

BUS 400

Internship Report



Expect the same **SQUARE** Quality



 **SQUARE TOILETRIES LTD.**

A study by
Adnan Abdur Razzaque
11204008

Internship Report on Square Toiletries Limited



Course: BUS 400

Submitted to

S. M. Arifuzzaman

Assistant Professor

BRAC Business School

BRAC University



Inspiring Excellence

Submitted by

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Date of Submission

17th December, 2015

December 17, 2015

Mr. S. M. Arifuzzaman
Assistant Professor
BRAC Business School
BRAC University

Subject: Submission of internship report titled “Financial Effectiveness of Sales Promotion”

Dear Sir,

I would like to submit to you the report on my internship experience at Accounts and Finance Department of Square Toiletries Limited. I have prepared the report as per your guidelines and recommendations. I am looking forward for your judgment on this report.

I tried my level best to complete the report as per the requirements and meaningfully. This was done by engaging seriously and giving the best effort to prepare this report. I have tried to portray the actual experience of my internship program through this report. I hope that I have done a satisfactory job considering my level of experience and capability and have been able to relate the fundamental things with realistic applications. It has enabled me to gain a better understanding of my experience, which will help me in my career development. Your kind acceptance and judgment will surely inspire me. I hope this report will fulfill all the requirements.

Sincerely,

Adnan Abdur Razzaque
ID: 11204008
BRAC Business School
BRAC University.

Acknowledgement

I am using this opportunity to express my gratitude to everyone who supported me throughout the internship period. I am thankful for their aspiring guidance, invaluable constructive criticism and friendly advice during the internship work. I am sincerely grateful to them for sharing their honest and helpful views on a number of issues related to the project.

First and foremost, I present my gratitude to the Almighty Allah for making everything possible. It would never be possible without the help of the Almighty. I would also like to thank my family and friends who have supported me throughout the internship program and also this report.

I express my warm thanks to Mr. Golam Kibria, General Manager, Accounts and Finance Department, Square Toiletries Limited, for helping me tremendously with such an important project and giving me the opportunity to work independently along with required support. I would also like to thank my direct supervisor in STL Mr. Anjan Kumar Das, Assistant Manager, for his brilliant and excellent guidance and assistance to complete this report. In addition, I want to thank Mr. Ranjan Kanti Ray and Mr. Mahbub Alam for their help and support.

Furthermore, I would like to express my gratitude to my assigned faculty member, Mr. S. M. Arifuzzaman for the valuable guidance and support. I really appreciate the way he has guided me through this report.

Lastly I would like to give my special thanks and inexpressible greets to my inmates, both seniors and fellow BBA students and others for giving me good advice, suggestions, inspiration and support. Thanks to all.

Executive Summary

Square Toiletries Limited (STL) is one of the largest and leading "Fast Moving Consumer Goods" company in Bangladesh. This report provides an in-depth analysis and interpretation of "Financial Effectiveness of Sales Promotion Designed for Senora". It consists of the job responsibilities I was given during my internship in the Accounts and Finance Department of STL. A detail about my critical observation is given about the way they record their daily transactions with their third parties, the way they analyze and verify their every small to huge monetary transactions by auditing, what kind of promotional campaigns are designed for the retailers, also how they maintain good relationship with their retailers through trade programs like Senora Scratch Card Program and how these kind of promotional programs are financially effective. I also gave a description about my critical observation about the activities of STL including my recommendation to change some of their processes to control the mistakes. Also, a detailed explanation of the Senora Scratch Card program designed for June and July 2015 and what consumers are thinking about these kind of trade programs are explained. All these research and calculations were done with the help of area wise In Market Sales (IMS) report and a short retailer survey. Results of research are also discussed to evaluate STL's overall performance about the sales promotions targeted for the retailers. Some possible helpful actions are also mentioned to overcome any major area of weaknesses.

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Chapter 1: Introduction

1.1: Background of the Study

The sales of an organization is one of its most important activities as it generates revenue for them. Sometimes the company needs to invest in promotional activities to ensure more sales. More promotional activities need more promotional budgets. But then again, the company has to ensure that, these promotional budgets are using in effective ways.

1.2: Origin of the Study

As an essential part of internship program, this particular report is being prepared on the proposed topic “Financial Effectiveness of Sales Promotion designed for Senora”. In this program, all kinds of Senora napkins (Senora Regular, Senora Confidence and Senora Confidence Ultra) were included. The intention of internship was to give an opportunity to the students to gain some real world experience working in a practical environment. The internship supervisor was **Mr. Golam Kibria**, General Manager, Accounts & Finance, Square Toiletries Limited. **Mr. Anjan Kumar Das**, MIS, Square Toiletries Limited also gave me insights to work on this project. The faculty advisor was **Mr. S. M. Arifuzzaman**, Assistant Professor, BRAC Business School, BRAC University who’s endless and cordial support inspired me a lot.

1.3: Objective of the Study

The primary objective of the study is:

- To comprehend a financial evaluation about a successful sales promotion of Senora Sanitary Napkins of Square Toiletries Limited.

The secondary objectives are:

- To know the purchase behavior of retailers as well as consumers about sanitary napkins.
- To explore performance of sanitary napkins in terms of core product attributes.
- To realize about the financial benefits of these kinds of promotional activities.
- To find out the financial barriers for promotional activities.

- To recommend how to overcome the barriers that a new promotional activity face.

1.4: Methodology:

This report is exploratory in nature- focusing on both qualitative and quantitative analysis and description.

➤ **Population and sample**

The population is the entire distributors and retailers of Square Toiletries Limited in Bangladesh. However, for some limitation it was difficult to collect information from all of them. So, in this project around 20 distributors and retailers were considered as sample size.

➤ **Source of data collection**

Primary source:

- Data has been collected through interview.
- Same questions have been asked to all the distributors and retailers.
- Some data are collected through informal conversation.
- Financial data are collected from Management Information System Department and Accounts and Finance Department.

Secondary sources:

Secondary data has been collected from official website of Square, Square Toiletries Limited, Annual Reports and Newspapers.

1.5: Scope of the Study:

I have visited the market and interviewed the retailers in Dhaka city only. But there is also a large number of retailers operating outside of Dhaka city. To formulate an accurate research on financial effectiveness of sales promotion for a product like Senora, those markets must be visited as well.

1.6: Limitations:

There are some limitations of the research. There are a lot of information which are not allowed to use in the report. In addition, I was assigned as an internal audit intern in MIS department of Square Toiletries Limited for a long period. Then again, I have to audit other concerns of Square group. As a result, I faced problems in choosing my topic and lastly I decided to do financial effectiveness of sales promotions. I faced problems to find proper data.

Furthermore, as it was a three months internship program, so I could not get enough time to survey wide area. I visited and interviewed very few areas in Dhaka city. If I would interview outside Dhaka city, I think it would add many more interesting and important issues in the study which may make this report more informative.

Chapter 2: About Square Group

2.1: Overview of “Square”

Square Group is a local conglomerate of Bangladesh which started its journey with debut of Square Pharmaceuticals, as a Partnership Firm in 1958. With span of time, Square has emerged as one of the most admired local conglomerates which is showcasing its rampant march with other concerns along with Square Pharmaceuticals Limited. The Square Concerns are Square Pharmaceuticals Limited, Square Toiletries Limited, Square Textiles Limited, Square Food & Beverage Limited, Square Informatix Limited, Square Agro Development & Processing Limited, Square Herbal & Nutraceuticals Limited, Square Yarns Limited, Square Fashion Limited, Square Hospitals Limited, Square Air Limited, Square Texcom Limited, Mediacom Limited, Square Securities Management Limited, Maasranga Television, Sabazpur Tea Company Limited, Aegis Services Limited and Square Denims Limited.

2.2: Chronology since Inception

- 1958:** Debut of Square Pharmaceuticals as a Partnership Firm.
- 1964:** Converted into a Private Limited Company.
- 1974:** Technical Collaboration with Janssen Pharmaceutical, Belgium, a subsidiary of Johnson and Johnson International, USA.
- 1982:** Licensing Agreement signed with F-Hoffman-La Roche Limited. Switzerland.
- 1985:** Achieved first position in the Pharmaceutical Market of Bangladesh among all national and multinational companies.
- 1987:** Pioneer in Pharmaceutical export from Bangladesh.
- 1994:** Initial Public Offering (IPO) of Square Pharmaceuticals shares. Square Toiletries Limited becomes a Private Limited Company.
- 1995:** Chemical Division of Square Pharmaceuticals Limited starts production of pharmaceutical bulk products.
- 1997:** Won the National Export trophy for exporting medicines.
Debut of Square Textiles Limited.

Mediacom Limited starts its journey.

1998: Establishment of second unit Square Textiles Limited.

Agro Chemical & Veterinary Products Division of Square Pharmaceuticals start its operation.

2000: Square Spinning Limited starts its journey.

2001: Establishment of Square Knit Fabrics Limited.

Establishment of Square Fashions Limited.

US FDA/UK MCA standard new pharmaceutical.

Factory went into operation.

Square Consumer Products Limited started its operation.

Establishment of Square Informatix Limited.

Incorporation of Square Hospitals Limited.

2003: Management agreement with Bumrungrad Hospital International of Thailand for the management of Square Hospitals Limited.

United States Food & Drug Administration

United Kingdom Medicines & Health Care Products Regulatory Agency

2005: Square Yarns Limited is established.

2008: Square Spinning Limited, amalgamates with Square Textiles Limited.

Square Multi Fabrics Limited is established.

2009: Square Air Limited is established.

2010: Square Pharmaceuticals Dhaka site's Insulin Manufacturing Unit goes into operation.

Acquisition of Mithapur Textiles Limited. Now converted into Square Texcom Limited

Acquisition of Markup Cot Spin Limited

Acquisition of Markup Spinning Mills Limited

2012: Square Pharmaceuticals Limited, Dhaka Unit and Square Cephalosporin Limited get the “Therapeutic Goods Administration” (TGA) of Australia Approval.

Square Multi Fabrics Limited is voluntarily Liquidation.

2013: Samson H Chowdhury Center of Excellence started its operation.

Markup Spinning Mills Limited amalgamated with Markup Cot Spin Limited and thereafter renamed as Square Fashions Yarns Limited.

2013: Establishment of Square Denims Limited.

2014: Square Consumer Products Limited converted in Square Food and Beverages Limited.

2.3: Some Major Square Group Concerns



Square Pharmaceuticals Limited



Square Toiletries Limited



Square Hospitals Limited



Square Fashions Limited



Square Food and Beverage Limited



Square Textiles Limited



Square Air Limited



Sabazpur Tea Company Limited



Mediacom Limited



Maasranga Production Limited



Maasranga Television



Square Informatix Limited



Square Herbal & Nutraceuticals Limited



Aegis Services Ltd

Chapter 3: Square Toiletries Limited

3.1: Overview of Square Toiletries Limited

Square Toiletries Limited (STL) started its journey in 1988 with a single product as a separate division of Square Pharmaceuticals. Being a concern of Square Group, Square Toiletries Limited enjoys the reputation of Square Group and exploits the consumer confidence by their passion and hard work. In 1994, Square Toiletries Ltd. became a Private Ltd. Company.

Square Toiletries Limited is an ISO 9001:2008 certified company with over 55 international standard products in Personal Care, Health & Hygiene and Home Care categories. At present, STL is the country's leading manufacturer of international quality cosmetics and toiletries.

Beyond business, STL adopted the well-being of people which is termed and nurtured as “Care-Based Marketing”. All the efforts of STL are designed to touch the lives of people and to help them “look well, live well”. Production for STL is carried out in two automated, state-of-the-art plants in Rupshi and Pabna. Raw materials from leading global manufacturers like Symrise, Hercules, Dow Corning, BASF etc. are procured to ensure world class product quality.

The products of STL are being exported to countries like UK, Australia, Singapore, Malaysia, Japan, Saudi Arabia, UAE, Kuwait, Qatar, Bahrain, India, Maldives, Myanmar, Nepal, Bhutan, Cyprus, Ethiopia, Djibouti, Germany, South Africa, Jordan, Sweden and USA.

In addition of the core business functions, STL has been taking active part in different generous activities like employment generation program for vulnerable community, financial aid to disadvantaged and natural disaster affected people, helping acid victims, tree plantation, creating mass awareness on health and hygiene issues, supporting in education and various local community programs and many more.

3.2: Vision, Mission and Quality Policy

Vision

We attempt to understand the unique needs of the consumer and translate that needs into products which satisfies them in the form of quality products, high level of service and affordable price range in a unique way.

Mission

- To treasure consumer understanding as one of our most valued assets and thereby exerting every effort to understand consumers' dynamic requirements to enable us in offering maximum satisfaction.
- To offer consumer products at affordable price by strictly maintaining uncompromising stance with quality. With continuous R&D and innovation we strive to make our products complying with international quality standards.
- To maintain a congenial working environment to build and develop the core asset of STL – its people. As well as to pursue for high level of employee motivation and satisfaction.
- To sincerely uphold the responsibility towards the government and society with utmost ethical standards as well as make every effort for a social order devoid of malpractices, anti-environmental behaviors, unethical and corruptive dealings.

Quality Policy

- Dedicated to make every effort to understand consumer needs to provide maximum satisfaction and to achieve market leadership.
- Strive to continuously upgrade manufacturing technology and to maintain optimum level of quality measures in conformity with the international standard – ISO 9001: 2008.
- Committed to achieve quality objective through continuous employee training and maintaining congenial working environment.

3.3: Corporate Governance

Board of Directors

A Quarterly Report on business operation and financial position is presented before the Board of Directors for their information and review, for implementation by the Executive Management. Every month co-ordination meeting is held congregating all the department heads to discuss priority issues and solve problems, if any.

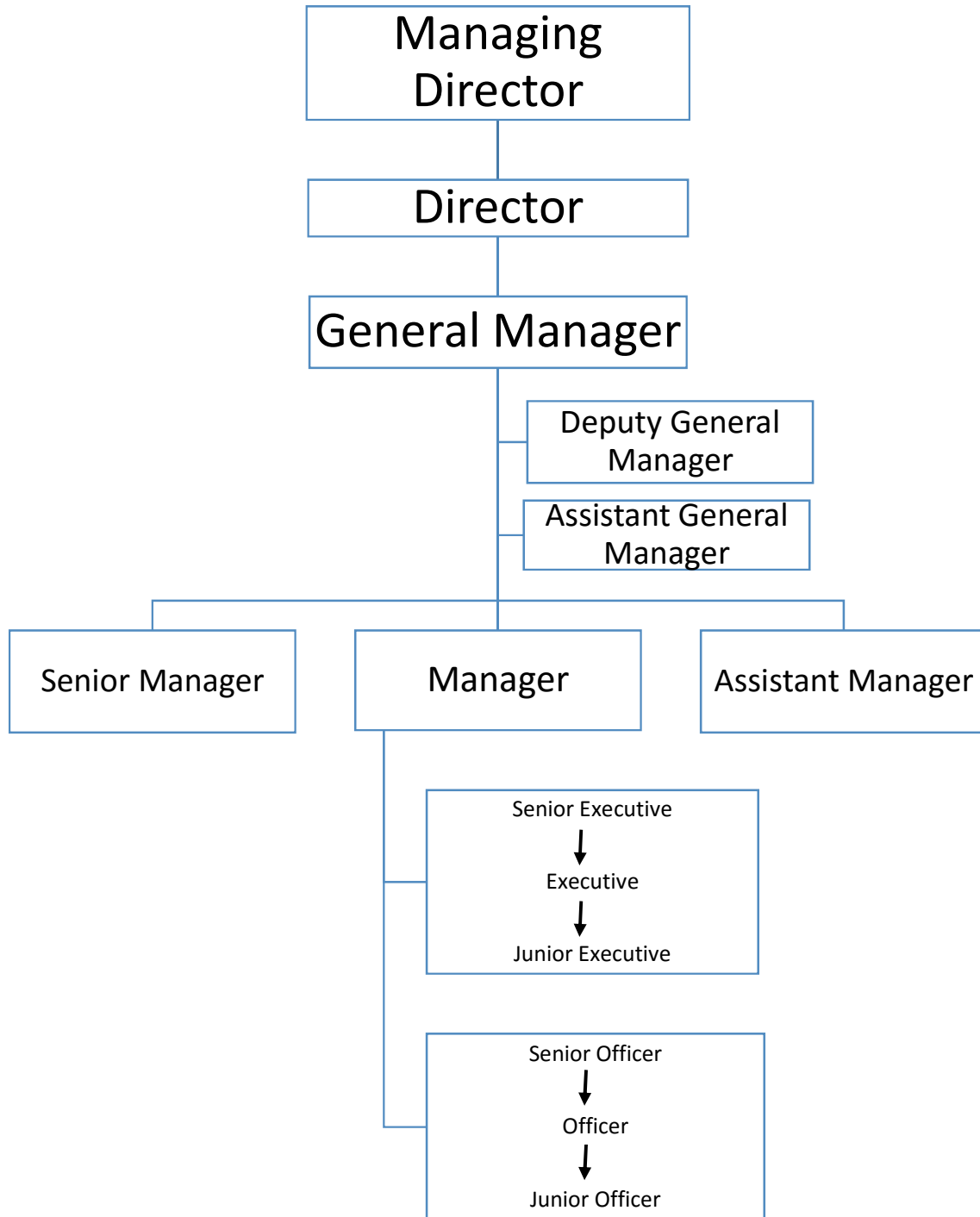
Executive Management:

The Executive Management is headed by the Managing Director, the Chief Executive Officer (CEO) who has been delegated necessary and adequate authority by the Board of Directors. The Executive Management operates through further delegations of authority at every echelon of the line management. The Executive Management is responsible for preparation of segment plans/sub-segment plans for every profit centers with budgetary targets for every item of goods and services and is held accountable for deficiencies with appreciation for exceptional performance. These operations are carried out by the Executive Management through series of team-bound initiatives.

3.4: Major Brands of STL

- Meril Protective Care
- Meril Baby
- Meril Soap
- Supermom
- Kool
- Jui
- Revive
- Senora
- Zerocal
- Sepnil
- Magic
- Magic Total Clean
- White Plus
- Max Clean
- Chaka
- Chaka Super White
- Spring
- Select Plus
- Shakti
- Xpel
- Chamak
- Madina
- Saaf

3.5: Organogram of Square Toiletries Limited



Chapter 4: Job Description and Job Responsibilities

4.1 Description of the Job:

The Accounts & Finance Department of Square Toiletries Limited is divided into five sections. These are:

1. Financial Accounting
2. Cost Accounting
3. Managerial Accounting
4. Financial Management
5. Auditing

The responsibilities of these departments are to maintain and control each and every perspective related to accounts and finance. The main responsibilities of Accounts & Finance Department are as follow:

- To keep a detailed report of daily sales.
- To maintain daily cashbook.
- To manage the expenses.
- To do all kind of payments including salaries.
- To keep journals of every transaction.
- To keep control over the inventories.
- To prepare financial statements.
- To do the forecast about the future Sales and Expenses.
- To do the other accounts related work.
- To audit the transactions of Square Group.

Out of the five sections of Accounts & Finance Department, I was apportioned to the Auditing section as an Internal Audit Intern.

4.2 Job Description of an Internal Audit Intern:

- Assist in evaluating existing internal control documentation, testing current processes and providing recommendations.
- In addition, the Internal Audit Intern will assist the Internal Audit Executive in administrative duties, observations, and inquiries.
- Assess compliance with financial accounting and auditing standards, and company policies to ensure company assets are safeguarded.
- Examine and evaluate the adequacy and effectiveness of information systems and business controls.
- Assist in assuring audit practices conform to department and professional standards.
- The Internal Audit Intern is expected to constructively work with departments to improve internal controls across the organization.
- Follow up to ensure that approved recommendations are implemented.
- All other duties as assigned.
- Checking vouchers (bank receipt vouchers, cash payment vouchers, cash receipt vouchers, journal vouchers).
- Checking TA/DA bills.
- Making a summary of bills.

4.3 Internship Activities Undertaken and Job Responsibilities

As an intern of Square Toiletries Limited (STL), I had to do a number of activities within a period of three months. The main Auditing Department is situated independently at Square Centre, and another small Auditing Department is attached with the Management Information System (MIS) at Rupayan Centre. Mostly I did the Audit based works in both Auditing Departments as I was assigned under the audit team of the Accounts and Finance Department. Here, everyone has to do tasks for different concerns of Square Group whenever they are assigned to. For example, I was appointed as an audit intern of Square Toiletries Limited, but I had to audit bills, vouchers, and disbursements of different concerns of Square Group like Square Food and Beverage Limited, Maasranga Television Limited, Mediacom Limited, Square Securities Management Limited etc. In this process I was able to understand how the other concerns of Square Group work.

The tasks that I have performed throughout my internship period in Square are,

➤ **Audited the “Shoptahik Bikroi Dhamaka” Program of Square Food & Beverage Limited:**

- The objectives of this program were to increase sales volume and value, to increase strong barriers and presence against competitors and motivating customers to increase investment apart from regular. Here, I have to check each and every vouchers, calculate the In Market Sales (IMS) and inspect whether the slab commission was correct or wrong.

➤ **Inspected the powder program of Square Toiletries Limited for February and March 2015:**

- The motive here was to find out whether the commission given for per slab is correct or not. And as this program was operated in order to increase the sales, so my task was to identify whether the goal has been achieved or not.

➤ **Audited the Package program of Radhuni Mixed Spices, Radhuni Turmeric, Chili and Mustard Oil:**

- Here I had to find out whether the given commission is correct for per slab or not in a single invoice.

➤ **Examined the Trade Program of all toiletries items all over the country:**

- The purpose of this program was to find out whether the commission given for per slab is correct or not. In addition, this program was operated in order to increase the sales, so my task was to identify whether the goal has been achieved or not.

➤ **Audited the Senora Scratch Card offer all over the country:**

- Senora was struggling to meet the target, so a Scratch Card offer was given to the retailers to increase the sales. I checked all the Scratch Cards and vouchers to ensure distributor’s claims.

- **Checked the EID Bumper bundle offer on Turmeric, Chili, Mixed Spices, Chanachur and Fried Daal:**
 - This program was operated in order to increase the sales. My task was to identify whether the goal has been achieved or not as well as calculate IMS and total claimed commission.

- **Inspected the Mobile Allowances of the employees of Square Toiletries Limited and Maasranga Television Limited:**
 - The goal was to analyze the actual bill amount and the given amount of mobile allowance to the employees. If any employee's bill is more than his allocated mobile allowance, then the rest of the amount is cut from his salary account.

- **Checked the petty cash transactions of Square Security Management Limited (SSML):**
 - In this task, I have to review the bills and cash memos of TA/DA, entertainments, maintenances, office expenses etc. of SSML.

- **Examined the transport bills of Square Toiletries Limited and Square Food and Beverage Limited:**
 - All the products of Square Toiletries Limited are produced and supplied from two areas, Pabna and Rupshi. So there are some third party transportation service companies who supply the products and also supply the raw materials to the factories. I have to review whether their transport charges are correct or wrong.

4.4: Critical Observations

➤ Maintaining Accrual-basis Accounting System:

- Square Toiletries Limited follows the accrual-basis accounting which only considers an event of expense when sales has occurred. It does not consider whether the cash payment is done or not. The company make sales as well as make purchases on credit. Because of this reason, they have the terms; for instance, accounts payable and accounts receivable on their balance sheet.
- Nevertheless, getting the accuracy of the pending issues like, Accounts Payable and Accounts Receivables for a certain period can be really challenging. If STL does not get all the bills at the end of a specific period, they will have to close their accounts for that certain period.
- At this stage, STL could have gone for cash-basis accounting. Here, the terms such as accounts payable and accounts receivables would not have existed on their balance sheet. An expenditure would have been recorded only after an expense has occurred. Also, collection of money would have been recorded only after money has been received from the suppliers. Although, this method is becoming backdated and no longer used in any of the organizations now-a-days.

➤ Tax Deduction at Source:

- Square Toiletries Limited makes sure that each and every of their suppliers give taxes. Because tax is an income for the government. As a law of government, STL deducts tax on suppliers' income and deposit it to the government treasury on behalf of their suppliers, on the suppliers' name and will deliver the “Chalan” copy to their suppliers.
- Here, STL acts as the collecting authority. However, STL can only deduct tax on the suppliers' income only if they supply a minimum of TK. 200001 raw materials.

➤ Manually update sales and stocks:

- At STL, all the sales as well as stock related transactions are updated manually to the main server. Each distributors have to send their daily transaction values to the MIS Department and manually it has been updated by the executives of MIS Department in the server. It needs a lot of time to update those data in the server.
- However, recently they have started a digital system in some areas where a distributor uses a specialized application in their tab, which are provided by the company. They update their transactions in that application and it is automatically updated in the main server.

4.5 Recommendations

➤ About the Management Practice:

- Square Toiletries Limited is a huge organization, and the management is enormously flexible. This causes indiscipline and ineffectiveness which may eventually have a detrimental impact on the organization. Throughout my internship period, I was not directly allocated to the Accounts and Finance Department. Whereas, I was doing my job with the MIS Team on the floor of MIS, Sales and Marketing of Square Toiletries Limited. Besides, there were shortages of desks and computers. Occasionally there was so much chaos and noise on that floor which made the situation a bit challenging to concentrate on my work as people from every floor come to this department for their tasks. Therefore, the management should be stricter for the progress of the company.

➤ Difficulties with Auditing Procedures:

- Most of the retailers are so much impatient to fulfill the slabs of the different program campaigns. Sometimes they do a lot of overwriting in their sales invoice, make fake sale invoices etc. to be enlisted for the gifts or bonuses of the promotional programs. Occasionally the auditors fail to identify these offenders and hence they have to give them expensive gifts or bonuses. This is a huge expense for the company which needs to be addressed by carefully monitoring the audit process. Also the company should give proper training or information about the promotional offers to the retailers and distributors. Invoice which has a lot of overwriting on, should be rejected.

Eventually there are a lot of things they may need to fix. I only worked there for three months, so I cannot make a proper recommendation as there were a lot of fields where I did not work. Besides, all of my observations and recommendations may not be right. Still it can be a great help for STL.

Chapter 5: About the Project

5.1: Internship Project:

As a part of my internship program, I was working with the Accounts and Finance Department of Square Toiletries Limited to prepare an entire study about the financial effectiveness of sales promotion designed for the famous STL product “Senora” in the year 2015. Mr. Anjan Kumar Das, Assistant Manager of Square toiletries limited, supervised me to work on this topic.

The word 'sanitary' means clean or hygienic. So that's exactly what a sanitary napkin does or should do - take care of the menstrual flow in a safe, hygienic way. Senora offers advanced and full absorbency protection to women. Senora was first launched in Bangladesh in 1989 and since then Senora is the market leader in Sanitary Napkin category in Bangladesh. It is manufactured by Square Toiletries Limited under Health & Hygiene products.

Though Senora is one of the most value generating and promising brands, it was struggling to meet its yearly target in 2015. The company was operating in 10% de-growth from January to May 2015 compare to last fiscal year. However, in 2014 STL closed the year with 30% growth compare to 2013 in Senora. Distribution separation, new sales force and increased intensity of competition were prime reasons for such drastic de-growth in sales. In June 2015, STL was required a trade program to boost their sale in Senora. They planned Senora Scratch Card Program where each retailer will get direct cash discount from scratch card in expense of BDT 2000. This program was designed to increase per unit benefit of the retailers.

In my internship period at STL, I was assigned to audit many promotional programs and Senora Scratch Card program was one of them. Based on my inspection, feedback of the retailers and the total sale amount of the product, I am preparing this research on the financial effectiveness of sales promotion- “Senora Scratch Card program”.

As internship is a three month program, may be it will not be possible for me to experience whether the promotional program was effective or a waste in the year 2015, as the year is not end yet. However, if the promotional program works in a proper and cost effective way, it will be a great opportunity for Square Toiletries Limited to know about detailed research about this kind of promotional activities. So that they can design similar promotional programs to increase their revenue in future.

Chapter 6: Financial Effectiveness of Sales Promotion

6.1: Definition of Sales Promotion

According to the Inc. Encyclopedia, “Sales promotion is one level or type of marketing aimed either at the consumer or at the distribution channel (in the form of sales-incentives). It is used to introduce new product, clear out inventories, attract traffic, and to lift sales temporarily.”

So sales promotion is a technique designed for the consumers or retailers and wholesalers to increase gross sales of any certain product for a certain period.

6.2: Trade Promotion

Trade promotion is a part of sales promotion. A trade sales promotion is targeted at the resellers (wholesalers and retailers) who distribute manufacturers' products to the ultimate consumers. The objectives of sales promotions aimed at the trade are different from those directed at consumers. In general, the goals of Trade Promotion are:

1. Develop in-store selling support, as strong support at the retail store level is the key to closing the loop between the customer and the sale.
2. Control inventory by increasing or reducing inventory levels, therefore helping to remove seasonal peaks and valleys.
3. Expand or improve distribution by opening up new sales areas.
4. Generate excitement about the product among those who are responsible for selling it to increase total sales.

6.3: Relationship between Accounts & Finance and Sales Promotion

The Accounts and Finance department of a business organization monitors the financial condition of a company based on financial statements which are compiled on a regular basis. On the other hand, the Marketing department is accountable for managing and developing the sales of a business. The Accounts and Finance department is needed to work closely with the Marketing department to observe developments in the business as well as manage the efficiency of sales promotions created by the marketing company. For example, a Marketing

campaign might be successful in terms of gross sales, but the Accounts and Finance department might control if the cost of the campaign was too high or effective.

6.4: Types of Sales Promotions Offered by Square Toiletries

Limited to Retailers:

Square Toiletries Limited offers three (3) kinds of sales promotions to the retailers to motivate them as well as to increase gross sales. These sales promotions are:

1. **Normal Bonus:** STL has a policy that, if a retailer buy 12 pieces of any particular product in a single invoice, then that retailer will get 1 for free. This is the normal bonus of STL.
2. **Slab Bonus:** Slab bonus is given when a retailer buys more than 36 pieces. For example, if a retailer buy 36 pieces of any particular product in a single invoice, then according to normal bonus he will get 3 pieces for free. But in the Slab bonus, he will get 4 pieces for free.
3. **Trade Benefit:** Trade benefit is not a fixed bonus like the normal or slab bonuses. It is given for a certain period of time. Here, STL does not give any products for free rather than they give commission. For example, In February 2015 STL gave a trade benefit to their retailers. When a retailer bought STL products worth of BDT 1000, 3000 or 12000, then that retailer got BDT 50, 165 or 750 commission.

6.5: Details about Senora Scratch Card Program, June 2015

Senora is one of the most value generating and promising brands of Square Toiletries Limited. But in the year 2015, this product is struggling to meet its yearly target. STL was facing 10% de-growth from January to May 2015, compare to the fiscal year 2014. On the other hand, in 2014 Square Toiletries Limited closed the year with 30% growth compare to 2013. The primary reasons for this drastic de-growth sales were separation of the distribution process, introducing new sales force and increasing number of competitors.

In June 2015, STL was required a trade program to boost the sale. They had high target in the month of June. A trade program would motivate their sales force to drive for achieving monthly target. They planned Senora Scratch Card program where each retailer will get direct cash discount from scratch cards in expense of BDT 2000. The program was designed to increase

the per unit benefit of retailers. This program was designed by using scratch card because STL experienced successful scratch card campaign under Xpel aerosol in 2014.

The duration of the program was June 1 to 30, 2015 at first. Later they increased the duration to 31st July, 2015.

The procedures of the program was:

1. Only purchasing TK 2000 of products (any pack size) will allow a party for a scratch card.
2. Each scratch card will have BDT 60/75/100/500 discount.
3. Scratch card will be given during delivery.
4. A party can participate repeatedly as long as the card is available at SR.
5. Market wise scratch card allocation will be done by Sales Department.



Figure: Front Side of the Scratch Card.

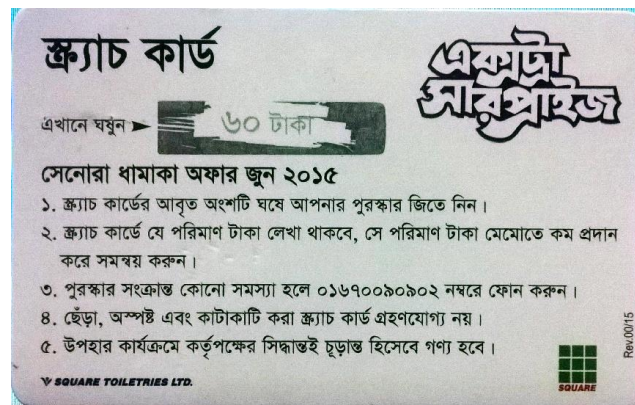


Figure: Backside of the Scratch Card.

The total sales target in June 2015 was 80.9 Million. Whereas, the Scratch card program target was 56.6 Million. The designer of this program forecasted that, this trade program would generate a sales of 70% of the sales target in June.

The detailed cost structures are given below:

Targeted Slab	Heads	BDT 60	BDT 75	BDT 100	BDT 500	Total Cost	Scratch Card Cost	Grand Total
28325	%	60%	20%	15%	5%	2577475	50000	2627475
	Unit	16995	5665	4249	1416			
	Cost	1019700	424875	424900	708000			

So, total cost of the Senora Scratch Card program was BDT 2,627,475.

6.6: Data Analysis:

As I stated previously, the sales target of Senora in June 2015 was BDT 80.9 Million and under the Scratch Card program, sales target was BDT 56.6 Million. From the chart, we can see that the IMS (In Market Sales) of June 2015, when the scratch card program was going on, was BDT 69.69 Million. Though the IMS was lower than the sales target of June, it was 23 % higher than the program target.

As the Scratch Card program was showing promises to Square Toiletries Limited by fulfilling the program target of Senora, the company decided to run this trade program for another month to create a selling practice of the retailers.

In July 2015, the same trade program was going on in the market. The total sales target of Senora was BDT 79.66 Million in July. The sales target of scratch card program was BDT 55.76 Million (70% of Total Sales). So in July 2015, the IMS was BDT 64.59 Million. Here, the IMS was 15% higher than the program target.

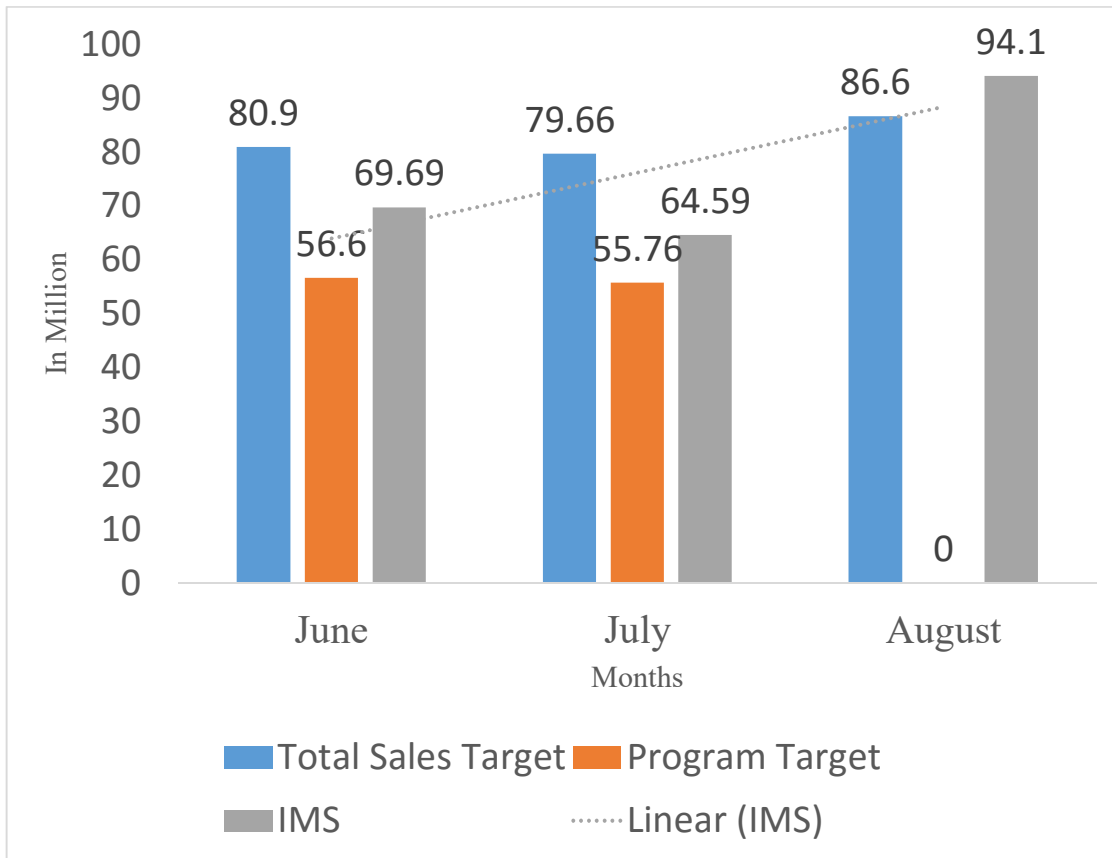


Figure: Comparison among Sales Target, Program Target and IMS

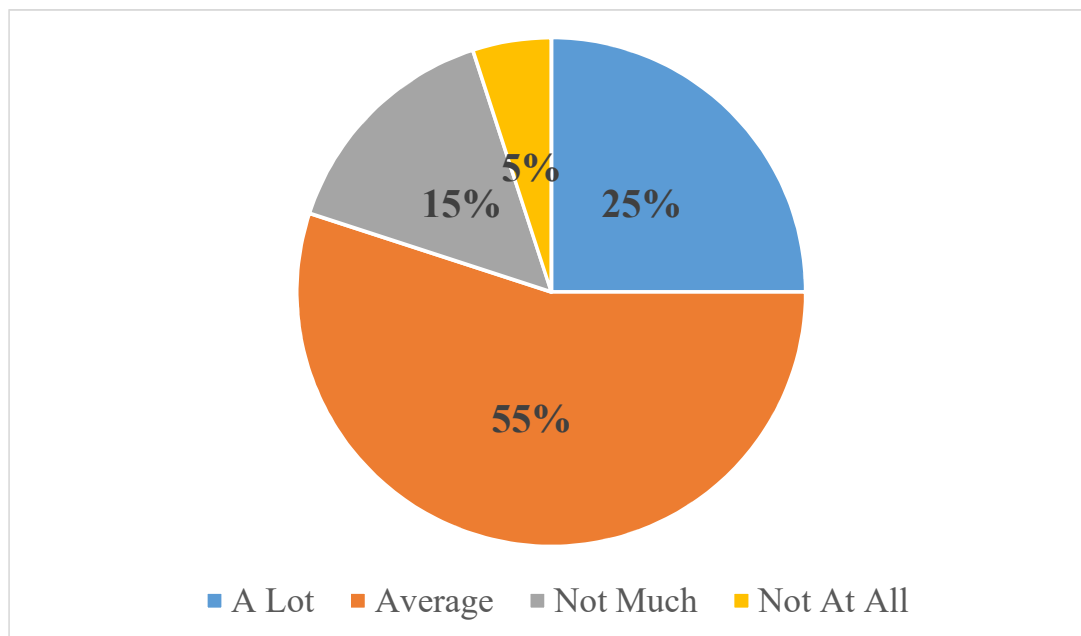
The Senora Scratch Card program was going on for two months consecutively, June and July 2015. Because of this trade program, retailers sold progressively more Senora and inspired the customers to buy more Senora sanitary napkins to get the trade bonus from STL. This made a practice for customers to buy this product yet more as well as for the retailers to sell extra. So in August 2015, there was no trade program going on for Senora, but the product met its sales target. The total sales target in August for Senora was BDT 86.6 Million whereas the IMS of Senora was BDT 94.1 Million. The IMS was 8% higher than the sales target.

6.7: Explaining the Survey Results:

I have conducted a simple market research. The purpose of the research was to know what the retailers were thinking about the Scratch Card program. The sample size for conducting the research was 20.

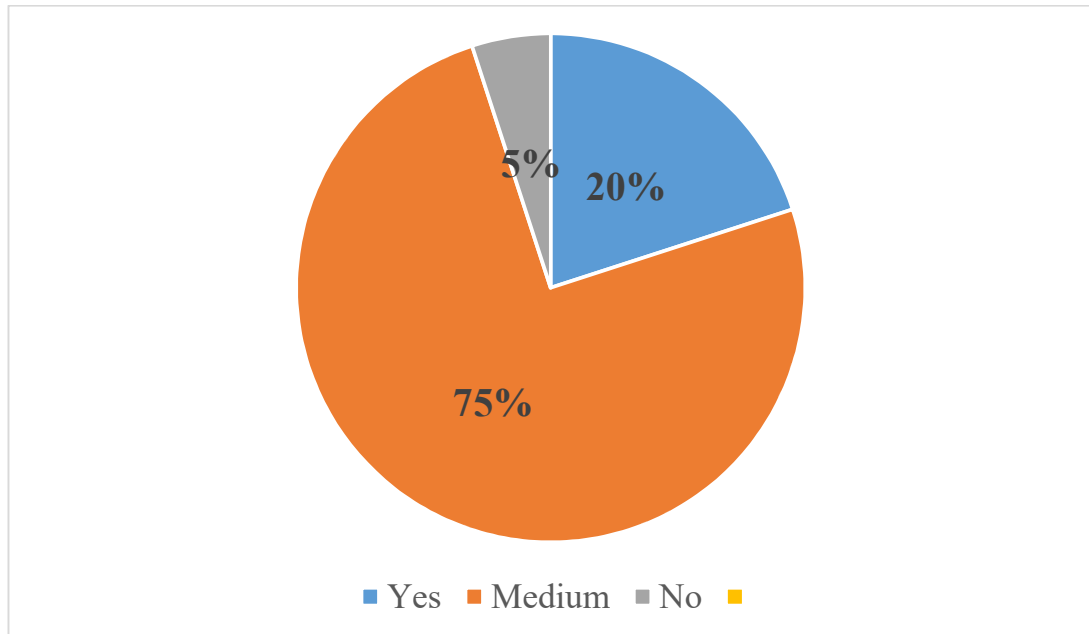
From the survey I found that, 100% of the total retailers are keeping Senora in their shops and they all were aware of the Senora Scratch Card program. Therefore, the results are explained below:

1. Profits from the program:



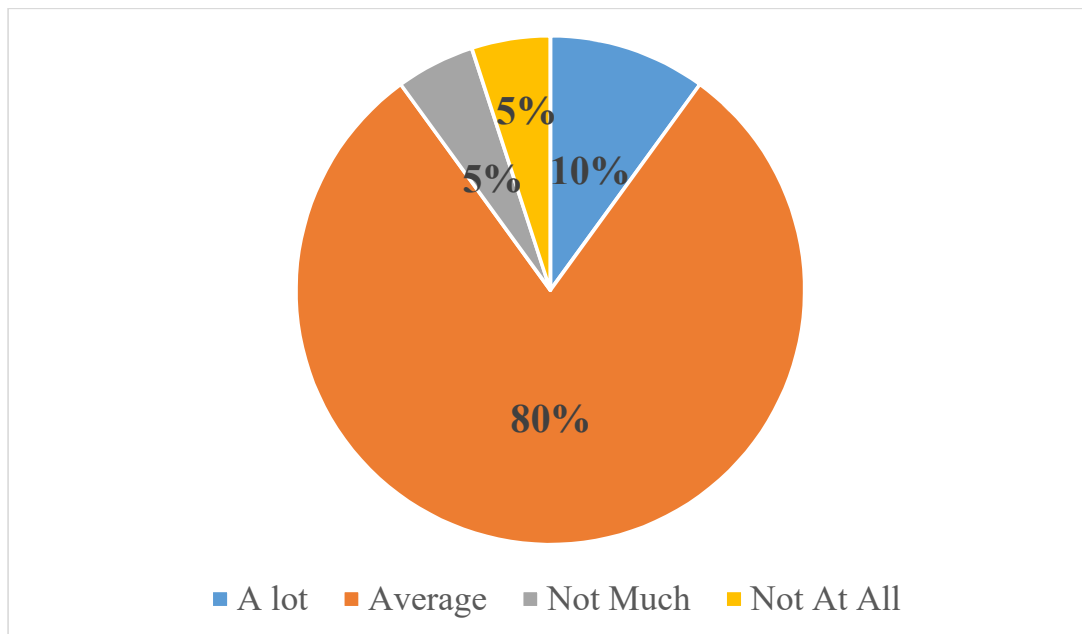
Here, 55% of the total retailers said they earned an average profit from the program. 25% said they earned a lot. Whereas, 15% said they did not earned greatly as they could not sell the product in large quantities. 5% retailers could not sell the product at all.

2. Understanding the Trade Program:



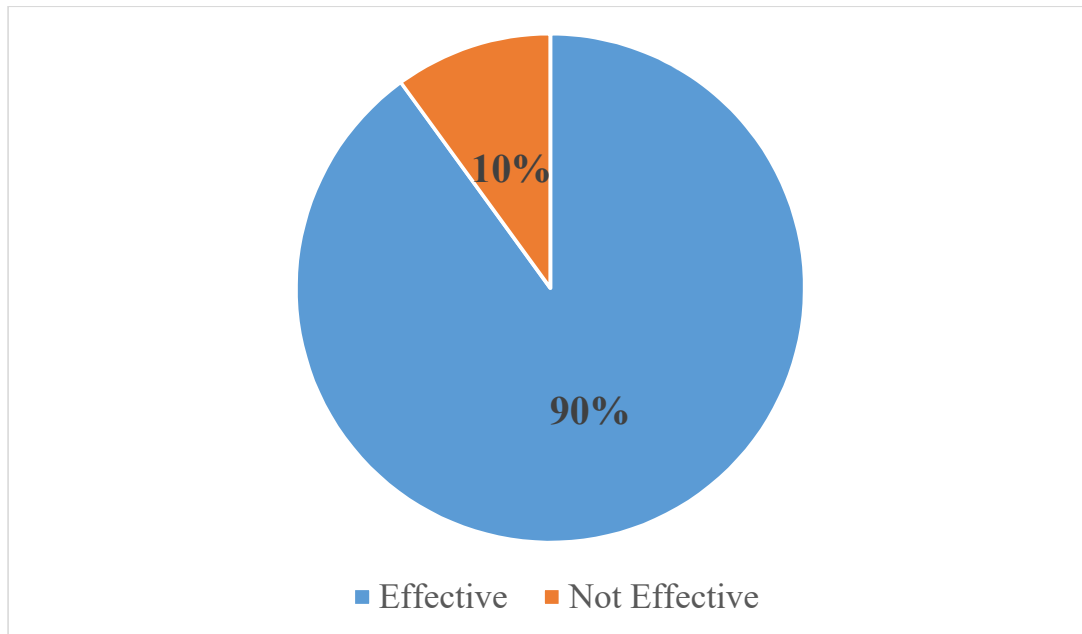
In case of understanding the trade program properly, 20% of the retailers understood the program. 5% of them did not understand the program properly. The most interesting fact is that, 75% of the retailers wanted to be in neutral side about understanding the trade program properly.

3. Pushing the Customers to Buy Senora:



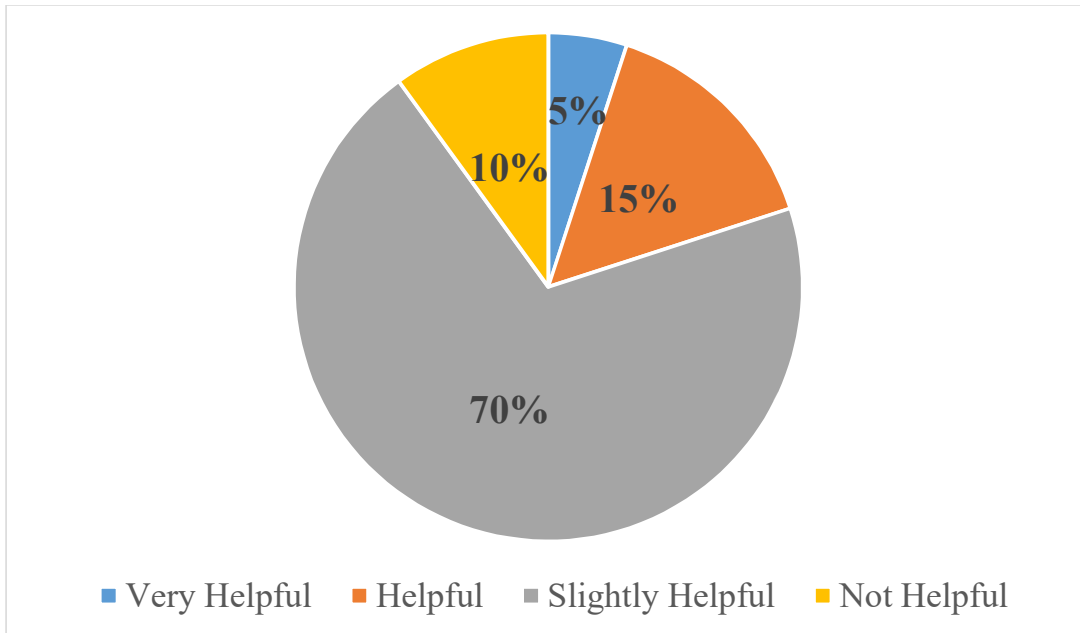
In terms of pushing the customers to buy Senora, 80% of total retailers claimed that they push the customers as usual. 10% of the retailers claimed that they did a lot to sell Senora. Besides, total 10% of the retailers did not give much efforts to sell Senora.

4. Effectiveness of the Trade Program:



Here, 90% of the total retailers (18 out of 20) accepted that, the trade program was effective and it helped to increase the total sales. Only 10% said the program was not effective.

5. Distributors' Engagements:



About the helpfulness of the distributors in case of trade program, 70% of the total retailers said that distributors are slightly helpful to give proper information about the trade program. They added that, distributors have lack of knowledge about various trade programs. 5% of the retailers said distributors are very helpful which is very poor in percentage. 10% said distributors are not helpful, they just want to sell the products as much as they can. 15% said, distributors are helpful.

6.8: Recommendations

The internship program at Square Toiletries Limited is well designed and it was an experience which is worthwhile. I learned a lot about the company, company policies and Account and Finance Department. Although, only three months experience is not enough to make me an expert to recommend anything about the company and trade programs. But there is always room for improvement to anything and thus I would like to improve on the following:

- **Need to Increase the Number of Personnel in the Internal Audit Team of STL:**
 - The audit team of Square Toiletries Limited has to perform audit for several sister concerns of Square Group which is quite difficult to maintain for a three to five people audit team. Because audit team has to verify every little to big transactions made by these concerns and sometimes it takes a very long time to actually be able to perform an audit properly. Besides, MIS department supports the Auditing team a lot but that is not sufficient. Therefore, the company should consider hiring more qualified people to distribute the work evenly so that number of mistakes can be reduced and the verifying time of a transaction can be quicker.
- **Giving Proper Directions to the Distributors and Retailers:**
 - Most of the times, the distributors are only giving pressures to the retailers to buy the products but they do not give proper information about various trade programs. Sometimes, they make fake invoices and claim the commissions. So it is highly recommend that, the company should be more concerned about giving proper directions to the distributors and introduce a negative reinforcement system so that they can make actual sales for the company.
- **Increase the Number of Trade Programs:**
 - Square Toiletries Limited should consider about increasing the number of trade programs of particular products in a year. For example, the Senora Scratch Card program was held on only June and July 2015. But no other trade programs are given for Senora. Considering the increasing number of competitors in same market, STL should give at least two trade programs on any particular products besides normal bonuses and slab bonuses.

Chapter 7: Conclusion

As expected, the internship was an experience that helped me to learn a lot, grow as a person and provide me with valuable knowledge beyond those that I could have obtained from the books. Thus my experience in Square Toiletries Limited was one of the valuable experiences of my life. After completing my internship and this research, I can say that Square Toiletries Limited is the country's leading manufacturer of international quality brand with huge number of diversified products. They have a good financial position in Bangladesh and their most of the sales promotional campaigns are helping them to achieve a great benefit. Finally I can say that, the audit procedures, general financial management practice and sales promotional activities of Square Toiletries Limited are very efficient financially and the weaknesses are to be addressed with effective solution. This way Square Toiletries Limited can uphold its position as a business icon.

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Appendix

Senora Sales Promotion Questionnaire

1. Name of the Area:
2. Do you have Senora Sanitary Napkins in your shop?
 Yes No
3. How do you buy these products?
 Personally From Distributors
4. How many Senora products do you buy every week?
 100 – 500 500 – 1000 More than 1000
5. Did you know about Senora Scratch Card Program?
 Yes No
6. Did you participate in this trade program?
 Yes No
7. How much did you profit from the program?
 A lot Average Not much Not at all
8. Did you understand the Scratch Card program clearly?
 Yes Average No
9. Did you push the consumers to buy Senora personally at the time of trade program?
 Yes Average Not much Not at all
10. Are these kinds of program financially effective?
 Yes No