Internship Report
On
Sales Performance Analysis of Berger Paints Bangladesh Ltd

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Submitted To: Md. Fazla Mohiuddin
Lecturer
BRAC Business School
BRAC University

Date of Submission: 19th of December, 2015
Letter of Transmittal

19th December, 2015

To
Md. Fazla Mohiuddin
Lecturer
BRAC Business School
BRAC University

Subject: Submission of the Internship Report

Dear Sir,

It is a great pleasure for me to submit the internship report as a part of my BBA program that I am assigned to prepare under your direct supervision of the topic entitled “Sales Performance Analysis of Berger Paints Bangladesh Ltd.”. I am fortunate enough that I have got an experience and efficient professional team in the organization. I have got an opportunity to work with them at different departments to learn more effectively. I tried my best to show my skill, which is achieved through 3 months, practical experience of this report.

Finally, thank you for your kind assistance. I enjoyed working on the report and I hope you will assess my report considering the limitations of the study and my mistakes generously. I would be keen to assist for interpreting the report or any other further clarifications if required. I will appreciate your valuable inquiries and suggestions on the report.

Sincerely Yours,
Rownok Rahman Joy
10204113
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Acknowledgement

My acknowledgement begins with thanking my academic supervisor Md. Fazla Mohiuddin, Lecturer, BRAC Business School who has provided me suggestions for making this Final Internship Report and also provided me with format for making and preparing the whole report. I would like to thank Sir for his generous cooperation and regular supervision that made me really confident about the desired outcome of my internship project.

I would like to show my warm hearted gratitude to the whole Sales Department of Berger Paints Bangladesh Limited. The successful completion of this report might never be possible in time without the help of some person whose inspiration and suggestion made it happen, has provided me with great deal of information, adequate data and finally cooperated me for the accomplishment of the report successfully. First of all I would like to thank Mr. Shabbir Ahmed, Channel Development Manager, to whom I used to report on daily basis. Then, my colleagues Md. Tausiff Hossain and Mithun Saha who helped me by providing informative instructions during these three months. I was closely attached with them during my internship tenure. Without them this project would have been very difficult to complete. Finally, without the help and support of Almighty Allah this report would have been left incomplete.
Executive Summary

Berger Paints Bangladesh Limited has acquired commendable reputation by providing sincere personalized service to its customers in a technology based environment since its inception. The organization has set up a new standard to increase the sales by using an internal app which will help the sales officers to maintain a smooth communication with the dealers.

The main objective of the study is to analyze and evaluate the sales performance of Berger Paints from 2012-2015(October) with an emphasis of the issues in relation to different types of motivational theories. I have analyzed how the sales force of Berger Paints can be relate with the motivational theories- Maslow’s Hierarchy of Needs, McGregor’s Theory X & Theory Y and Expectation Theory.

The dealers are the heart of the Berger, they always wants to make sure that the dealers get all the facilities they need. So, I have also discussed about the dealer’s benefits which lead to high sales growth every year.


**Literature Review**

The contribution of sales department is the major for any organization’s growth. The goal is to increase the number of interactions between potential customers and company using promotional techniques such as advertising techniques, sales promotion, publicity and public relations, creating new sales channels, or creating new products, among other things. It deals with the interaction between the customer and sales facility and sales person. Sales organization can improve their efficiency, profitability, provide a higher level of customer service and satisfaction by effectively bringing more customers and enticing them to contact. The productivity of an organization depends largely on the ability of sales person’s interactive communication with the customers, so the work force must be well trained and equipped with resources. There are other crucial personality factors which influence sales. Michael, Archangel and Leimbach found that sales people with good interpersonal versatility had higher overall performance, and was revealed that performance requiring higher communicational aspects gets directly influenced by versatility. Versatility has a greater influence on sales presentation as well as at furnishing information. According to a profile of an effective salesperson CHR Administrator (2005) done on personality and motivation, it was found that sales people show moderate degree of dominance and empathetically listen to their prospects, presenting with other alternatives for their objections. Sales people are high achievers, are very much hard working, love their challenges and are intrinsically motivated, for them their customer satisfaction is of most importance rather than their sales. The study revealed that as the communication lessened, salespersons effectiveness is also lessened, ultimately effecting the growth of the organization. To overcome communication apprehension the sales persons can undergo intensive skills training programmed, visualization and cognitive modification techniques. Organization has to recognize and recruit candidates who possess those specific skills required to gain success in sales and then evolve sales processes and management system to form a learning organization in order to adapt to the market. *(Dubinsky & Steven W. Hartley, 1986)* According to the study done by Buffington, S (2006) as cited in Pendharkar & Vijai K. Pandey, 2011, the practices for developing a high-performance sales force are as follows:
<table>
<thead>
<tr>
<th>SALES TASKS</th>
<th>FUNCTIONS TO BE PERFORMED</th>
<th>PERFORMANCE INDICATORS</th>
</tr>
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<tbody>
<tr>
<td>Sales planning, forecasting and budgeting</td>
<td>Predicting demand for the product and sales assets, availability of sales assets and additional opportunities of sales, react quickly when the demand decreases; it improves efficiency and decreases unfocused and uncoordinated activities within the sales process, consumer’s taste, competitive conditions, industry trends, strategies needed to obtain projected sales revenues</td>
<td>Volume of sales in currency, Knowledge of business</td>
</tr>
<tr>
<td>Sales associate development</td>
<td>It includes sales goals and sales tracking, encouraging the sales process along with end results, task carried out by each sales representative should be studied, and outbound phone sales done, tracking the sales activity.</td>
<td>Amount of time spent in office, Number of calls made on existing account. Volume of sales in currency.</td>
</tr>
<tr>
<td>Designing the sales territory</td>
<td>Whether the sales representative has the opportunity of reaching potential customers in that territory over a given period of time, structured routing system used by the sales person for contacting customers in that territory in with minimum selling time and cost.</td>
<td>Number of new accounts opened Planning and routing of calls</td>
</tr>
<tr>
<td>Training the sales force</td>
<td>Sales force should regularly receive information regarding selling skills and knowledge of: customers, product/services, company, industries and competitors and plans to be implemented in future.</td>
<td>Completeness and accuracy of sales order, Knowledge of business, Accuracy in quoting prices and deliveries, Sales persons presentation, Number of new accounts opened.</td>
</tr>
<tr>
<td>Motivating and leading sales force</td>
<td>Maintaining a high level of self-motivation in the sales staff, enhance the existing talent by giving additional skills training and work around the traits which cannot be changed, atmosphere of respect, trust and common vision within the team should be maintained in order to move towards the company’s vision and goal.</td>
<td>Number of new accounts opened. Number of sales made on existing accounts</td>
</tr>
<tr>
<td>Compensating the sales force</td>
<td>Facilitate the sales people with incentives along with basic salary and develop compensation packages to keep up their motivation.</td>
<td>Completeness and accuracy of sales orders, Productivity of the company</td>
</tr>
<tr>
<td>Evaluating sales force</td>
<td>Customer’s relations, adherence to expense guidelines, job skills and company relations,</td>
<td>Promptness in submitting reports. Expenses made in entertaining customers</td>
</tr>
</tbody>
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performance criterion and expectation should be discussed with each sales person and incentive packages should be attached to each criterion. Completeness and accuracy of sales order Extent to which sales representative sells company

<table>
<thead>
<tr>
<th>Sales report</th>
<th>Volume of sales in currency Punctuality in submitting report.</th>
</tr>
</thead>
</table>
| Whether or not sales process is being operated effectively and achieves the goal as set forth in sales planning and to take corrective actions, allows senior management to evaluate sales manager, satisfy the need of different stakeholders. | Source: Pendharkar & Vijai K. Pandey, 2011

**Theory of Sales Motivation and Performance Measurement**

**Theory of Individual Motivation**

In order to decide the method to motivate people, sales people need to know what they like and everyone has different motivators. In the following section, we will discuss some motivation theories.

- **Maslow’s Hierarchy of Needs:** According to Maslow (1987) as cited in Becker & Huselid, 1998, he expressed two kinds of needs: deficiency needs and growth needs. The deficiency needs are physiological needs, safety needs and social needs. The growth needs are ego needs and self-actualization. The related examples are addressed in table below.

**Table 2- Maslow’s Hierarchy of Needs**

<table>
<thead>
<tr>
<th>Motivators</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physiological Needs</td>
<td>Food, Sleep, clothing, water, shelter and sex</td>
</tr>
<tr>
<td>Safety Needs</td>
<td>Security from danger, threat and deprivation</td>
</tr>
<tr>
<td>Social Needs</td>
<td>Love, acceptance, kinship and belonging</td>
</tr>
<tr>
<td>Ego Needs</td>
<td>Recognition, achievement and status</td>
</tr>
<tr>
<td>Self-actualization Needs</td>
<td>Fulfill one’s potential</td>
</tr>
</tbody>
</table>


According to Zoltners et al. (2008), the relative benefits are also addressed in table below. Most companies provide programs to fit physiological needs, safety needs and self-actualization needs but very few companies do have the programs to fit ego needs or social needs for recognition awards.
• **McGregor’s Theory X and Theory Y:** If you trust your employees, they turn to be more trustworthy than the one if you do not trust them. Theory X managers are controlling and manipulating; Theory Y managers are empowering.

Under Theory X, the main phenomena will be described as follows:

1. General people work as little as possible
2. They lack ambition and responsibility and prefer to be leaded by others
3. They are selfish and indifferent to organization needs and goals
4. They are resistant to change by nature
5. They can be easily cheated and controlled

Under Theory Y, the main phenomena will be described as follows:

1. People are not passive by nature. They become a consequence of the way they are treated in organization.
2. People have the potential to develop and to carry responsibility, behave in accordance with organizational goals. Managers need to know each employee’s potentials and make it possible for employees to develop them by themselves.
3. Management shall structure organization policies so that each employee can achieve their personal goals while pursuing the goals of the organization.

*(Robins & Timothy A. Judge, 2009)*

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**Table 3-Relative Benefits**

<table>
<thead>
<tr>
<th>Motivators</th>
<th>Related Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physiological Needs</td>
<td>Wages</td>
</tr>
<tr>
<td>Safety Needs</td>
<td>Insurance Benefits, Retirement Plans</td>
</tr>
<tr>
<td>Social Needs</td>
<td>Work/Life programs, Employee Assistance plans</td>
</tr>
<tr>
<td>Ego Needs</td>
<td>Recognition Awards</td>
</tr>
<tr>
<td>Self-actualization Needs</td>
<td>Training &amp; Development, health promotion, work/life balance, job satisfaction</td>
</tr>
</tbody>
</table>

Source: Zoltners, et. al 2008
• **Expectation Theory:** According to Vroom (1964) as cited in Becker, et. al., 1998, if a person succeeds, the success acts as a positive reinforcement. Success will bring success in a positive circle. If the person believes he is growing and learning, the person will continue in improvement. Expectation theory models the motivation process; the capability and motivation affect efforts.

If the Sales person feels that “working harder does not increase sales, others credit for the efforts, or the bonus is not worth getting”, then motivation will diminish. A good incentive compensation program and performance management will keep motivation working properly.

**Figure 1- Expectancy Theory Performance Model**

Source: *(Becker, et. al., 1998)*
Chapter 1

Introduction
Origin

An internship is real life experience in a business organization for 3 months period, which is required after completion of the academic courses in order to complete the Bachelor of Business Administration Program in BRAC University. An Internship position at Berger Paints Bangladesh Limited was acquired and topic of the report was proposed to my faculty advisor, Md. Fazla Mohiuddin of my internship course. With his approval and conscience this report was prepared.

Research Gap

Prior research emphasis the importance of providing information regarding knowledge resources, which is in general and the effect it has on business performance. There have been various attempts by researchers to evaluate the sales performance driven by motivation. There has been an increased focus on the relationship between motivation and firm’s performance, in terms of profitability and growth, in recent years. However, there are also studies where such a relationship has not been found. Therefore, by going through all the past research papers I found gaps in the prior studies,

1. Conceptual models should be revised to reflect that there has been a lack of narrowly defined measures of sales performance in terms of motivation, i.e. lack of identifying specific motivational theories which drives sales force.
2. Measures of sales performance should be broadened to encompass the terminal value perspective on the psychological value of work

Purpose

The aim of this report is to study and identify the performance of sales of Berger Paints Bangladesh Limited over the last 4 years with an emphasis of the issues in relation to most specific and common types of motivational theories. The report also seeks to recommend a few measures to develop high-performance in order to increase more sales of Berger Paints Bangladesh Ltd in future.

In this research paper I have shown the performance of sales of Berger Paints Bangladesh Limited over the last 4 years. I have tried to put the relationship on sales performance with motivation factors. I have built this research paper on the basis of research framework.
Research Framework:

![Research Framework Diagram]

Figure: 2- Research Framework (Author’s Compilation)

Research Objectives:

Broad Objective

- Study and Identify the performance of sales of Berger Paints Bangladesh Limited

Specific objective

- How the sales force is following Maslow’s Hierarchy of Needs Theory
- How the managers are treating their employees according to McGregor’s Theory X & Theory Y
- To what extent the Expectation Theory is relating with Berger Sales force
- How the motivation of dealers influencing the sales growth of Berger Paints

METHODOLOGY OF THE STUDY

All the information integrated in this report has been both from primary and secondary sources. To convene the objectives of the study, I realized that a single technique would not be efficient. Formal & oral conversation, direct observation, questioning clients & printed papers of
the Berger Paints were found useful. To collect the necessary and meaningful information, the following methods are used.

**Research Design:** The research was both quantitative and qualitative in nature because, I have analyzed the theories and also the numbers with the relevant data that has been collected within the Berger Paints. I collected those applicable data from the literature and some from Annual Reports and small catalogues. The research focuses on words and observations, and also mathematical analysis of sales revenue.

**Source of Data:** There are two types of data used in preparation of this paper.

1. **Primary Data:**
   - a) Face to face conversations with the employees in Sales Department
   - b) Observing various organizational procedures within the Berger House

2. **Secondary Data:**
   - a) Annual Report of the Berger Paints Bangladesh Ltd
   - b) Official website of the Berger Paints Bangladesh Ltd
   - c) Various brochures of the products and services offered by Berger
   - d) Internal brochures, banners and notices for the employees of Berger

**Limitations:**

- Due to the organization’s ground rules and privacy issues, the information and data regarding the sales cannot be disclosed.
- The research was conducted only within the employees of Uttara Branch (Head Office).
Chapter 2

Overview of Berger Paints
**Brief History**

Berger is one of the oldest names in the paint industry and the country’s major specialty paints business with products and ingredients dating back more than 250 years. Louis Berger, a German national, founded dye and pigment making business in England in 1760. Louis Berger & Sons Limited grew rapidly with a strong reputation for innovation and entrepreneurship, culminating in perfecting the process of making Prussian Blue, a deep blue dye— a color widely used for the uniforms of many European armies. Production of dyes and pigments evolved into production of paints and coatings, which till today, remains the core business of Berger. The company grew rapidly by establishing branches all over the world and through mergers and acquisitions with other leading paint and coating manufacturing companies. Berger has been involved in the paint business in this part of the world since 1950, when paints were first imported from Berger UK and subsequently, from Berger Pakistan. In 1970, Berger Paints Bangladesh Limited (BPBL), former Jenson & Nicholson, had set up its paint factory in Chittagong. The shareholders were Jenson & Nicholson (J & N), Duncan Macneil & Co. Limited and Dada Group. Duncan Macneil subsequently sold their shares to the majority shareholder J & N Group. The Dada Group’s share was ultimately vested with the Government of the Peoples’ Republic of Bangladesh after the independence of the country in 1971. The name of the company was changed from J & N (Bangladesh) Limited to Berger Paints Bangladesh Limited on January 1, 1980. In August 2000, J & N Investment (Asia) Limited purchased the Government shareholding. In December 2005, the company issued 5% shares to the public and listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). With the entry of Berger Paints into the Bangladesh market, the country has been able to benefit from more than 250 years of global paint industry experience. Over the decades, Berger has evolved to become the leading paint solutions provider in this country and has diversified into every sphere of the industry— from Decorative Paints to Industrial, Marine and Powder Coatings. Berger has invested more in technology and Research & Development (R&D) than any other manufacturer in this market. It sources raw materials from some of the best known names in the world: MITSUI, MOBIL, DUPONT and BASF, to name a few. The superior quality of Berger’s products has been possible because of its advanced plants and strict quality controls equal to the best international standards. Investment in technology and plant capacity is even more evident from the establishment of Powder Coating and Emulsion plants at the Dhaka factory. The state-of-the-art Dhaka factory is an addition to Berger’s capacity, making it the paint giant in Bangladesh. With its strong distribution network, Berger has reached almost every corner of Bangladesh. The nationwide dealer network, supported by nine sales depots strategically located at Dhaka, Chittagong, Rajshahi, Khulna, Bogra, Sylhet, Comilla, Mymensingh and Barisal has enabled them to strategically cater to all parts of the country. The product range includes specialized outdoor paints to protect against adverse weather conditions, Color Bank, Superior Marine Paints, Textured Coatings, Heat Resistant Paints, Roofing Compounds, Epoxies and Powder Coatings. In each of these product categories, Berger has been the pioneer. Berger also provides customer support; connecting consumers to technology through specialized Home Decor
service; giving free technical advice on surface preparation, color consultancy, special color schemes etc. To bolster customer satisfaction, Berger launched Breathe Easy- the first odourless paint solution in Bangladesh. The company also maintained Innova Wood Coating, Power Bond adhesive and Tex Bond textile chemicals to cater to the needs of the customers. As part of the company’s endeavor for excellence and better service, Berger has expanded its operations to manufacture coil coatings through its joint venture with Becker Industrial Coatings Holding AB, Sweden named- Berger Becker Bangladesh Limited.

Apart from business, being a responsible corporate citizen, Berger Paints Bangladesh Limited has been promoting the young and creative talents of the country through Berger Young Painters’ Art Competition (BYPAC), Berger Award for Excellence in Architecture (BAEA), Berger Awards Program for Students of Architecture of BUET (BASAB), Khulna University Architecture Department-Berger (KUAD-BERGER) Award etc. Berger Paints has added another dimension to its social responsibilities by contributing to the well-being of autistic children in Bangladesh since 2009.

Vision
Berger wants to remain as the benchmark in the Paint industry by:

“To be the most preferred brand in the industry ensuring consumer delight”

Mission
Berger Paints Bangladesh Ltd expresses their mission in following manner:

“We shall increase our turnover by 100% in the next five years. We shall remain socially committed ethical Company”

Berger’s Spirit

“Our customers are our partners. Our people are our strength. Our shareholders are our foundations. We proudly bring inspiration, strength and color to communities through affiliation with our customers”

Corporate Objective

“Our aim is to add value to life, to outperform the peers in terms of longevity, customer service, revenue growth, earnings and cash generation. We will be the employer of choice for all existing and future employees”

SMART Objective

Increase 20% growth of Product X by June 2016 by introducing Y campaign and Z line extension, improving customer base to A% by focusing on new customer groups.
Strategy
“Our strategy is to build long-term partnerships with the customers/consumers. With their support, we aim to maximize the potential of our business-through a combination of enhanced quality of product, service, creative marketing, competitive pricing and cost efficiency.”

Values
Respect: Show an attitude of courtesy, admiration or esteem

Integrity: Act consistently with Berger’s mission, being honest and transparent in what we do and say and accept responsibility for our collective and individual actions

Commitment: Be sincere and steadfast to protect Berger’s interest and achieve goals

Excellence: Never be satisfied with simply meeting expectations; always try to exceed them significantly

The Company Profile

ORIGIN: United Kingdom

REGISTERED OFFICE
Berger House
House No. 8, Road No. 2, Sector No. 3
Uttara Model Town, Dhaka-1230

CORPORATE OFFICE
Berger House
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Uttara Model Town, Dhaka-1230
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E-mail: info@bergerbd.com
Web Site: www.bergerbd.com

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Fax: +880 (2) 7708091

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Phone: +880 (2) 7708450
Fax: +880 (2) 7708091

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Fax: +880 (2) 7708091

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02-9892708, 02-9897847
Fax: 02-8825770
Email: info@bergerbd.com

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27-D, FIDC Road
Kalurghat Heavy Industrial Area
Chittagong-4212
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Fax: +880 (31) 671639

CHITTAGONG SALES OFFICE
43/3, Chatteswari Road
GPO Box No. 353, Chittagong-4000
Phone: 031-618807, 615893-4
Fax: 031-620507

SYLHET SALES OFFICE
70, Antarango, Shahi Eidgah (Supply Road)
Kazitulla, Sylhet-3100
Phone: 0821-712215
Global Coverage
Berger Paints has a strong business in 46 countries in the world. In most of the countries this company is leading from the front. But this company is mostly strong in European market. In many other countries, Berger Paints is doing business under control of other independent owner named as Berger International.

Regional Groups
All global markets of Berger Paints are centrally controlled by the mother unit, Berger UK. To control the global market smoothly, nine regional groups has been created. The regional head control the regional group and he report to the mother unit. For all domestic markets, Managing
Director is assigned to each market responsible for all activities within his country market, reporting to the regional head.

Regional groups are:

- Europe
- North America
- South America
- Caribbean
- Africa
- South Asia
- East & South-East Asia
- Middle East
- Oceania

46 countries are operating their business and leading the global paint market under control of these nine regional groups.

**Organization Structure**

Like all other manufacturing organizations, BPBL has a conventional organization structure. Generally six board meeting are called in BPBL during a year where chairman of the board of Directors presided over the meeting. In BPBL several committees like the Audit committee, Risk committee, Remuneration committee, Executive committee and the Purchase committee are formed along with Managing Director (MD) and other Executive & non-Executive Directors. These committees sit at least once a month to approve various proposals brought by the management prior to implementation. All the proposals are initiated by the mid-level managers and then forwarded to the Managing Director (MD) through the head of the divisions or dements. The company has also a legal problems faced by the company and external auditors to conduct audit activities of BPBL. There are four Non-Executive Directors, two Executive Director and ten Managers work under the Managing Director (MD) of the company. Among the ten managers three directly report to the Executive directors and other report to the Managing Director. The Managers of each dement monitor the work activities of subordinates, convey top management decisions and provide necessary feedback to reach organizational goals and objectives. In response the bottom level managers perform their responsibilities sincerely and report regularly to their immediate superiors.
Figure: 3- Organ gram of Berger Paints Bangladesh Ltd (Source- Annual Report)
Most Common Products of Berger Paints Used in Bangladesh

**Interior Paints:**

1. **Robbialac Acrylic Distemper (SPD):** A specially formulated acrylic co-polymer emulsion based washable distemper for elegant, smooth, durable, matt finish for interiors.
2. **Radiance Interior:** A medium category plastic paint. Recently BPBL launch in the market.
3. **Robbialac Acrylic Plastic Emulsion (APE):** One kind of standard emulsion paint formulated with acrylic.
4. **Luxury Silk:** A marvel of international emulsion technology. Luxury Silk combines the best of aesthetic appeal with the best of functional properties like.
5. **Easy Clean:** one kind of high quality interior paint, which can clean dust and spot very easily. It is an expensive but very high quality full paint.
6. **Breathe Easy:** It is the latest product introduced by BPBL. It has low volatile organic compound which confirms the product is environment friendly. The product is also stain free.

**Exterior Paints:**

1. **Durocem Cement Coating:** Durocem is an exceptional formulation based on selected raw materials and specially treated white cement that makes it ideal for both indoor and outdoor applications.
2. **Radiance Exterior:** One type of water based medium category exterior wall finish.
3. **Weather Coat Smooth:** Weather coat is smooth water based super exterior wall finish formulated to give exceptional durability in adverse climatic conditions.
4. **Tartaruga Textured Coating:** This is one of the most famous BERGER formulations in the world. The product is paste like having special aggregate to facilitate drawing desired textured patterns on the surface.
5. **Weather Coat long life:** The highest quality water based exterior wall finish with 7 years warranty.

**Others Products:**

1. **Illusion:** Berger illusions is not just a paint it’s a whole new lifestyle for your walls. A range of designer wear for walls with thousands of color options.
2. **Robbialac Super Gloss Synthetic Enamel (RSE):** Robbialac Super Gloss Synthetic Enamel is hardworking, premium quality synthetic enamel formulated to retain its gloss and film integrity in the face of extreme climatic variations.
3. **Jhilik Synthetic Enamel (JSE):** Jhilik Synthetic Enamel is economy synthetic enamel formulated for interior and exterior application to give a glossy durable surface.
4. **Robbialac Aluminium Paint**: Robbialac Aluminium Paint is a superior 2-pack aluminium paint with a brilliant silver-like luster. It is ideal for application on the exteriors of storage tanks for water, petrol, oil.

5. **Robbialac Damp Stop**: This specially formulated two-pack compound is based on selected binder system incorporated with inert pigments’ and fillers, which seals the surface by eliminating the permeability of moisture and water that actually cause dampness.

6. **Rust Blaster**: Very effective liquid which can able to clean Rust from any Metal Elements.

7. **Power Bond**: This product is basically the Glue which is use for join the wood and ceramic based product.

**Sales Department**

**Figure: 4-Orgarn gram-Sales department (Author’s Compilation)**

```
GM-Sales Trade
```

```
Regional Sales Manager/Branch Manager (Depot In charge)
```

```
Area Sales Manager
```

```
Territory Officer
```

```
Zonal Officer
```

```
Corporate Sales Team
```

The department is headed by GM-Sales Trade. I was working under Corporate Sales Team and it is managing 7 strategic depots manage sales activities all over the country.

7 depots are:

1. Dhaka,
2. Chittagong,
3. Sylhet,
4. Bogra,
5. Rajshahi,
6. Khulna
7. Comilla.

Activities of all seven strategic depots are monitored and controlled by the Sales Office situated in Corporate Office. Time to time sales review meeting with the representatives of all sales depots is conducted to evaluate the current sales position of the Company and discuss the reasons for current success or failure, determine the next action plans to strengthen current position of the Company and kinds of incentives offered to boost up sales and etc.

**Operational Network:**

In the present context of our country, probably Berger has one of the most extensive and efficient distribution networks. Berger’s two Warehouses located inside Chittagong factory and Dhaka factory complex. From there, products are supplied to Chittagong and Dhaka Sale
office. From their finished products are distributed to other five depots located at Comilla, Rajshahi, Sylhet, Bogra and Mymensingh. And at the end from both the sales offices and also from the five sales depots paints are distributed to the dealers and retailers and reaches to customers. Berger has almost 900 dealers around the country. In some occasion both sales office and depots also sell paints to the end users directly. But at recent time the practices are being discouraged due to the companies arises out of it and also to reduce the work load of those offices and depots.

**Distribution Network of Berger Paints Bangladesh Ltd**

![Distribution Network of Berger Paints Bangladesh Ltd](image)

**Figure: 6- Distribution Network of Berger Paints Bangladesh Ltd (Source- Annual Report)**

**Major Functions of Sales Department:**

- To prepare National Sales Budget detailing sales value, volume & growth and translates it into monthly and half-yearly budget.
- To express the national sales budget in terms of Sales Area, Zone, Product & Color Shade.
- To develop sales strategies to achieve sales budget.
- To respond to complaints of customers efficiently and take necessary action(s) for arriving a favorable solution to the problem.
- To maintain relationship with existing dealers of the company and develop new dealers.
- To suggest marketing department to introduce incentive programs to enhance sales volume.
- To scan current market condition including competitors’ current and probable future action pattern, customers’ preference, dealers’ business situation and etc.
- To monitor sales position of the company and initiate necessary actions if any deviation exists.
- To arrange sales review meeting timely basis.
- To ensure smooth distribution of paints.
- To train the sales personnel to handle customers efficiently.
Major Competitors of Berger Paints Bangladesh Limited

Berger Paints Bangladesh LTD operates its business in a competitive environment with both local and multi-national organizations. At present the company holds more than 56% market share whereas the rest of 44% market share holds by the other multi-national and local companies. It’s clearly indicated that Berger paints Bangladesh Ltd is in the leading position among all other competitors in the paints industry. The majors participant of the paint industries are; Asian Paints, Elite Paints, Romana Paints, Roxy Paints, Aqua Paints, Pailac Paints, Al-karim Paints, Uzalla Paints, RAK paints, etc. Among this company only Asian Paints is multinational and others are all local producers. Asian Paints started its operation in Bangladesh very recently. Already it diversifies its business with huge ranges of color and product varities. But still Berger paints Bangladesh Ltd holds its top position with strong distribution networks, technological enforcement, effective and efficient management team and human resource.

SWOT analysis of Berger paints Bangladesh Ltd

Strengths:
- It is the pioneer in this industry and therefore enjoys first mover advantages.
- At the moment they are the market leader with a huge number of most demanding products among all paint companies in Bangladesh
- Strong brand name established from long time
- Berger has very high skilled, energetic, hardworking and motivated human resources.
- Berger believes and practices participative management
- Berger maintains its standards with continuous on the job and off the job training
- Berger maintains strong relation with the dealers by offering various offers and discounts to the dealers.
- Favorable access to distribution networks
- Berger is a very strong client base organization among the other paint companies; most of which are the giant local and multinational organization
- Internal smartphone app for the sales officers to maintain a smooth communication with the dealers.
- Recently Berger launches a smartphone based app, Berger- Color of Happiness, for the end users.

Weakness
- High cost for importing raw materials
- Less promotional offers for the end users
- Cost sensitive customers may switch to other brands

Opportunities
- With growth in our corporate sector, the demand for painting is also growing and consequently, the paint industry.
• By introducing new products such as floor painting, illusion design & automobile paints
  Berger is expanding its market more
• Arrival of new technologies
• Increasing product line.
• Moving into new market segments that offer improved profits

Threats

• There is a clear trend of increasing competition in the paint market with the entry of more
  paint companies both local and Multi-National companies
• Starting a Paint Organization is lot more easier by imitating other paint companies
• The competitors may have new, innovative product or service in a lower price than
  Berger.
• Competitors have superior access to the price
Chapter 4

Industry Analysis
Industry Analysis

Business
The core business of Berger Paints Bangladesh Limited (BPBL) is manufacturing and marketing of paints, varnishes and coatings. The company has been involved in the business in this part of the world since 1950, when paints were first imported from Berger UK and subsequently from Berger Pakistan. In 1970, the company set its paint factory in Chittagong. The company was renamed from Jenson & Nicholson (Bangladesh) Limited to Berger Paints Bangladesh Limited in 1980. The company offloaded 5% shares to the public and listed with the Dhaka Stock Exchange in December 2005.

Industry
Berger Paints Bangladesh Limited is by far the largest player in the country’s paint industry. The paint industry in Bangladesh is estimated to be around BDT 8 billion. In terms of sales volume, Berger controls more than 56% of the market share with BDT around 10 million net sales. Asian Paints, RAK paints, Roxy Paints, Pailac and Elite Paints are some main competitors of Berger Paints in the local market. The domestic demand for decorative paints is entirely met by the local companies. However, in terms of quality, the domestic manufacturers are far behind the international brands such as Berger and Asian Paints.

The industry in Bangladesh has three distinct segments—1) Decorative; 2) Industrial; 3) Marine. Among these, decorative paints segment make up almost 84% of total sales, followed by marine paints (about 12%). Most of the companies focuses on decorative paints segments. Almost half of the decorative paints segment is occupied by enamel paints.

The July-September period is historically the “off season” for the industry because of weather conditions. Incidentally, that is the third quarter for Berger in their accounting period.

Distribution network
Berger commands a strong distribution network which includes a nationwide dealer network of seven sales depots in Dhaka, Chittagong, Rajshahi, Khulna, Bogra, Sylhet and Comilla. These strategically placed depots cater to the nationwide dealer network to reach all parts of the country. The direct and secondary dealers supply the products to the retailers. The dealers and retailers are entitled to 10-15% of the retail price as commission among themselves. Because of the superior quality compared to the locally manufactured ones, Berger’s products is traded at slightly higher prices, which, consequently, translates into higher commission for dealers and retailers. This makes Berger as a favorite among the retailers.

Products and services
Berger has evolved to the leading paint solutions provider in the country over the decades. Berger has diversified from decorative paints to industrial, marine and powder coating. Berger also provides customer support connecting consumers to technology through specialized Home Decor service. Berger launched “Illusion” – the first designer paint solution in the country. Jenson & Nicholson (Bangladesh) Limited, the 100% owned subsidiary of Berger, is engaged in producing tin container for paints. 95% of these containers are supplied to Berger.
Market Share Analysis

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Berger Paints</td>
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</tr>
<tr>
<td>Roxy Paints</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Pailac Paints</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Elite Paints</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Berger Official Document

In 2015 interior paints for Berger gets the major market share i.e. 60%. Second largest market share holder is Asian Paints, gets 16%, Roxy Paints gets 7%, Elite Paints gets 6%, RAK Paints gets 6%, and Pailac Paints gets 5% accordingly.

From the above table and chart we can analyze that Berger has been holding their top position in the paint industries for long time. We can see the major competitors of Berger Paints are trying to capture the market of paints, but if we analyze the market share from 2014-2015 we can conclude that other competitors are far behind. Market share of Asian Paints is rising every year compare to other competitors, for their offerings of more discount and providing more extra benefits such as commission, gifts and party to dealers. Before they used to give more emphasis on advertisements but now they are maintaining good relation with the dealers in order to achieve more customers.
Chapter 4

Sales Analysis
Sales Analysis

Performance of Sales of Berger Paints Bangladesh Limited

Berger believes maintaining a high level of self-motivation towards the sales staff, enhance the existing talent by giving additional skills training and work around the traits which cannot be changed, atmosphere of respect, trust and common vision within the team should be maintained and also facilitate the sales people with incentives along with basic salary and develop compensation packages to keep up their motivation in order to move towards the company’s vision and goal.

1. Berger vs. Maslow’s Hierarchy of Needs Theory

Physiological Needs: Berger puts a trust on their employees, and they are paid well in order to meet their basic needs.

Safety Needs: The employees of Berger have no complain against security needs. They are offered well insurance benefits and retirement plans.

Social Needs: The management and environment of Berger is very friendly to work with and the employees are assisted with various recreational activities and programs in order to meet social needs.

Ego Needs: All the employees in the sales department are given a fixed target and can achieve recognition awards based on their sales status.

Self-actualization Needs: A one day in-house training program, “A rule of thumb to set your objectives” had been successfully organized in the beginning of 2015. The training and development program was about, what are the goals and how they are achieved in the coming year.

2. Berger vs. McGregor’s Theory X and Theory Y

The management of Berger believes in McGregor’s Theory X and Theory Y. The managers follows Theory Y that means they are more empowering and trust the potentials of each employee. So, the management structured the organization policies so that each employee can achieve their personal goals while pursuing the goals of the organization.
3. **Berger vs. Expectation Theory:**

Berger’s management believes in expectation theory, which models the motivation process; the expectations, capability and the awards based on the development.

**Figure: 7- Berger End Year Appraisal, 2015**

Source: Berger Internal office side-banner (2015)

Berger’s end-year appraisal has been set to increase the employees’ motivation in order to increase the sales. The official deadline for the program is November 30, for this year. The program gives the employees to know about their current objectives annually, and according to the Berger’s values they have to complete their responsibilities. Hence, they will be rewarded after the performance evaluation and furthermore if needed development program will also be suggested to the employees.
Sales Promotion based on Dealer’s Credibility

Berger offers different types of incentives for consumers and dealers of the paint market. Trade promotion occurs more frequently than consumer promotion. Because, success in this market highly depends on the dealers involved channeling the paints from producers to consumers. Traders are highly influential in the market because of long purchase cycle time (app. 3 years) of paints, technical aspects of the paints & etc. Shop boys are also included. Moreover, painters, end user of paint, play important roles in purchase decision of the paint. So, Berger offers incentive to create a favorable attitude towards the paints of Berger. Incentives offered to different groups that have impact on paint purchase decision by Berger to stimulate sales, are discussed below:

- With a view to boost up sales various gift items are offered to consumers for Buying Berger paints. Sometimes, gifts are offered for buying more volume.
- In the decorative business category paints are offered to the dealers at a discount for all the products.
- Dealers of all over the country except Dhaka & Chittagong are entitled to enjoy 30 days credit facility provided that these dealers are registered. Dealers of these two areas enjoy the credit facility of 37 days for all products of the Co.
- For creating a loyal, motivated dealer group Berger arranges a promotional scheme to visit an exclusive location. And the total program is sponsored by Berger paints. For selling more Berger products a turnover incentive is offered to them.
- If dealers buy more than a specified volume in one invoice they are rewarded with exemption of certain percentage on total monetary value of invoice.
- Each registered dealers of Berger has to achieve a yearly sales target set by Berger to enjoy TOC (Turnover Commission), based on a percentage of total yearly sales.
- Berger facilitates the dealers with a signboard displaying the identity of the outlet.
- To create a shop boys’ favorable attitude towards Berger products, cash incentives are offered to them.

A recent promotional scheme called, “Ageeyea Jabar Scheme” has been offered to around 1700 dealers who have brought continuously high sales growth to Berger Paints Bangladesh Limited. The scheme offers the dealers to visit USA, Malaysia, Thailand, Bhutan, or Cox’s Bazar after fulfilling the sales growth target accordingly.
Sales Performance Analysis of Berger:

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume Growth</th>
<th>Value Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>11%</td>
<td>18%</td>
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<td>16%</td>
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<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>2015</td>
<td>48%</td>
<td>39%</td>
</tr>
</tbody>
</table>

**Chart: 3- Sales Performance Analysis (Source- Internal Documents)**

**Volume Growth:** From the above table and graph, we can interpret that from 2012 to 2015 the volume of products sold is increasing, which means the demand for products have been increasing.

**Value Growth:** There has been a slight decrease from 2012 to 2013. The decrease in value because of the Asian Paint & Elite Paint influenced customers and dealers by offering the products at a more discount rate than Berger. But again from 2014 to onwards, Berger’s sales increases due to their high quality products and different promotional schemes offered to the dealers. In a nutshell the sales of Berger Paints is directly proportional to the motivation of dealers and the sales force.
Chapter 5

Recommendations & Conclusion
Recommendations

Berger paints is a company, which has so far shown good performance and holds the strongest position in the Painting market. It has a management wise enough to think of and implement an array of financial services through diversification program. It has good quality mid and bottom level management which gives more time for top management to think and plan for new things. It is possible to create better future in the paint if Berger paints take action for producing more qualitative product which is better than other multi-national company. Now a day’s most of the business sector is becoming service oriented. Berger Paint has a well-established product in the market and is enjoying a high market share. In such a scenario, Berger can now fully concentrate on providing a better service to customer to improve satisfaction level, create new customers, and retain existing customers. The main reason of Berger paint usage is their service support and personal interaction. Dealers are a major party to influence customers to purchase Berger products. If they are satisfied, then customers will be satisfied. Berger have recently launched a smartphone app for the customers which will help them to select colors for their room. They can also take further steps in selling the paints through online website or the app.

Berger Paints Bangladesh Ltd. has been efficiently managing their employee and achieving employee satisfaction by providing a good working environment, motivation and hence driving them to work for attaining the company goals. Since, most of the employees in Berger have pre-experience of working in this country, we believe that what these employees would always compare between their past work place and the current one. The most important thing is that, the company should be concerned that the employees feel the respect in their current workplace which would highly distinguish their current job from their past ones. Berger Paints of Bangladesh can attain their goals only because of their dealers and the employees. The benefits and the offerings provided by Berger must be increased in every year as their mission is to increase the sales by 100% in 5 years.

The products of Berger have been well established and well known in the market among other paint companies. One of the product, Berger Breathe Easy should conduct more promotional activities such as “consumer promotion”, advertisement, billboards, Public awareness of health concern etc. If Berger takes more initiative in conducting promotion more people will understand the benefit of using environmental friendly and health protectiveness of the paint and thus may increase the sales of it. Berger should promote the fact more that they think green is socially responsible for keeping the environment safe and that they care.
Conclusion

Berger Paints began its operation in Bangladesh since independence and now it is the market leader of Bangladeshi paint industry. Current market share of Berger is all most 60%. Different researches show that customer demand and the brand image are the most important assets of Berger for being the market leader of Bangladesh.

This report is an attempt to make a clear picture of Berger Paints Bangladesh Ltd. The paints market is very much competitive although Berger paints holds the major market share. It is true that Berger paints is very prominent in the market because of its high quality products, competitive price rate, proper marketing strategies activities, etc. The first choice of consumers is Berger because they can rely on it and its long lasting capabilities. Again brand image is another important attribute for choosing the paint. Brand image and the quality products of Berger create a huge market demand so that dealers are pulled to keep Berger products. Now they are focusing on trade promotion rather advertisement. And this will affect to the consumer purchase decision. Because we know that brand image is directly related with promotional activities. This short term activities of trade promotion have long term effect to the customers mind. So to be the market leader of Bangladeshi paint industry it is very much important to select proper and organized communication mix for remain its brand image and increase customer demand. The company has strong distribution network all over the country. It has more than 1000 direct dealers. In addition, numerous secondary dealers operating in the outskirts of the major markets are engaged in selling the products of the company. Berger has been trying to increase its brand image further through more media presence, arranging programs like Berger Young Painters Art competition, Regional Programs for Dealers and their Families, Green Project: Implementation of Environmental Management System, Sponsor at International Seminar arranged by ARCASIA, co-organizer of Alpona Baishakh, etc. It is constantly working to improve its products quality through comparative study and customer feedback in order to maintain competitive edge. Berger Paints can reach their actual goal in less time because of their employees, who are constantly working to maintain the company’s brand image through continuous sales. On the other hand Berger always look after their employees, they are rewarded based on their personal development and the targets fulfilled.
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Other Printed Documents of Berger Paints

Annual Report 2012-2014
Sales Report 2015 (January- October)
Berger brochures & Internal Notices
Berger Employee Mails
Appendices

Appendix 1A

Table-1 Develop High-performance Source: Pendharkar & Vijai K.

<table>
<thead>
<tr>
<th>SALES TASKS</th>
<th>FUNCTIONS TO BE PERFORMED</th>
<th>PERFORMANCE INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales planning, forecasting and budgeting</td>
<td>Predicting demand for the product and sales assets, availability of sales assets and additional opportunities of sales, react quickly when the demand decreases; it improves efficiency and decreases unfocused and uncoordinated activities within the sales process, consumer’s taste, competitive conditions, industry trends, strategies needed to obtain projected sales revenues</td>
<td>Volume of sales in currency, Knowledge of business</td>
</tr>
<tr>
<td>Sales associate development</td>
<td>It includes sales goals and sales tracking, encouraging the sales process along with end results, task carried out by each sales representative should be studied, and outbound phone sales done, tracking the sales activity.</td>
<td>Amount of time spent in office, Number of calls made on existing account.</td>
</tr>
<tr>
<td>Designing the sales territory</td>
<td>Whether the sales representative has the opportunity of reaching potential customers in that territory over a given period of time, structured routing system used by the sales person for contacting customers in that territory in with minimum selling time and cost.</td>
<td>Number of new accounts opened Planning and routing of calls</td>
</tr>
<tr>
<td>Training the sales force</td>
<td>Sales force should regularly receive information regarding selling skills and knowledge of: customers, product/services, company, industries and competitors and plans to be implemented in future.</td>
<td>Completeness and accuracy of sales order, Knowledge of business, Accuracy in quoting prices and deliveries, Sales persons presentation, Number of new accounts opened.</td>
</tr>
<tr>
<td>Motivating and leading sales force</td>
<td>Maintaining a high level of self-motivation in the sales staff, enhance the existing talent by giving additional skills training and work around the traits which cannot be changed, atmosphere of respect, trust and common vision within the team should be maintained in order to move towards the company’s vision and goal.</td>
<td>Number of new accounts opened, Number of sales made on existing accounts</td>
</tr>
<tr>
<td>Compensating the sales force</td>
<td>Facilitate the sales people with incentives along with basic salary and develop</td>
<td>Completeness and accuracy of sales orders, Productivity of the company</td>
</tr>
</tbody>
</table>
compensation packages to keep up their motivation.

| Evaluating sales force performance | Customer’s relations, adherence to expense guidelines, job skills and company relations, criterion and expectation should be discussed with each sales person and incentive packages should be attached to each criterion. | Promptness in submitting reports. Expenses made in entertaining customers Completeness and accuracy of sales order Extent to which sales representative sells company |
| Sales report | Whether or not sales process is being operated effectively and achieves the goal as set forth in sales planning and to take corrective actions, allows senior management to evaluate sales manager, satisfy the need of different stakeholders. | Volume of sales in currency Punctuality in submitting report. |

Source: Pendharkar & Vijai K. Pandey, 2011

**Appendix 1B**

*Table 2: Maslow’s Hierarchy of Needs*

<table>
<thead>
<tr>
<th>Motivators</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physiological Needs</td>
<td>Food, Sleep, clothing, water, shelter and sex</td>
</tr>
<tr>
<td>Safety Needs</td>
<td>Security from danger, threat and deprivation</td>
</tr>
<tr>
<td>Social Needs</td>
<td>Love, acceptance, kinship and belonging</td>
</tr>
<tr>
<td>Ego Needs</td>
<td>Recognition, achievement and status</td>
</tr>
<tr>
<td>Self-actualization Needs</td>
<td>Fulfill one’s potential</td>
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</tbody>
</table>

Appendix 1C

Table 3-Relative Benefits (Zoltners, et. al 2001)

<table>
<thead>
<tr>
<th>Motivators</th>
<th>Related Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physiological Needs</td>
<td>Wages</td>
</tr>
<tr>
<td>Safety Needs</td>
<td>Insurance Benefits, Retirement Plans</td>
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<tr>
<td>Social Needs</td>
<td>Work/Life programs, Employee Assistance plans</td>
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<tr>
<td>Ego Needs</td>
<td>Recognition Awards</td>
</tr>
<tr>
<td>Self-actualization Needs</td>
<td>Training &amp; Development, health promotion, work/life balance, job satisfaction</td>
</tr>
</tbody>
</table>

Source: (Zoltners, et. al 2001)

Appendix 1D

Figure 1- Expectancy Theory Performance Model

Source: (Becker, et. al., 1998)
Appendix 2

Figure: 2- Research Framework (Author’s Compilation)
Figure 3: Organ gram of Berger Paints Bangladesh Ltd (Source: Annual Report)
Appendix 3B

Figure: 4-Orgam gram-Sales department

Source: Author’s Compilation
Appendix 4A

Figure: 5-7 Strategic depots under Corporate Sales Team (Author’s Compilation)

Appendix 4B

Figure: 6- Distribution Network of Berger Paints Bangladesh Ltd (Source: Annual Report)
Appendix 5A

Market Share Analysis
Table 4-Comparison of Market share with competitors

<table>
<thead>
<tr>
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</tr>
<tr>
<td>Elite Paints</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Berger Official Document

Appendix 5B

Chart: 1 (Market Share-2015)

Source: Author’s Compilation
Appendix 6

Figure: 7- Berger End Year Appraisal, 2015

Performance Expectations
Job Responsibilities
Annual Objectives
Behavioral Expectations
Berger Values/Behaviors
Performance Review and Evaluation
Year-end review and evaluation
Reward
Base Salary Variable (Short-term Incentives)
Development
Personal Development Career Development

Source: Berger Internal office side-banner (2015)
Appendix 7A

Table: 5-Sales Performance Analysis of Berger (2012-2015)

<table>
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<tr>
<th>Year</th>
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</tr>
<tr>
<td>2015</td>
<td>48%</td>
<td>39%</td>
</tr>
</tbody>
</table>

Source: Internal Documents

Appendix 7B

Chart: 3- Sales Performance Analysis (2012-2015)

Source: Author’s Compilation