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GRAMEENPHONE KAZI ISLAM

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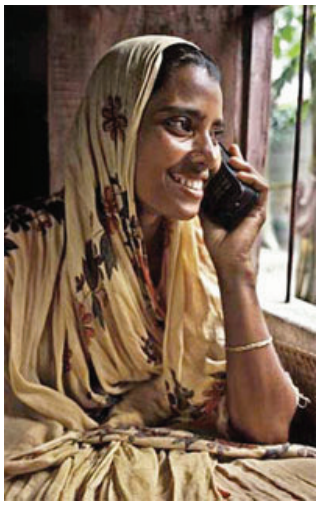

At MobiAD News, we usually look primarily at the business impact of mobile marketing and mobile services. But there is another trend, perhaps even more important, which is the critical role that mobile can play in reaching the billions of people in emerging regions that are not yet connected via internet.

This week we had the pleasure of speaking with **Kazi Islam**, CEO of **Grameenphone IT** about the amazing projects they are working on in Bangladesh. In this interview, Kazi talks about his vision of how mobile can be used to address issues such as health and education in emerging nations, as well as the important role that mobile advertising will play.

Kazi will also be a keynote speaker at MLOVE, taking place June 23-25 in Berlin.

A Focus On Connection

Kazi Islam has perhaps the perfect background for working in the area of social entrepreneurship – he was born in Bangladesh then did most of his schooling in the US. This combination he says, "gives me an interesting view of both worlds - I can personally relate to the problems, and also personally relate to the solutions."

For the past several years Kazi has been CEO of Grameenphone IT, the company that provides the communications and infrastructure for Grameenphone, Bangladesh's innovative mobile operator. As such, he has been able to actively push the use of mobile to address some of the major challenges that are facing Bangladesh.

"In a country such as Bangladesh, there is no shortage of challenges and issues. And frankly there is no shortage of technologies that are relevant either. What is missing is the bridge - the connection - between these. And that bridge is often the relevant business model," Kazi said. "The focus of Grameenphone and myself has been to connect the relevant technologies with the existing needs, through a relevant business model that works for the community in question."

Grameenphone

Grameenphone was started in 1997 as a joint venture between Norwegian mobile operator **Telenor** and **Grameen Bank**, the internationally acclaimed micro-finance pioneer. Grameen Bank and its founder, **Dr Muhammad Yunus**, were jointly awarded the **Nobel Peace Prize in 2006**, for their

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efforts their efforts to create economic and social development from below.

Grameenphone now has over 26 million subscribers, and is the largest mobile operator in Bangladesh.

Village Phone Lady

Early on, Grameenphone became quite famous for their *Village Phone Program*. Kazi explains that when Dr. Yunus was first starting up Grameenphone, he would tell people about mobile phones and they would often be very skeptical. They would ask him how - in a country whose population could often not even afford adequate food or clothing - how could he expect people to afford to purchase a handset and also pay the monthly subscription.

And then Dr. Yunus realized that in fact, most people do not need to buy phones, and perhaps a better idea would be to rent the phones to them. And so the *Village Phone Program* was born.

Under this program, Grameenphone would provide a mobile phone to a respected member of a village - usually a woman - on a rental basis. That person would then in turn rent the phone on a per minute basis to other people in the village. These by-the-minute rentals would cover her rental cost plus generate a small income. And the big benefit was that the entire town would gain access to a modern communications, and become linked to the rest of the country.

Grameenphone Village Phone Lady

This program won the "GSM in the Community" award at 2000 global **GSM Congress** (now called Mobile World Congress), and was one of the reasons that Grameenphone grew so quickly. Kazi explained that the *Village Phone* was the dominant business model for Grameenphone up through 2003, and even today, with radically lower costs of handsets and services, there are still over 200,000 "village phone ladies" operating in Bangladesh.

Locally Relevant Economic Models

Now that mobile phones have become an integral part of Bangladesh life, Grameenphone is working to use the reach of mobile to address several other challenges that face the country – in areas such as education, health, and agriculture.

However, Kazi's belief is that the focus cannot be only about technology. "The most important thing is that first we have to understand the local context, and understand the local economics of the project," he says.

For example, in the area of medicine, Bangladesh has very limited resources for the size of the population, with one hospital per 2.5 million people. But the local context goes beyond this. "You also have to consider that in parts of the country people are very religious, and when they fall ill, they may believe it is actually a punishment from God."

So it is important for Bangladesh to develop a better overall understanding of the current health situation in the country, as well as getting people accustomed to more modern approaches to medicine. Grameenphone has been working on a pilot project with the **Mayo Clinic** which uses mobile phones to collect medical data from across the country and link it directly to the Mayo Clinic website for analysis. At the same time, the system can be used to provide medical reminder messages to the people.

Education

According to Kazi, another key focus area is education. Increasing the level of education is clearly a very high priority for Bangladesh, but currently the drop out rate from 5th grade to 10th grade is over 80%.

Grameen innovates here as well: "Grameenphone is currently working with **UNICEF** on a trial service which supplies on-demand lessons over mobile. These lessons would include not only the complete subject content, but they would also provide access to an automatically generated test" says Kazi.

Although this type of lesson would fit very naturally on modern smartphones, because of the installed base of devices in Bangladesh, everything has to be made to work on much lower end "feature phones".

Grameenphone Community Information Center
A shared premise which gives rural people access to state-of-the-art services such as internet, voice communications, and video conferencing. 500 of these CIC's are now open in Bangladesh.

Mobile Advertising & Marketing

Although not yet a major factor in the Bangladesh market, Kazi is a strong believer in the power of mobile advertising. "The mobile-based service industry will become the largest platform to deliver products and services, and mobile advertising will play a great role," he says.

In fact, mobile advertising will be important in several ways:

First of all, it will be critical for raising awareness and promoting the various social programs that exist; there is really no other media channel with the ability to reach all segments of the population as well as mobile can.

Second, mobile can be used to actually sell the products and services. Being linked with Grameen bank, there is clearly a strong belief in bringing financial services to the rural population, and mobile can play a critical role.

Finally, there will be ad-funded services: "Mobile advertising will support an important part of the business model where revenue from the ad lowers the cost of service delivered to the end user, i.e. education and health awareness", Kazi explained.

The Relevant Business Model Rules

In each of these projects, as well as many others that he is passionate to talk about, Kazi explains that Grameenphone focuses on satisfying three objectives:

1. find the technology that fits
2. find a business model so the service provider is incentivated
3. find a business model so the consumer can afford it

In Kazi's opinion, mobile is the right media to focus on: "There is certainly a convergence of technology happening around both the TV and the PC, but convergence around the mobile is happening with a much broader range of technologies and at a much faster pace."

So in the longer term, Grameenphone and Kazi believe that mobile technology is destined to play an increasingly vital role in solving the unique issues facing countries such at Bangladesh. But always when coupled with an equally innovative business model.

The MLOVE Conference

Kazi Islam will be a keynote speaker in the upcoming **MLOVE Conference**, which takes place June 23 to 25 near Berlin, Germany.

MLOVE focuses on the core themes of Innnovation, Passion, Inspiration, and how Mobile Will Change our Future, and will bring together thought leaders from across different industries and different territories.