibility, convenience and low airtime charges after 9:00p.m.

## 21.0 EVALUATION OF AD CAMPAIGNS THROUGH FCB GRID

### 21.2 PLACEMENT OF PLAYERS IN THE GRID

#### 21.2.1 MOBILINK

Mobilink is the brand that would be placed in the extreme right upper quadrant of Young & Rubicam Grid, having attributes of “high brand stature and high brand differentiation and relevance”.

This is due to the fact that over the time, being the first mover in this industry, Mobilink has able to gain favorable acceptance in the market, where people associate it with the type of necessity that adds too their social class development. Mobilink has targeted customers by charging the prices for its services that have demarcated them to a more or less extent, to the class belonging to upper levels. Although they didn't do intentionally but the type of message given by the marketer focused on emotional values that attracted people belonging from wealthy groups.

Another element is due to their constant featuring of emotional aspects of individuals. This is the type of company that entered into the processes of consumers, by which they normally spend their lives. The company stressed points that they hold dear and for that matter, company has concentrated a lot on the family set ups, their values, feelings and emotions that they share with their loved ones and expectations that they associate with them. They made the service that would help them foster better relations with their loved ones by facilitating efficient communication.

This is the reason of placing this service in the high brand stature, where it has become a symbol of social projections and brand

strength in the form of differentiation it has created in the form of strong brand name, feasible value added services that really delight the customer, as compared to other service providers. The large number of customer base, marketing capabilities and proactive nature, in order to retain the best kind of consumers. Entering into those message types that will give the maximum impact and affect to the consumers has created the relevance.

### **21.2.2 UFONE**

Ufone has been placed in the quadrant having “high brand differentiation and relevance but low brand stature in terms of esteem and knowledge”.

This is due to the fact that although Ufone came in the market with mass marketing and tried its best to gain the maximum acceptance of the market, but the main aspect that is still left untapped by the company is the exploitation and penetration of markets. The subscriber base is not at all promising, as compared to the competition.

An other reason why it has considerably lower stature as from that of Mobilink, is its advertising message that is dealt in such a way that masses have not taken extreme impact from the message. The message is more towards humor and not catering to the attributes of the service and not highlighting the competencies attached with the firm. So it has been determined that people buying this service, only as a substitute in the case, if they fail to get Mobilink connections. So the next best choice is given to Ufone.

Another element is the combination of target market that has still not been able to make use of the service in the best possible

manner. Like introduction of value added features, for the consumers who don't know how to use the service.

But for those who know this kind of service, like GPRS, MMS, etc definitely feel elated and pride in being a part of such kind of service. Because when they'll make use of the post paid service of Ufone, they would be those consumers, who are possessed by a device known as Laptop. Also the cell phones would be high quality and highly expensive if these features have to be availed, as they are not present on all ordinary mobiles.

### **21.2.3 INSTAPHONE**

Instaphone is the service that has been placed in the quadrant having "high brand strength and low brand stature".

This is due to the fact that Instaphone is a kind of service that invests heavily into the brand development and upbringing through aggressive marketing campaigns every now and then. The main focus was on their core competency that was having maximum coverage. The coverage element is the one that opens paths for other possibilities that have the potential to add value for the company in the longer run. Because this coverage competency would ultimately increase the number of customers, as they are providing the facility of no roaming charges. So they took a series of steps that were very much in line with one another.

Instaphone used to differentiate on the basis of its no roaming facility with attached value added features of ring tones, picture messages and customized messages delivery at cell phones. Nowadays it is projecting by giving the facility of 12 months free incoming call with no expiring of cards for only Rs:54, all through the year. But recently, Mobilink has come up with a much more

bigger facility of no roaming at the same time, local PTCL charges for the Mobilink users. This move is extremely depictive of a company leader like Mobilink and really acted as a big threat for Instaphone. And they can be no more differentiated on this aspect.

The brand esteem is low, as the product is present like a commodity product and customers don't feel elated when become a part of this service. Because of this coverage facility, it is present in almost every area, where the customer base is not that literate who would find ways to possess needs to satisfy their self esteem needs. At the same time, when they'll find only this service in their areas, and now Mobilink too, their needs are getting satisfied and this is all they want.

#### **21.2.4 PAKTEL**

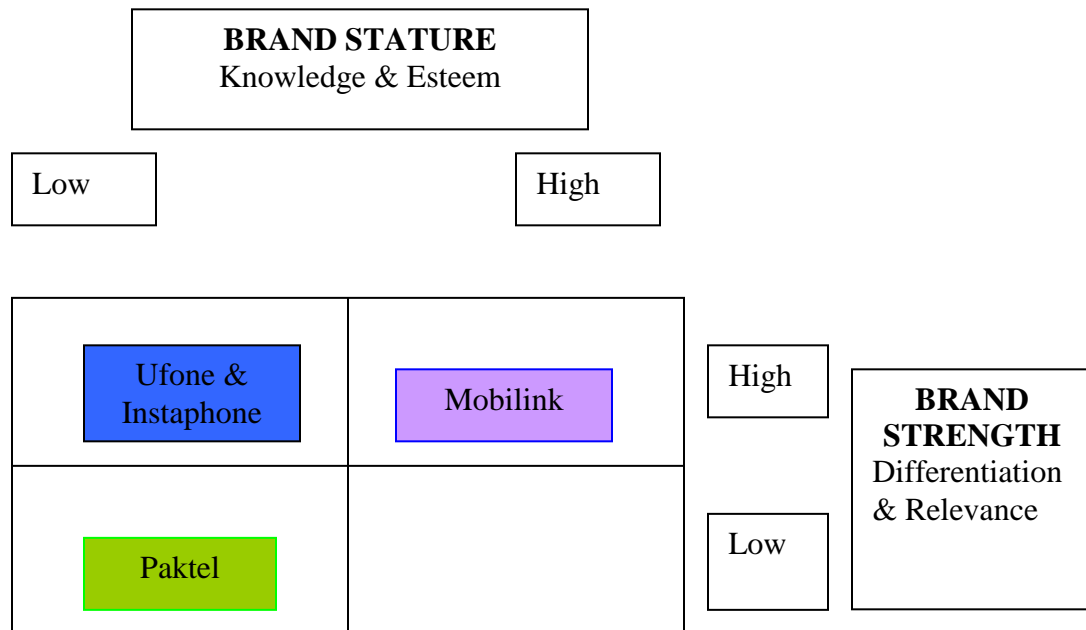
Paktel has been placed in the quadrant having “low differentiation in terms of brand strength, and low brand strength”.

Initially Paktel enjoyed a state where the brand stature was quite pleasing and healthy, but its lag in the competitive environment made it suffer a lot. Because it failed to adapt itself with the changing market considerations. It could have capitalized on this established brand name and reliability that came with this service, but things changed. People used to feel elated like Mobilink, when used to own this service, as they laid the foundation of AMPS technology in Pakistan.

On the other hand, company doesn't invest a lot in its advertising as compared to others who are running after ways to build their brand as strongly as possible. Recently, they came up with a promotional campaign, that was for a limited time period, having

50% free air time on cards that would be purchased in the months of July 2004 to August 2004.

### THE Y&R POWER GRID: STATURE VERSUS STRENGTH



## 22.0 ANALYSING AMPS VS GSM TECHNOLOGY OF TELECOM PLAYERS

The aim of the following discussion is to make readers understand the advantages attached with the advanced digital technology, that has forced AMPS, advanced mobile phone system, an obsolete technology. That is gradually taking a back seat and AMPS service providers like Instaphone and Paktel, that used to provide services in this technology, have also realized the potentials attached with growing and never ending GSM technology because of lot many reasons.

Traditionally, European equipment suppliers have dominated the telecom market in Pakistan, with Alcatel and Siemens leading the way. However, in the cellular industry, the U.S. and Canadian companies have established a strong presence. Lately, Nortel has entered the market in a big way and much of the equipment supplied by Nortel is of U.S. origin. Earlier, Motorola had made a major investment in the Mobilink network. Industry analysts believe that the GSM networks in Pakistan will grow at a much faster pace than the D-AMPS networks. As a result, the GSM operators Ufone and Mobilink will be forced to constantly upgrade their networks and services. Once the operators decide to move in the direction of 3G technology, U.S. suppliers of telecom equipment will stand a good chance to make inroads in the market.

Instaphone although enjoys a favorable market share, due to its coverage capabilities and flexible features that add highly to the system, having an efficient network. It still is very present in the market and competed with utmost rigor and flavor with the GSM players that are ruling the market. Mobilink is the biggest player in the GSM technology that has able to generate the highest number of subscribers, with Ufone that is conquering the market on the basis of its value added services. Paktel though left the

competition all of a sudden when it failed to cope well, but has made a vigilant entry into the market with GSM technology. Since it has realized the numerous advantages of GSM that would help the company regain their lost position in the market.

## 22.1 GSM over AMPS

- One of the biggest strength that is attached with the GSM technology is its ability to accommodate large number of subscribers, thereby having optimized capacity. In contrast to AMPS, capacity is not large enough to handle large number of subscribers. Less hardware is required for the same number of subscribers regarding capacity in GSM. In order to understand this fact, it s to note that since capacity is the biggest constraint, 1 hardware resource is required per subscriber, as far as AMPS is concerned. On the other hand, GSM has the ability to manage 6 to 8 subscribers with 1 hardware resource, that can't be compared with GSM.
- With the help of this technology, customers voice while talking on the mobile phones can be encrypted. This advantage is missing in the AMPS, due to the fact that it has the risk of voice being tapped easily. This is the security advantage that allows customers to foster more strong relationships with the companies of GSM technology. Although AMPS would not have been troubled any customer, by coming up with this complaint, but definitely it has the potential of being tabbed, where radio devices and telephones could be used to tab the voice easily, and can enter into confidentialities of individuals.



- Another emerging fact about the GSM technology is that, in the world, all upcoming technologies are GSM based. Technology is something that will be introduced in any country, without keeping in mind that whether demands exists for that or not. So mapping world's emerging technologies and adoption to them is necessary in order to be among the developed nations of the world. The future technologies are EDGE, GPRS, IMS, PIT, and UMTS etc.
  
- The power requirements are efficient as far as GSM technology is concerned, where there is negligible usage of battery of the cell phones. This is an advantage that is not only useful for the service providers but customers can make use of it in a better manner.
  
- In the GSM technology, network operator is flexible when design the coverage due to the fact that due to large capacity attached to it, better prospects for expansions could be designed and coverage could be increased.
  
- The voice quality is extremely clear and sharp as far as GSM technology is concerned, as compared to AMPS.
  
- Customers are so used to the chip system also known as "Smart cards" that are known as "SIMS" Subscriber Identity Module, that they have the ability to switch their SIMS with ease and convenience to other cell phones. As the chips can be accommodated on all kinds of cell phones and compatibility is very high. This way customers

are able to change their mobile phones without keeping in consideration the incompatibility of cell phones that are very much present with AMPS cells.

- Location based services are offered by GSM. Mobile's location and from where the call has been received and where it has been dialed both can be determined easily through network, with the help of mobile stations, that are located at all places, thereby giving maximum coverage, transmission of signal and reception.
- Above all GSM has enhanced data capability and data storage, where services like Internet, emailing could be easily accommodated and could be used in an exciting manner.
- Another misfortune with AMPS is that, there are no chances of any new technology coming in the market that would be run on this technology. So no new technology opportunities are expected in AMPS.

## 23.0 HYPOTHESIS VERIFICATION AND RESULTS OF THE WAR

In the following discussion, hypothesis that was made in the beginning of the study would be verified with substantial, supporting facts and justifications to see that whether they are right or wrong. The hypothesis formulation is an appropriate way through which concepts can be proved, with the present circumstances and knowledge areas. They strengthen the beliefs that whether researchers are moving in the right direction or not because with the time and surveys and research studies, it becomes clear to them that different hypothesis and their verification has been proved to be true or false.

The different hypothesis that have been developed for the research are as follows:

**H1:** Brand wars have the power to eliminate players of insufficient adaptability.

**H2:** Brand wars cannot be avoided by the help of marketing mix techniques.

**H3:** Branding Strategies of leaders, challengers and followers are different in brand wars.

### 23.1 JUSTIFICATIONS

#### 23.1.1 Market Demographics and Future Predictions

Cellular phone customer base is expected to increase to 15-20 million in the next two to five years from the current 4 million subscribers.

In view of country's population of over 140 million, the 4 million subscribers base looks very tiny in terms of rising demand as only 3 per cent have mobile phones.

The current mobile phone operators in Pakistan include Pakistan Mobile Communications Ltd (Mobilink), Paktel, Instaphone and Pakistan Telecom Mobile (U-fone). Besides U-fone, which is a 100 per cent owned independent subsidiary of Pakistan Telecommunications Corporation Ltd (PTCL), the other operators have foreign investors. These four companies currently provide mobile phone services in Pakistan, where the

government says that there is an urgent need to develop a more efficient telecommunications infrastructure to meet future demand. However, mobile phone operators now forecast a jump of 10-15 per cent in customer base from 3 per cent in the next two to five years in view of their on-going and future expansion plans and stiffening competition with the arrival of two new mobile phone operators.

Mobile phone-users in Pakistan are expected to double within the next 12 months, outstripping fixed-line customers for the first time and heralding a new era of communications. It has been predicted and expected that in the coming years, Pakistan is going to be a leading platform as far as investment in hi- tech products and communication is concerned. It is flourishing at an indefinite rate, with the introduction of companies like **“TeleNor and AL-Warid”**. If market is 100%, the penetration rate is 5%, in the telecommunication industry of Pakistan. By the end of 2010, Pakistan is expected to have 50 million subscribers, that would be stuck up in this never ending war like situation, as multinationals are coming at a favorable rate.

## **23.2 H1: Brand wars have the power to eliminate players of insufficient adaptability.**

### **23.2.1 Introduction of Telecommunication Multinationals in Pakistan**

Pakistan has awarded two new cellular phone licenses to Warid Telecom of the UAE Syrian based Space Telecom and Norway's TeleNor Mobile Communications to meet the country's growing demand for mobile phone services. The new companies will have to bring a total investment of \$1 billion each within two to five years for infrastructure development.

Many analysts think that the government has made the case that the existing players in the market are not equipped to tackle the growing demand of the mobile phone industry in the country. There are questions over what new value the new players would bring to the market when the existing operators have invested in infrastructure and technology in a convincing manner. (<http://www.ameinfo.com/news/Detailed/20860.html>)

In order to justify this hypothesis, suitable facts would be supported by it, to see that whether they prove to be right or wrong. It has been hypothesized that brand wars have the power to eliminate players of insufficient adaptability. This could be supported by the situation in which “**PAKTEL**” is present. From the above research study and after carrying out a detailed analysis, it has been determined that when wars take place between the players who are active members of that competition, survivors are those who have the ability to continuously adapt to market demands and trends. They should also align themselves in the way, other fierce competitors are moving. Because those who adapt to market preferences and offer services other than the competition, they mould and shift the direction of leadership role to their sides. Then it becomes necessary for the others, to move also on that direction set by the leader, and then they can't make their own, unless provide something over and above the competition.

Paktel lost itself, in the war and now it is not a big threat for the e companies that are active players of the war like Mobilink, Instaphone and Ufone. It could have capitalized on its established name, as it was the early starter who laid the foundation of AMPS technology in Pakistan. In the old days, it also used to invest heavily in brand development and there was a class attached with its image, but then it didn't do it on a frequent basis.

Paktel has over 300,000 customers. A source said that the company has invested over \$200 million and plans further investment of \$150 million. Paktel is soon to overlay its existing system with GSM with an installed capacity of two million users, a source in Paktel said. (<http://www.ameinfo.com/news/Detailed/20860.html>)

It realized the potential of GSM technology very late and now at last it has transformed itself to this emerging technology. It should have launched this transference with an exciting entry and bombastic launch through aggressive marketing campaigns, but still here too, it is lagging behind, where 70% of the masses don't have the idea of its transference. Instaphone, though its direct competitor in this technology, although a partner of this service, but then also, it kept itself alive in the war and came up with humongous campaigns that highlighted the core competencies of the firm. It also kept itself alive through numerous product and service sponsorships like it's the official mobile service of Pakistan Cricket Board that is a national sports game of Pakistan. So due to this exciting and difficult war, Paktel failed to equip itself with the necessary infrastructure, o meet the demands in a different way. Now as it's the new entrant in the GSM technology, it will have to invest a lot as far as its strategic decision making is concerned, in order to become a serious threat for already established players of the market.

So this hypothesis has been proved to be right, that because of brand wars, those who fail to be in line with the competition, force themselves to move out of the war and then no more exist as potential source of threats. Especially after the introduction of big, giant, established players into Pakistani market, Paktel has to consider a lot to regain its lost position.

### **23.3 H2: Brand wars cannot be avoided by the help of marketing mix techniques.**

The next hypothesis that has been developed is the statement that brand wars cannot be avoided by the help of marketing mix of companies that differentiate them from one another. Marketing mix consists of all the elements of product development and nurturing, place in the form of efficient distribution networks, promotion in the form of aggressive marketing campaigns and price that should be a combination of quality and value for the customer apart from the competition. These all elements if done in an effective and optimum manner, can prove to be excellent for the operations of the company.

Like Mobilink, complements its leading position in the market with its strategy that focuses to launch every now and then with services, not been tapped by others, thereby supporting a well-established marketing mix network. Director marketing, Mobilink, Bilal Munir Shaikh told Dawn from Islamabad that the company, since its inception in 1994, has invested heavily in its infrastructure to provide cellular communication service backed by best available technology. It introduced the first GSM-based cellular service in Pakistan. The plans for additional investment of \$275 million are ongoing as expansion of infrastructure is a continuous process. The figure, he added, reflects the investment that the company will be making over the course of coming few months. Mobilink's total investment by the end of the current calendar year will touch \$775 million. (<http://www.ameinfo.com/news/Detailed/20860.html>)

This hypothesis proves to be wrong due to the fact that since competition is driven by that company who provides exceptional, delightful products to the customers as compared to the other players. When they set the war parameters and make their identity disclosed to the masses that they are the leaders in every way, then their marketing mix techniques also represent them in the truest manner, thereby depicting that they have the efficient mix elements. This hypothesis takes two meanings with itself. Brand wars can be avoided on one hand, by telling the consumers through best use of marketing mix elements that we are the leaders.

This way brand wars can be avoided as leaders have been set by the market. On the other hand, they cannot be avoided due to the fact that marketing mix elements are easily imitated by other players in the market. They may copy one another's distribution tactics, by hiring a third party or start selling directly through catalogues and personal selling techniques. They may try to highlight their presence through out class marketing campaigns, although they wouldn't be having a considerable market share of the market in the form of subscriptions.

At one time, Instaphone used to be at the leading position because of its extensive focus on its aggressive campaign of Instaphone, anywhere, everywhere and it reaches where others simply don't. Although the leading position was towards Mobilink.

But definitely through appropriate, state of the art, efficient and consistent marketing mix tactics, consumers will automatically get to know that who is the leader as far as service provision is concerned, and through this for the time being they can be avoided.

Nowadays, this hypothesis could be made in relevance to the fact that Ufone planned to launch its "No Roaming Service Nationwide" and without any advance projections, announced this service one day before independence day. They are also selling their connection free from 14<sup>th</sup> August to 17<sup>th</sup> August, as a gift of Independence and this way increase their market also.

So this way, companies try to attract as many customers as possible to their side, although they don't stand as the leaders, but when they are in a war, dealing with it in an appropriate and proactive manner is more important. So brand wars cannot be avoided this way too. Definitely, this hypothesis is a mix of both statements in the positive and the negative sense, depending on the moves of the competitors.



### **23.4 H3: Branding Strategies of leaders, challengers and followers are different in brand wars.**

The next hypothesis that has been formulated to see whether it proves out to be right or wrong is the statement that brand wars clearly demarcate the difference between the strategies that makes leaders, challengers and followers. This is a fact that only those would be accepted in the market to a remarkable extent that have the ability to move in the direction in which others are not moving, especially in a mature market. Mobile cellular industry is a mature market, where although the prospects of growth are extremely high, but customers are exposed to the environment in which players are running after consumers in order to keep them at their side. Now the bargaining power is partly at the company's side and partly at the consumers' end, where he has the knowledge to choose between the players who provide something others are not. But the market is still very competitive and growth is at the prime level.

In such a fierce and competitive environment, leaders would be those that exercise entirely different tactics that give them the name of leaders and rest are not in the range of leaders. Mobilink's aggressive marketing campaigns, its efficient cellular network backed by professional vendors like Motorola, Siemens and Alcatel, its mass presence in the retail market, its high number of consumer base, all can be achieved by having a strategic focus of leading company.

It has been determined through research that the basic constraint of AMPS technology is its capacity, so to surpass this factor against GSM in an alarming manner, Mobilink has devised a strategy known as "HALFRATE" where it would be able to subscribe double the rate at what it is doing presently. Such moves complement and highlight the presence in the minds of consumers as the leader.

Another fact that has made Mobilink the leader in this category is because of its efficient network and operating capabilities. Al Warid and TeleNor borrowed existing infrastructure Mobilink, in order to start their operations favorably in the market. This is the area in which new entrants lack experience and expertise and for this matter,

preferred Mobilink systematic operations that they assume to be a leader. They borrowed its infrastructure and with the passage of time, seamlessly migrated to its parallel network. This move would help the leader as well as the borrower to concentrate on their coverage aspects.

Challengers are the operators that try to attack the leader and in this matter, Instaphone is seen as the challenger. The marketing campaigns are made in congruence with the core competencies of the firm and with its transference to the D-AMPS technology it is trying to move in the same manner, Mobilink is moving.

Instaphone chief says that the company is not threatened with the two future mobile phone operators and the present operators. "We welcome the competition this would only help grow the market. There would be room for all operators to grow," he says. On future plans to extend their network in rural areas, he says the company with now over 185 cities has a strong position in coverage.

<http://www.ameinfo.com/news/Detailed/20860.html>)

To a query why his company has not emerged as a tough competitor for three other mobile phone companies, Iain Williams says Insta has been an effective operator and the company is in fact still the second largest operator based on its prepaid products - Instaphone and Insta Xcite. <http://www.ameinfo.com/news/Detailed/20860.html>)

The key weakness for Insta, he says, has been that TDMA handsets have not been as varied and popular as GSM (global system mobile). Despite the actual service being as good and frequently better than the GSM service. CDMA handset prices and range are better and Insta will become even more competitive, he adds.

<http://www.ameinfo.com/news/Detailed/20860.html>

CDMA technology is the newest state of the art cellular technology and is now being deployed in North America, China and India. This technology is superior to what is available with cellular networks in Pakistan today. He claims his company as unique and

amongst operators which offers 12 months incoming free on its prepaid products besides the company has waived off roaming charges within all regions except north to south. Additionally Insta's Xcite product gives the lowest outgoing airtime rates in the market.

So Insta every now and then comes with services and features that make it comparable with the leader, but certain weaknesses still not has been able to make it the leader due to a slightly different focus.

Ufone is also considered to be a challenger in this statement, as it also tries its best to gain maximum acceptance in the market. As it's the GSM technology service provider, it has better prospects of attacking the leader in many instances, if it comes up with a better strategic focus. Ufone came into the market and gained recognition within no time, because of its brand name with a strong backing of Pakistan Telecommunication mobile Limited.

However, one of the Ufone executive claimed that the company, having a current customer base of 600,000-650,000, has so far invested \$300-350 million in cell phone segment. The company is targeting another 2-2.5 million people to have mobile phones in the next couple of months.<http://www.ameinfo.com/news/Detailed/20860.html>).

It has a unique, optimized network that no one other is having at the moment, thereby having a negligible drop call ratio. But because of its weaknesses, it still is on the list as a challenger. It selected the target audience and provided services; they are not well educated how to use them. They have certain discrepancies in their marketing not being aggressive. It moves in phases and was 7 years late in its expected target of operating independently in Pakistan. Because of its optimized network, it should have started with the strategy of expanding and increasing its presence on major parts of the country. Then should have come up with the introduction of value added services, that too with aggressive marketing to complement their expansion. These moves still force it to remain in the challenger stage, although it is planning to increase the expansion in the future.

Paktel various moves that were not suitable and failed to get enough recognition in the market make it the follower in this area, thereby making this hypothesis true. But still it has started trying to achieve its lost position. Paktel has over 300,000 customers. It has invested over \$200 million and plans further investment of \$150 million. Paktel is soon to overlay its existing system with GSM with an installed capacity of two million users.

#### **23.5 H4: Due to Brand wars, the moves are expected from the players.**

In the competitive environment of telecom industry, brand war is at the verge of anything. In such situation, brand moves are not at all expected from the players. Because if they would not launch them at the eleventh hour, customers would not be excited and at the same time others would get a time to launch before they do. So this hypothesis proves to be wrong, where moves are not expected at all and should not be if, companies have to overcome the problems of imitation and allowing others to go before they want to enter.

Mobilink's efficient move of no roaming services and local PTCL charges for Mobilink users were absolutely unexpected. They came up with delightful facility all of a sudden and then marketed this with a boom. The electronic media, the print media, bill boards all are speaking about this feature in a remarkable manner.

Ufone on the other hand, planned to launch their nation wide no roaming charges facility all of a sudden one night before 14<sup>th</sup> August 2004. This way companies not only increase their awareness in the market but also the subscription of the customers. It has also made its connections free from 14<sup>th</sup> Aug to 20<sup>th</sup> Aug. so such moves that force them to fight in a war like situation are not expected from rivals. This is the reason why they allow them to enter into a war, and permit one another with their strategic, sudden moves that we are capable of fighting a war.

## 24.0 SO WHO'S THE LEADER OF THIS NEVER ENDING WAR?

### 24.1 Preamble

Pakistan's population is 145 million people. One third of the population lives in poverty, earning less than two dollars a day, according to the United Nations figures. Pakistan now has a fixed- line telephone penetration of 2.7 telephone lines per 100 people. A Pakistan Telecommunication Authority (PTA) report published in March predicted that one million mobile phone subscribers could be picked up within six months.

After deregulation, landline telephone penetration is expected to rise to 5.6percent or 9.0 million lines by the year 2010. Mobile phone penetration is projected to reach the same level earlier.

### 24.2 Mobile Phones Market

Mobile phones are going to surpass over 4 million land-based telephones as the mobile phone subscribers number is expected to raise from 4 million to 7 million in 2005, according to PTA estimates. However, private sector estimates are that this would happen much earlier, most probably within the next 12 months.

<http://www.ameinfo.com/news/Detailed/20860.html>

### 24.3 LEADER

- After the detailed analysis and research, it has been determined that by no way, Mobilink is the market leader. This has been supported with valid justifications and sound data, all throughout the research. The numerous strategies that are focused and in a particular direction, identify the company as the leader. The company is too sound, with state of the art, practices that in every way are done to complement the established network The companies that are comparable to this company, their facts and figures in the form of

weaknesses and strengths have already been mentioned throughout the research study.

- They have efficient distribution network, in the form of company owned outlets and sales and customer service centres, retail outlets, franchise and authorized dealer outlets, that are working efficiently to provide round the clock service to consumers.
- The vendors are among world's top of the class companies that are working day and night to deliver optimum level of services like Motorola, Siemens and Alcatel. This is because of these vendors' efficiency that consumers are enjoying plenty of services.
- The marketing tactics are simply distinguished from that of the competition. This company has relied upon consistent pursuit of advertising and image building. It has never allowed itself to move away from the forefronts and become isolated like other companies who advertise only when the need arises, when things get really late. It is this advertising that helped consumers make this company the highest ranker as far as number of subscribers are concerned. This image is still alive in the minds and now the service is synonymous with social building and acts as a symbol of class and image. That is missing with others, although they are also catering to the same kind of target audience.
- Director marketing, Mobilink, Bilal Munir Shaikh told Dawn from Islamabad that the company, since its inception in 1994, has invested heavily in its infrastructure to provide cellular communication service backed by best available technology. It introduced the first GSM-based cellular service in Pakistan. The plans for additional investment of \$275 million are ongoing as expansion of infrastructure is a continuous process. Mobilink's total investment by the end of the current calendar year will touch \$775 million.
- Mobilink has able to gauge the rural markets also. It has extended network in rural areas where Pakistan's 70 per cent population lives. The company has been working continuously to expand cellular services in the less developed cities of Pakistan so that the majority of population can reap the benefits of

cellular technology. The company is continuously adding new towns and cities to its service network and currently had reach over 290 cities in Pakistan. By the end of the current calendar year its service would have reached 350 towns and cities. These cities are located all over Pakistan and are very close to/ accessible from rural areas as well. Moreover, the company is already providing coverage on the major highways including Motorway, GT Road and Indus Highway.

- The company right from the very beginning knew that what is the stepped process of a strategy. Keeping this fact in mind, it capitalized the market with the first move of market expansion and customer increase. Motorola is the vendor that has given the responsibility as far as commissioning of more and more sites are concerned. This company facilitates the presence of Mobilink in different parts of the country. Mobilink is definitely present at those areas, where Instaphone has not reached, which is their core competency at one time.
- Pakistan Mobile Communications Limited (PMCL) (Mobilink), Pakistan's largest mobile phone operator in terms of subscribers, has selected Motorola's Global Telecommunications Solutions Sector (GTSS) to provide wireless network infrastructure equipment that will double the operator's subscriber base capacity to two million customers on its nationwide network. Commercial deployment is scheduled by mid 2003. As part of the agreement, Motorola will work with PMCL (Mobilink) to extend an overlay Global System for Mobile (GSM) communications system on PMCL's (Mobilink) 900 MHz network. The total value of the GPRS/GSM contract is approximately \$39 million, which includes network equipment as well as offerings from Motorola's Lifecycle Services portfolio to enhance and optimize network performance.

<http://www.ameinfo.com/news/Detailed/20860.html>

- The expansion comes as a part of PMCL (Mobilink's) continued efforts to increase its network. 'PMCL (Mobilink) is the market leader in Pakistan, and their consumers expect them to provide them with reliable, countrywide service,' said Al F. Barry, president and chief executive officer of PMCL

(Mobilink). 'Motorola has been our sole supplier for radio infrastructure during the past eight years, providing us with the equipment, expertise, optimized technology and services to help us meet the growing needs of our customers. Soon PMCL (Mobilink) will launch the GPRS being currently deployed by Motorola.' The contract strengthens Motorola's position as a leading supplier of cellular infrastructure equipment to the still fast growing Middle East and Africa regions.

- Mobilink, having over 2.8 million subscribers, is heading to surpass the PTCL subscriber base by the end of the current year. The current PTCL subscriber base (as of May 2004 as per PTCL website) is 4.37 million.

Such tactical moves, supported by valid data and justifications definitely, make it the leading company in the telecom industry of Pakistan, where large, Multinationals who have just entered into the market are taking the help from its established infrastructure in order to protect them. This never-ending war will stay at this company's end, as long as it remains consistent in all the facts that are provided above. It has to be very careful, because of extreme competition and boom that is expected in the market.



## **25.0 RECOMMENDED FRAMEWORK**

With an annual growth rate of the order of 100%, the mobile telephone market in Pakistan is experiencing a period of strong sustained development. Mobile services were first offered in 1990 and despite high costs, grew rapidly. Subscriber numbers have increased from 68,000 in 1996 to almost 3 million in late 2003. However, by international standards, penetration remains very low at less than 5%, suggesting that there is plenty of room for further expansion. The rigid regulatory policies that remain in place have slowed growth.

### **25.1 BRAND POSITION**

#### **25.1.1 Part**

Part element entails the factors that what elements of brand identity and value proposition should be a part of the position & a part of the active communication program which will resonate with customers & differentiate the brand from competitors.

#### **25.1.2 Target Audience**

Here it would be seen that who is the primary & secondary target audience & what type of Customer needs & preferences should be highlighted in order to expand that target market.

#### **25.1.3 Actively Communicated**

Brand image must be actively communicated in order to:

- Augment the image
- Reinforce the image
- Diffuse the image

Here, the communication elements are observed by looking at the communication objectives. Questions like does the brand image need to be augmented, strengthened, diffused or deleted that is what does that brand not stand for?

#### **25.1.4 Demonstrates Advantage**

Advantages shall be created through:

- Points of Superiority
- Points of Parity

Here the points of leverage & advantage are observed. Questions like what will be the point where parity is the best, the brand image should strive for?

## **25.2 BRAND POSITION OF TELECOM PLAYERS**

### **25.2.1 MOBILINK**

#### **25.2.1.1 Marketing Campaigns of Mobilink**

Marketing campaigns are the sources through which products are positioned in the minds of the consumers. Because it is the positioning done for the consumers upon which companies are able to differentiate them from that of competition. It is a learnt concept, that for effective business policies, companies must expend those characteristics that are dear to them and help them highlight their image in the eyes of the consumers. Core competencies are the unique advantages of the firms that have to be discovered by them before the introduction of any kind of product into the market.

After the discovery of company's unique core competencies, the introduction of numerous kinds of products becomes easy for the companies.

#### **25.2.1.2 Discovery of Core competencies of Mobilink**

So it is recommended that businesses must discover their core competencies and launch products that should speak out and become representatives of those core competencies. The best example could be of world's renowned company known as Sony. Sony exercises and is synonymous with the "concept of miniaturization". So whenever it comes up with any kind of product, it focuses on this competency. People automatically get an idea that this product would definitely be belonging to the family of Sony. The new Camcorder speaks out the competency of miniaturization.

It is recommended that companies must portray those features that are their core competencies in the communication program.

Definitely because of these leaders, followers and challengers are differentiated, as unique strategies are adopted by those who become leaders and then ineffective ones are taken by followers. These are the characteristics that make them a part of a war like situation as the leader every now and then comes up with practices that take the market share at its end, and others move in the direction set by

the leaders, still they are a big threat for the existence of leaders.

Mobilink is the company that if we want to distinguish it is done on the basis of the unique infrastructure that it has laid being the first mover in this industry. This is the unintentional advantage that will stay with the firm as long as it's operating in the country. But after this advantage it didn't keep quiet, but keep on exploiting the opportunities that will add up to its brand image in a favorable manner. The exploitation of untapped markets, number of subscribers and entry into value added services that are taken in an extremely positive manner by the target audience. This is the company that launches those features that make customers extremely delightful.

So in part element, it portrays its core competencies in the message, that differentiate it from others and affect the consumers in the highest possible manner. This strategy has already allowed it to enjoy the position of market leader.

### **25.2.2 Ufone Do's and Don'ts**

Ufone on the other hand, has to communicate its core competencies also just like Mobilink, in order to stand in the war like situation. Ufone is a company that if we see from the beginning has failed to grasp the share of the market, as far as brand bewilderment and projection, as a fierce competitive entrant is concerned. People at this time also ask for this connection when

they don't get Mobilink's one. Because the company itself has failed to create a positive hype in the market as that of Mobilink. The brand name is competitive with Instaphone and Paktel, but not the Mobilink.

The core competencies of this firm are because of its optimized network, that they fail to communicate across the country in the true manner. This feature allows the company to overcome the drop call ratio to negligible manner. In the advertisements of Ufone, customers don't feel the core competencies that are attached to the company.

Ufone's biggest discrepancy is in the terms of its target audience and provision of features for that market. The communication program has to be augmented and reinforced in the manner that the message they gave is purely based on the humor element. Consumers don't take too much effect in this manner. Then the target market is not able to make use of the value added services that have not been communicated properly by the company. They have not been able to understand the technology of GPRS, MMS to the fullest. Here comes the projection of those features that at present were not needed by the company to launch for the customers. Exploitation of bigger cities should have been done, and then introduction of such services would have complemented their wider network of big consumer base.

Definitely these would be the points of advantage, since this company has an efficient and optimize network that has the potential to serve in a better manner from that of Mobilink.

It is recommended to invest heavily as far as marketing is concerned, with extreme focus on the core competency projection.

### **25.2.3 INSTAPHONE**

Instaphone in the same way has started from a stepped process and highlighted it through aggressive marketing campaigns. The projection of coverage element that is peculiar to the company, with added facilities of no roaming features are the elements of the brand identity and value proposition.

Mobilink and Instaphone are more or less moving at the same rate, where only the limitation of GSM and AMPS technology is a difference that is making Mobilink a leader. What all is recommended for the future to Instaphone is the continuous investment in the marketing with transference to the GSM technology and coming up features that make it very close or above to that of Mobilink.

After its transference to the GSM technology, its established facilities of no roaming would add up to the system.

Since the capacity of AMPS is lower as compared to that GSM, where a large number of consumers are accommodated on GSM network, its transference to the GSM technology would further strengthen its customer base, where it would be easy to manage a large number of base.

The target audience of Instaphone is much bigger as compared to Ufone and Mobilink in some areas. This could be taken advantage from. These are the customers especially present in the far-flung areas, where exposure to electronic media is not very pleasing and to a little extent. So introduction of value added features like radio

advertising can prove to be fruitful. The charges for Instaphone callers can be reduced, if it transforms itself to the GSM technology.

These would be the points of advantage that will prove unhealthy for the leader that is Mobilink. This was Instaphone from whom Mobilink imitated the idea of no roaming, but it did in an exciting manner with additional facilities. Imitation proves great, when done in an intelligent manner and Mobilink did that in an exceptional manner.

#### **25.2.4 PAKTEL**

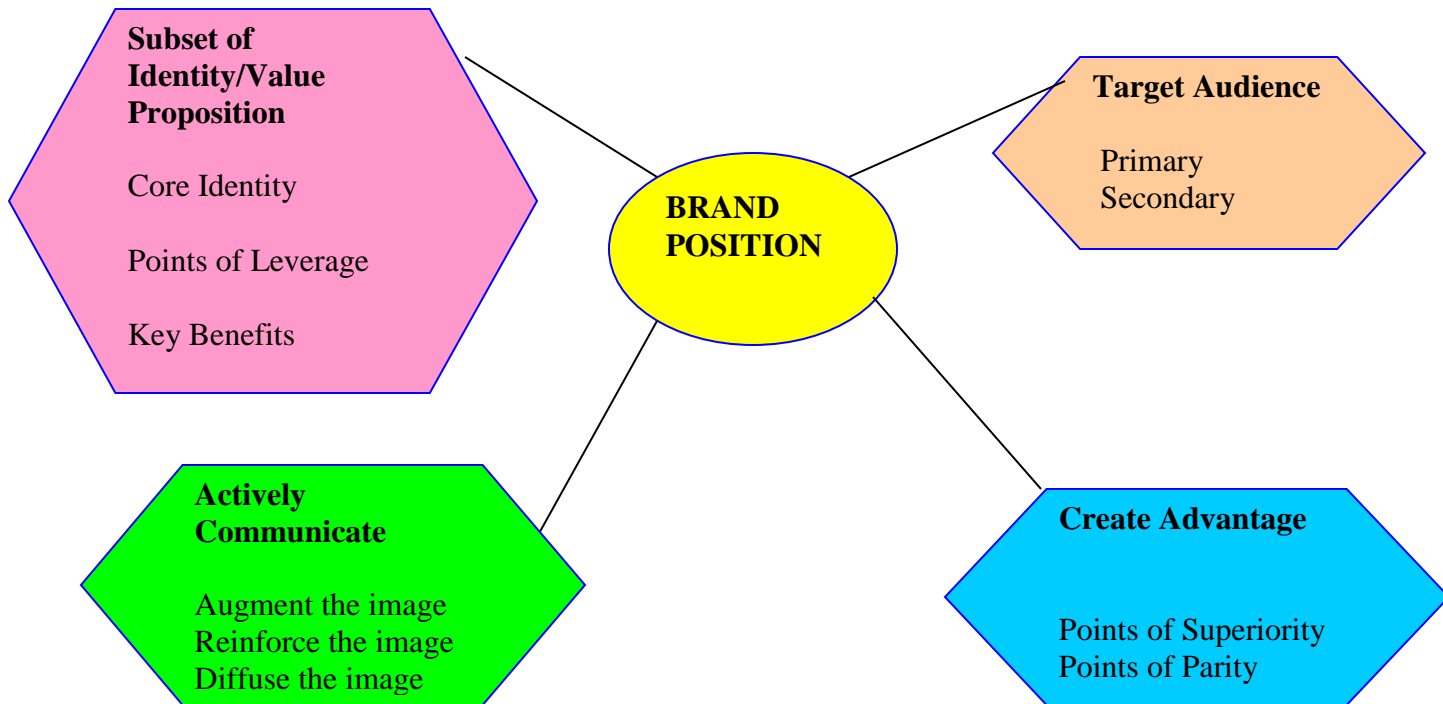
Paktel though lost in the war that is taking place between fierce competitors nowadays but definitely it is present in the market and can anytime attack the challengers and leader, on one of their weak areas. Core identity and value proposition of the firm lied in its brand name that used to be synonymous with AMPS technology and gain acceptable market share the moment it entered into the market.

The opportunity should have been exploited a little earlier. Although it has started entering into the GSM technology, but core competencies must be surrounded with additional benefits and value added services.

The message needs to be augmented and reinforced with more stress on the brand development. This is the time when it needs to do extensive, aggressive marketing campaign done on a large scale, due to its entry into the GSM technology. Up till now, majority of the people don't have a fair idea that Paktel has transformed its operations to the GSM technology. They are extremely poor in their timings and delivery of message. Instead of

that, they are wasting their time on limited promotional campaigns that are simply not at all effective and everlasting in any manner.

They type of target market they are catering is very small as compared to other service providers, even its smallest from that of Ufone and short promotions like 50% free airtime will not prove to be helpful in the longer run, because they themselves have marketed the idea that is valid from the month of July 2004 to Aug 2004. What are they going to do once this period would come to an end? So suitable, intelligent moves should be planned in order to stay in the competition.





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