

## Chapter 2

### Literature Review

In the literature part of this study describes four marketing strategies of MPT for its 4Ps. Product, price, place and promotion were analyzed with the past articles, thesis and news by using the information of MPT as per following:

#### 2.1 Product of the MPT, Myanmar

In 1861, MPT's first telegraph lines were built and then in 1884 about 1300 telephone lines were grown just only in Yangon. Yangon Automatization launched a telecommunication project using the 4 crossbar switches in Yangon. From that time MPT was selling their products (phone lines) around 14,754 only in Yangon. MPT had sold the number of telephone about 17,400 in Yangon and about 22,000 in nationwide operating the 143 exchanges of 6 automatic exchanges in Yangon. MPT started develop in telecommunication subscriber trunk industry by running in eight town including Yangon and Mandalay. Since that time its standard satellite earth station already connected with six countries.

Most people think that a product is tangible, but a product is anything that can be offered to a market to satisfy a want or need, including physical goods, services, experiences, events, persons, places, properties, organizations, information, and idea. From many products can be differentiated in form-the size, shape, or physical structure of a product. Each product can also be related to other products to ensure that a firm is offering and marketing the optimal set of products. (Kotler, 2013)

The main products of MPT are mobile data packed, fixed line and internet package. It distributes their products with the suitable quality product for the Myanmar people to build the telecommunication infrastructure in rural areas around the country. MPT launched of its new products and services by cooperating with big Japanese telecommunication KDDI. They made an agreement on 2014 and sell over five million SIM cards in 24 hours services. Nowadays, they

sell the high quality products if comparing with the other competitors' products such as Telenor and Ooredoo. And then they distribute their internet package, mobile and fixed lines to match with growing economic system for their future and value the products to the customers. As developing the mobile market, the productivity of fixed lines and internet package are strongly in Myanmar mobile market. Due to the strongly mobile market, products of MPT are widely extended in nationwide.



Nowadays the world is overlapped between the telecom products and communication for work and social for the changing of unity in culture. Telecommunication products are particularly useful for the firms to connect with different organizations over distance. In political building this products have to be used to establish its operation as the age of weapon. For social activities television programs, radios and telephone are useful to learn with different culture around the world. According to the sharing knowledge and social age telecom products are the best items to communicate and learn different languages for getting opportunities of job around the world. So, telecom products are the best thing to promote for the human needs and wants and to cover their necessary properties in the standard living of the world.

Most subscriber users want to use smart phone as fashionable in different brands in the smart phone market. Today young customers are using cell phone instead of using the traditional telephone. At back of two decades ago, telecom marketing was not popular at social media. Products of MPT can promote for the customers satisfaction in their environment in

communication, social activities and support for the donation part according to their traditional believe.



MPT are marketing GSM and CDMA Sims with two ways of billing systems such as prepaid and postpaid. These prepaid cards are MPT products distributing to all region in Myanmar for GSM and CDMA. For the needs of different regions, it focused on their products to be fitted with all regions for instance some distance area from capital had not enough tower sites. Since they launched to their prepaid Sims, they had sold prepaid top cards with suitable network connection to all customers It always focuses what are the customer's needs and demands of the market orientation.

MPT prepaid card's market is so wide; it distributes their products to the private sectors with the target market environment. For their loyalty customers, it is trying to extend the standard of its products as post paid and prepaid phone to activate its products international outbound roaming in 31 countries.

The telecommunication products are essential for Myanmar people in pleasure, business, military, University, employment, and recreation today. For example cell phone can be used for making dentist appointments, airline reservation, colleague appointments and also making emergency phone calls to emergency service center such as 911 and 199, and the last one is in

conference calls sat work in University. In social relation can communicating with customers and friends. On the other hand, consumers prefer products that are widely available and inexpensive. In many of products around the world, Telecom electronic product is useful especially in military purposes, communication industry, radio security applications and doing business located in different countries to link each other for their success in short time. As developing as in technology around the world people are willing to use new products as the age of technology so, every product is useful for all people including the telecommunication products. It is essential products to run business (company) or join with other firms in different countries.

Standard telecommunications equipment is the best challenges for who is hard of hearing by phone. Telecommunication is the transmission between among points specified by the user of information of the user's choosing without change in the form of the information as sent and received. Telecommunications equipment is equipment used by a carrier to provide telecommunication services. A telecommunications service is the offering of telecommunications for a fee directly to the public and to such classes of users to be effectively available directly to the public.

In conclusion, supplying the post paid and prepaid cards are a little bit different for the customers. Some customers don't want to use post paid because they want to focus on their work so, they dislike spending time for that. On the other hand customer unbelief the post paid operation. Some customers also don't like using prepaid card because they don't want to go out for prepaid cards. In my view, users may face the wrong phone bill by using pos paid cards. In prepaid cards also can be faced such problem like as connection problem and system problems.

## **2.2 Price strategy of MPT, Myanmar**

Nowadays, MPT's Customers can buy internet package by hourly and monthly according to their internet volume with reasonable price. For 24 hours have to pay for 390 Kyats for 50 MB can have pressing \*140\*1#, but in monthly It has different price for different packages such as 3,900 Kyats for 500 MB, can get this package by dialing \*140\*2#, 6,900 for 1 GB dial \*140\*3#, for 2GB have to pay 12,900 Kyats can apply sending \*140\*4#, to get 5 GB pay for 29,900 Kyats

see to dial \*140\*5# and 55,900 Kyats for 10 GB by dialing \*140\*6# in this season are available. So, Ooredoo uses marketing strategies related to local incomes in Myanmar.

MPT sell the top-up cards throughout the nation wide between 1,000 Ks, to 20,000 kyats, and 30,000 Ks within one year valid. Internet package price is similar to the DTACT in Thailand ; 2,800 Kyats for 400 MB, and can apply sending “400MB” to 1332, 6,500 Kyats for 1 GB and apply texting “1 GB” to 1332 and 25,000 Kyats for 5 GB send to “5GB” to 1332 for your buying internet package in one month in high speed serving. MPT SIM cards are available everywhere in Myanmar with reasonable price by their marketing strategies in local incomes today. Since last years ago MPT cell phone bill can be paid in post paid but can be paid both prepaid and post paid for bill payment. In fixed line still have to pay with post paid and it is not enough who wants to use fixed lines for all customers in Myanmar.

It is important sector for the product high in selling if it is suitable price in which competitor around the world. In third countries most customers focus on the price which has lower price in their needs. It is not normal society in economic but still looking for the cheap products with their incomes. The impact of telecommunication price is effect the country to develop in time. Because of the developing telecommunication service consumers can build the business in high level of this age. If the cost of services is fit in varying technical standard, users can get benefit from the using of telecommunication by paying the cost of services. Today electronic devices of demand are helpful for all services in the society like as telecommunication services.

Price is also based on the population, customers, regulation and investment in country. As the changing of the political issue, rule and regulation the evolution of price of telecommunication services have to be in the age of public policy. Price is so wide in telecommunication industry for growing infrastructure to be faster in developing in one country. To focusing the price strategy in some time for the company to be in one position is not only the best way to get over other competitors but also they can persuade the customers with reasonable price within the promotion season.

The purpose of pricing is to find the optimal price. The price is optimal when it supports the companies' strategy of differentiation or low cost where economists define optimal price as

the point where marginal cost cross and profit maximized (Porter, 1985). The optimal price can support for the customer relationship and maximizes demand. On the other hand it can be ruled to realize for the dealing of profit in services and products with target customer in the market. Therefore, pricing strategy provides the company to make profit with its related region.

In pricing theory, it based on the cost of production, competition with other's market price, demand in public and market sharing for the long term. (Kotler, 2013). Traditionally costs and market share have been key drivers for pricing. Most researchers in U.S found the most important of pricing to achieve target yield for an investment, stabilizing the price and contribution margin, increasing market share and reacting to competition and differentiating products. (Lanzillotti's, 1958) Companies have to aware the pricing strategies with its related market situation, norms and also investigation of the markets manner for its products how they are strong for its customers and effect to the market with competitors.

In most of pricing strategies, adaptive pricing strategy is useful to extend its market to compete with other if they have ordinary market share. It can affect the company price level. The company can build its big market using the adaptive pricing strategy and want to try to keep its market present level. Today, pricing level is not typically different in cooperative pricing. Therefore, the adaptive pricing strategy is used by most companies to continue its developing market. In MPT's price strategy adaptive pricing strategy will help the company to compete with foreign telecom companies.

Many years ago, MPT was using high pricing strategy due to the state-owned telecommunication company and it was no competitor in Myanmar. Myanmar people have no choices for the brand of telecom service and the rich people are target customers of MPT in Myanmar. According to the rapidly changing economic aspect, the government opened for foreign investment in many kinds of industry fields. Therefore, MPT was facing the competitors' pricing problem and it cannot continue with the high pricing strategy and need to adjust its pricing standard to grab the customers' demands. In 2015, their price are getting low in calling, selling internet package and SIM cards where can get easily with reasonable price compare to other telecommunication providers such as Telenor an Ooredoo.

Ooredoo is a second provider in telecommunication industry in Myanmar after MPT, Myanmar. It had running its telecommunication service operation in Myanmar in August 2014. Ooredoo started their marketing approach in Yangon, Mandalay and Naypyitaw and even in Mon State. They are serving customers with 2G and 3G network through the nationwide with reasonable price. Ooredoo sell SIM cards in suitable price for example one SIM card for 1500 Kyats. And then their top up are sold from 500 Kyats to 20,000 Kyats can get easily where they operate their market.

Telenor is a telecommunication provider in Myanmar behind the Ooredoo but it's market is so wide although it was late after the Ooredoo. Telenor has distributing its products, SIM cards by 1500 Kyats like as MPT and Ooredoo' price and they sell their SIM cards in this same price. Telenor SIM cards can be bought every street where the city they have their sale outlets. But they penetrate their internet package market differently with MPT and Ooredoo like as 2 G market and 3 G market operation service in Myanmar today. So, they have different price for 2 G and 3G for instance 5 Kyats for 1 MB on 2 G and 6 Kyats for 1 MB on 3 G services. Telenor provides internet services to the customers by selling 110 MB for 500 Kyats within one week to get this promotion by texting "myweek" to 500 and customers can apply for 500 MB in one month by paying 1900 Kyats dialing "mymonth" to 500 on 2 G internet service operation. For 3 G there are three promotion for internet package; 2,700 Kyats for 500 MB within one month to get this service text "smart500mb" to 500, have to smart with 6,600 Kyats for 1.25 GB for one month dial "smartmonth" to 500 and the last one is 2.4 GB for 30 days in 11,900 Kyats smart "smartmonth2" to 500.

All three telecommunication companies have different price strategies with local situation on their business. But many of telecom providing industries, Telenor is the best using price strategy in these days and most successful one even though it is a third running telecommunication in Myanmar. They use the price strategy like as they see the local incomes, culture and political situation

The most important strategy is that Telenor sell their products with the low price and provide the service cheaper than two other firms. On the other hand, Telenor SIM cards can call

to oversee with the lowest price than other for example Telenor can call to DTAC in Thailand with 50 Kyats after 11 PM because they already have an agreement with that company in Thailand.

### **2.3 Place**

Place is useful for where it can get products easily and make market with the products and services. The impact of place is that the business can grow up in marketing strategies related to that place in suitable products. It is also need to be a best place to distribute products and services to compete the competitors. Place is marketers include economic development specialists, real estate agents, commercial bank, local business associations, and advertising and public relations agencies (Philip Kotler, 2013). In international marketing, place strategy is not only very important to start running a business but cultural effect the business improvement for example Myanmar and Malaysia are very different from in cultural and society. So, place can make the firm progress with these strategies.

Many of country in Asia, Myanmar started to allow foreign telecom companies such as Ooredoo and Telenor to establish for telecommunication industry last year. Nowadays it start booming up in telecom firms by investing foreign companies and after 2015 election most companies such as from west and Asia are going to start run in Myanmar. So, telecommunication is needed for all doing business in Myanmar. It is cool for the telecommunication business everywhere in Myanmar. This business is essential to doing business in all firms so; it can get profit selling their products and services. Such as phone, internet, telecom is more useful in all business for communicating with customers and selling products. It is also significant for the business star to run a firm in investigating 4Ps including place. Today everywhere can invest for the business due to the globalization in economy.

Today's market-place is fundamentally different as a result of major societal forces that have resulted in many new consumer and company capabilities. These forces have created new opportunities and challenges ad changed marketing management significantly as companies seek new ways to achieve marketing excellence (Kotler 2013). MPT has a market place for who can

afford its products and services such as cell phone, SIM cards and internet package. MPT had own its market place throughout the country since over one decade under the military regime.

Telenor had a small market place at the start of this year 2015 compare to MPT and Ooredoo but Telenor' market place is growing fast after extending tower site in Kachain State customers. Because of the fast connection of Telenor for the internet and also mobile phone and MPT's mobile connection did not well yet even calling the phone, the market place of telenor is amorous than MPT and Ooredoo. Telenor and Ooredoo are wailing to extend 4,700 tower sites by 2015.

Ooredoo had run in the best place in Myanmar before Telenor as a foreign telecom investor. They want to invest about US 15 billion dollars within 15 years and focus on the 97% of users in developing telecom firm. This company started the internet operation with 3G only due to the telecom age. For they were start running their business in Yangon and Mandalay so, most customers are always seeking the highest technology in this country. Their market place is also getting large after the Telenor and MPT in telecom industry.

According to the studied telecommunication market place are growing up in Myanmar by competing with Telenor and Ooredoo as the fast developing in telecom industry around the world. In internet operation, MPT already had owned the place for the market strategy to compete with other competitors such as Telenor and Ooredoo for long

## **2.4 Promotion**

These are MPT's promotion information as follow;

The impact of promotion in MPT has currently activities such as Facebook, Twitter, voice call 23 Kyats/minutes, SMS 10 Kyats/SMS and the internet faster 6Kyats/MB with Shwe Thahar. MPT also start its LINE recently on the promotion from MPT enjoying the MPT stickers. The most interested promotion is the that it has chance to travel to Bangkok by making the lucky draw and can get the free promotion from 29 to 30, September. They sell their LINE application with suitable price for the customer want to try the update application at the age of the internet around the world that it is enjoyed even neighbor countries such as Thailand and

Japan in Asia. Shwe Thahar users can get the phone call promotion; it will be charged at five minutes of 23 Kyats/minute and then over the five minutes will be free of charge.

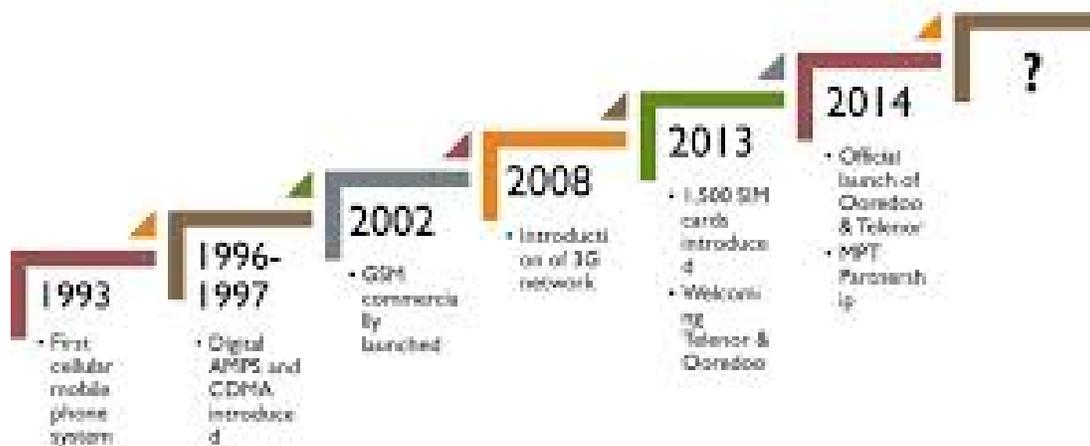
Promotion is a very importance of fact in marketing activities all over the world. In all firms have to focus on the promotion in their market area where it is need to be changed price and promotion about their products to customers communication and persuade the customers to purchase their goods and services. According to the promotional activities of MPT, Myanmar promotions is a term of firm and meet the whole area of advertising, public relationship between the customers in personal sale promotion. The competition of business in marketing around the world promotion is the one of roots in exploding new market according to the international marketing management. In the changing of market orientation they are using their promotion strategies about the telecommunication in Myanmar. Nowadays, there are some level of promotion in customers satisfaction can create positive impact of user mind and to extend the promotional activities about the customer perception about the telecommunication industry.

The purpose of promotion is that the persuasion of customers by providing the directly value of services and products to the customers. In marketing level the promotional activities can be used to create the promotion for customers and experiences in products and services to a market event (Belch & Belch, 2009). Since the start of 21 century, telecommunication industries were useful in the business and more competitors are trying their business strategies so that they are not won by the other competitors. By studying this study, promotion can be measured by the development of business firm in all around the countries. Today there are more competitors in telecom industries according to the developing IT in social network such as Face book and LINE application. As developing the changing of economy customers are looking for the best supplier in their environment.

Nowadays, most business is still in competitive environment so, they have to compete with the best promotion activities to meet their costs and eventually get the profit so that they can run for long oriented business in their market environment. When their market are in a weakness they have to be in research problem such as what is the weak point in this market area and what is the strong for the weak points by learning the 4Ps for example Ooredoo is the first running telecom company before Telenor but Ooredoo market still had small market. To study of this promotion strategy; it had to focus on the market orientation with others strategies to maintain its

progress in long term. Today smart phone are using the world as pocket tool including in Myanmar they purchase the smart phone especially women are holding it for their work and but actually their incomes are still low compare to people in other countries such as in Thailand. The innovation of technology in telecom industry is useful doing business in foreign country to link each other products and services in short time and can communicate to get idea in business term of the global strategy. These market promotional activities are getting large in telecommunication; competitors are also trying to win their market by specific promotion strategy. The basic of promotion is that they want to provide their loyalty customers with products and services. The most important facts that are the understanding of customer's demand and needs of customer in the future. In international promotion is the main thing to meet the cost effectiveness and sustainable manner of delivering the services looking at the local behavior of business. The whole market is dominated by the telecom sector. Promotion can try the market share with the other competitors which are doing the same firm in country. Promotion is a also marketing strategy to distribute the products in public related to the local incomes. Foreign companies have to follow in promotion activities to familiar with customers and build the understanding each other to get the customer satisfaction according to the studying of MBA program. Any of customer suppliers aware their customer's wants and needs in market because the suppliers companies are increase day to day. At the present situation of telecommunication companies around the world are increasing by the business opportunities are willing to extend their market region.

It's not always the company's largest customer, who can demand considerable service and deep discount, who yield the most profit. The smallest customers pay full price and receive minimal service, but the costs of transacting with them can reduce their profitability. Customers who receive good service and pay nearly full price are often the most profitable (Kotler 2013).



This figure is the successful history of MPT, Myanmar

## 2.5 Marketing strategy in MPT, Myanmar

Today, marketing strategy is a significant role in doing business. It can affect the firm promoting for its products and services. It can be used for its customer satisfaction and competition with its competitors in marketing field so that its market can be lasted grown between the same companies. Although the company can support the standard products, it can face the problems and difficult situation in promoting market place without marketing strategies. To compete is the best challenges in doing business for the customers to get the right products in reasonable and for the firm that can learn different marketing strategy in different place. Therefore, product, price, place and promotion (4ps) are the best strategies for companies to build its strong market everywhere as mentioned above the strategies details. MPT's market affects its customers benefit providing the value products and best service. The market size of MPT is getting wide by supporting with reasonable price compare to other mobile suppliers so,

MPT has still profit from the price margin. In promotion strategy, the competitive advantages strategies that the company use useful in competition with two foreign telecom suppliers companies to last its long term. So, this company's promotion strategies for its loyalty customers directly satisfy them by using its products.

In short, MPT use the marketing strategies to fit in its operation like as product, price, place and promotion, 4ps to get its market orientation. In term of competition doing business it provides customers innovation power in selling products and services. Company can use three strategies to provide the value for the purchase: cost leadership, differentiation and focus strategies (Porter, 1985). As shown this strategy of Porter MPT also focus on its cost of products and services to meet the value for the purchase and differentiation of its competitor's strategies. This study will describe SWOT analysis as strength, weakness, opportunity and threat as per follow:

### 2.5.1 Strength

- MPT is the state-owned telecommunication organization and the first telecommunication organization in Myanmar.
- Most of Myanmar customers are trust in the products of MPT.
- The price of MPT products is affordable price and basic level of Myanmar people can use MPT products.
- MPT's products are available around the country
- Providing its services by building many towers
- MPT already had agreement with Japan telecom industry which is the big industry around the world
- Myanmar people can carry MPT SIM card to 31 countries for roaming services
- MPT more made profit from the customer since the company started run in Myanmar

## 4.2 Weakness

- MPT internet service is slow
- MPT's internet package is expensive
- MPT's some SIM cards are still expensive
- MPT's react to its customers is slow
- MPT has not cooperated in phone calling and other with two foreign telecom companies
- MPT has not joined phone calling services in cheap price with telecommunication industry in foreign countries
- MPT's fixed line service is so weak during the raining season

## 4.3 Opportunity

- MPT's infrastructure are going to grow up in future for its customer's satisfaction
- Liberalization progress trade in the nation and regional
- It negotiations to provide for foreign banking activities
- Implementation for financial sector providing the national education in the future
- Enhancement of standard technology

## 4.4 Threat

- Information can be lost because of old system and not secure for the customer
- MPT system can break down because of using old materials
- MPT user can be limited when the customer using its products on political because of state-owned company
- It can be faced the internet connection problem in rural region
- Competition with big two foreign telecom industry
- Market penetration in rural area compare to other firms
- Unstable political policy in telecommunication sectors