

Grow up with WiMAX

Qubee CEO says students and young professionals drive wireless connectivity

MD FAZLUR RAHMAN

INTERNET service providers in Bangladesh will have the same success story in the next few years as happened to mobile operators, as demand for high-speed connectivity continues to soar, coupled with users' search for possibilities.

To capture the growing market, Qubee, a WiMAX operator, will roll out as much network coverage as possible across Bangladesh, which will be supported by good quality customer care to ensure reliable services, said its Chief Executive Officer Jerry Mobbs.

In an interview with The Daily Star at his office in the city, the 44-year-old said in Bangladesh, the internet would achieve the same success like the country's six mobile companies, which within a decade reached 99 percent of the population and 99 percent geographic areas with nearly 7 crore clients.

"When the cellular phone was introduced in Bangladesh, everybody was saying that it is for the rich. Now rickshaw-pullers have it."

"Ten years ago, if you had said that the rickshaw-pullers will receive calls saying whether they would pick the callers, many would have judged you as crazy. The same will happen to internet."

"In the next five to 10 years, a lot of mobile phones will have a good quality of internet access," he says.

Introduced in October 2010, Qubee, owned by London-based wireless broadband business company Augure, is the largest WiMAX service provider, handling a sixth of all internet traffic in the country, with 50,000 daily traffic. Its customers range from students, young professionals to business owners.

Mobbs, who has been in Bangladesh for a year and half, has over 15 years of telecoms experience in high growth, low cost and innovative executive management with Omantel, Millicom International Cellular and Sampoerna Strategic, as well as emerging markets such as Cambodia, Vietnam, Philippines, Iran, Pakistan and Indonesia.

He has worked in green field startups, mergers and turnarounds in GSM, CDMA, ADSL and fixed line business for multinationals, state-owned incumbents and family-run telecoms companies during his



Jerry Mobbs

career.

He was the vice president director of STI in Jakarta, Indonesia, as well the CEO of Paktel and MPS Islamabad, Pakistan. He was also the commercial director of Comvik International Vietnam.

He said the revenue growth of his company is tremendous, growing a several hundreds percent year on year.

Mobbs, a Singapore-born British, admitted that the phenomenal growth of his company surprised him. "It has taken be by surprise. It is not easy to keep the organisation going as fast as the customers would like to see."

The father of one said they are still going through a learning period like any other company. "That is part of the learning curve, and those lessons will be incorporated in the future rollout."

On network upgradation, he said it always takes time to build a strong network, which ultimately helps the customers. "When mobile phones were introduced in Bangladesh, you could not make calls everywhere."

"There are always challenges when it comes to building network infrastructure, but we are learning very

quickly. In the long run, it is the customers who will get quality services," he said, adding that as the subscriber base grows the load on network grows.

He admitted they were not able to provide quality services to existing customers, when the company continues network upgradation work.

"We have not always managed to give the quality services we would like to give to our customers. That's a fact. But we are frank about it. There are comments posted on Facebook, and I have responded to a few of them."

"We have taken it seriously. It is a big issue for us. Nobody wants to see his customers unhappy. So, we have put a lot of effort this month to rectify. We have already doubled our capacity of network."

"We have to upgrade the network, otherwise, we will not be able to expand and will end up in providing poor services quality."

He added: "In case of any network outage, we always notify our customers about it beforehand, and how long will it take."

When Mobbs came here in Bangladesh, there was a trial network of five base transceiver stations (BTS), the

number recently reached over 200, with new stations being adding everyday.

Mobbs said the story of technology, including mobile phones and internet services, is not the same now.

"Whenever brand new technologies are introduced, they tend to go to USA and Europe first and then in the next three to five years trickles down to the rest of the world. That is what happened with cellular technology, which started in Europe, followed by USA, and now we can see explosive growth in Bangladesh."

"What is changing now is that WiMAX technology is being rolled out in Bangladesh at exactly the same time it is being rolled out in USA. There is no longer any gap."

Mobbs defended the relatively high subscription fee. "The subscription fee reflects the cost base of the business we are operating. But the price is competitive."

Qubee got licence from Bangladesh Telecommunication Regulatory Commission (BTRC), the industry regulator, at a cost of \$3 crore.

Mobbs said the government decision to slash bandwidth prices by over 30 percent to Tk 12,000 last month is a step in the right direction.

"We applaud the decision. In the context of the Digital Bangladesh vision of the government, this is a step in the right direction."

He however would not say whether the price cut of bandwidth by a third would benefit end-customers. "We have to look at all elements of cost, and where they are compared to regional averages."

"The internet bandwidth cost is still too high, even with the recent price reduction. We see the same cost in India and Sri Lanka."

Mobbs said there is not enough competition in the market. "There are only two WiMAX operators in the country. There are cellular operators and ISPs. We all pay the same amount for internet access."

The government has a target of providing 512 kbps of internet connectivity to customers under Tk 500 to take services to the people.

"That is one of the benchmarks people have been talking about. But the WiMAX providers have already been there before the price cut."

Mobbs said the country's internet penetration, now at less than 10 percent, would depend on the number of computers being sold. "We are a long way from the market potential at this stage."

"Market potential however outweighs risks. This is how we look at it and that is why we want to expand aggressively."

Historically, the people of Bangladesh are not that quick when it comes to accepting new technology. Mobbs is aware of it, but said: "I think there is an education processing going on at this moment."

"Up until the WiMAX operation was launched in Bangladesh, people had 450 kbps of internet connectivity. Now we have eight gigabits of connectivity, of which, two for voice services and six for data."

"When I first came here, what people did on the internet was browsing. Now there is a change, and with reliable high speed internet services in place, more and more people are trying to do things not seen before."

"They are now becoming aware about the possibilities on the internet, and it is not just about browsing. They now have access to a lot of content in a reliable way. A lot of things are changing. There is a learning curve going through."

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Expand beyond city hubs: experts

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LOCAL WiMAX service providers need to expand their services across Bangladesh instead of confining their reach to the major cities alone to cater to the growing number of internet users, analysts say.

There are two WiMAX operators -- Banglalion Communications and Qubee -- in the country, catering to nearly one-lakh internet users, mainly

in Dhaka.

Qubee currently operates in Dhaka and Chittagong and is planning to expand operations to other major cities.

Banglalion already has a presence in seven divisional headquarters -- Dhaka, Chittagong, Sylhet, Rajshahi, Khulna, Rangpur and Barisal.

However, experts say their presence in other cities is nominal. They do not feel the WiMAX operators would be able to serve the growing internet-users in a more effective way.

"To expand WiMAX services, we will need base transceiver stations across the world. Currently, we do not have that," said Mustafa Jabbar, president of Bangladesh Computer Samity, yesterday over phone.

"We do not see such aggressiveness among our WiMAX operators as we have seen in case of the mobile operators. So, we now need 3G that can serve the growing number of internet users."

Jabbar said internet penetration in Bangladesh has gone up recently, as the country's six mobile operators have stepped up efforts.

"If we want to take internet services to the people, we will have to promote mobile-based internet," he said. "The mobile operators are able

to do that as they have strong network across the country. We just need 3G technology."

"Mobile operators can spread internet use faster than the computer-based system."

Jabbar said WiMAX operators have concentrated operations in the capital. "One operator is also operating in divisional cities, but their services are limited."

WiMAX operators also agree that they lag behind when it comes to developing necessary infrastructure across Bangladesh, but they are moving fast.

Abraham Kaikobad, chief marketing officer of Banglalion, however said the prospect for WiMAX is huge. "The market is big enough to allow all operators to operate."

"We are now only talking about data services, but there are other services beyond that," he said, adding that his firm would expand operations to many districts this year.

Telecom Analyst Abu Saeed Khan urged the government to ensure technology and tariff neutrality to propel internet penetration.

"If the government stops regulating technology and tariff, there will be no growth in internet penetration, let alone WiMAX services," he told The



Daily Star yesterday.

Although the country's mobile operators, internet services providers and WiMAX services providers are all operating in the same market, catering to the same clients, Khan said there is no clash, as the market is hugely underserved. "We are sharing each other's infrastructure."

Internet users have doubled in the last two years, from 48 lakh in 2008 to

1.3 crore at present, while internet density stands at over 7 percent, according to the posts and telecommunications ministry.

WiMAX is a new technology that does not need telephone lines or cables for a connection. Customers get connected from a transmitter to receive the internet wirelessly.

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