An analysis of Retail Merchandising activities of Unilever Bangladesh Limited

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Submission Date: 21st December, 2016
Letter of Transmittal

MR. SAIF HOSSAIN  
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Subject: Submission of internship report  

Dear Sir,  

I would like to take this opportunity to thank you for the guidance and support you have provided me during the course of this report.  

This report is a summary and analysis of my internship experience in Unilever Bangladesh Limited, Gulshan Branch. The topic of this report is “An analysis of Retail Merchandising activities of Unilever Bangladesh Limited”. To carry out the report, I have acquired various papers/documents, periodicals etc. from my line manager as well as from internet. I have practically worked and observed their working pattern, management and other company activities, in order to earn experience about the corporate environment. On the basis of these secondary data and practical observation, I have prepared the report later.  

I request you to excuse me for any mistake that may occur in the report despite of my best efforts. I would really appreciate it you enlighten me with your thoughts and views regarding the report. Also, if you wish to enquire about an aspect of my report, I would gladly answer your queries.  

Thanking You  
Sincerely Yours  

(Rifat Shahrukh)  
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Acknowledgement

Firstly, I would like to show my utmost gratefulness to the Almighty for giving me this opportunity and at the same time, I want to express my utmost gratitude to my academic supervisor Mr. Saif Hossain for supervising and guiding me to present this report. He has counseled me in every step of the report, without his supervision this report would have been a total failure.

Moreover, I am exceedingly thankful to my line manager of merchandising department at Unilever Bangladesh Ltd., Mr. Bayejidul Haque, who has assisted me in every day to day activities that brought out my inner potentiality. He has provided me with all the necessary information and documents that was required to prepare a rigorous report.

Furthermore, I am also overwhelmed by my fellow colleagues at Unilever Bangladesh Limited who has supported me in thick and thin, made me feel at home and communicated practical advice which helped me carry on my duty as an intern.

Lastly, I want to thank my family and friends, especially my father has always encouraged me to draw out the best in me.
Executive Summary

Unilever is one of the oldest companies in the world. The British-Dutch based company is renowned for producing fast moving consumer good (FMCG). It is the third largest consumer goods company around the world. Unilever posses over 400 brands and conducts its business in around 190 countries in the world. Unilever Bangladesh Ltd., a subsidiary of the Unilever in Bangladesh, has started its journey in Bangladesh in 1964 and since then it has been growing by delivering world class quality products to the people of Bangladesh. Over the years, it has become one of the leading multinational companies in our country. Unilever's products are daily used by more than 90% households in our country.

The Merchandising department of UBL, which is a core part of Customer Development Department(Customer Development), is responsible for branding and popularizing Unilever's products. The department has been involved in creatively visualizing the products, especially the new ones, to the consumers to market these. I have been one of the few lucky interns to work closely with this department and perceive the marketing practice of Unilever Bangladesh Ltd. which helps the brand to outshine its competitors.

I have taken a researchable approach to prepare this report. I have apportioned this report into five major chapters. Firstly, I have discussed about merchandising and how it is an indispensable element for the growth of a company, origin of the report and limitation of the study. Secondly, I have summarized the background and origin of the company to help the readers to get a glimpse of the company and its products. In the next chapter I have focused on the Unilever Bangladesh Limited's (UBL) merchandising department as a whole. It emphasis on the planning and execution of the merchandising activities, its limitations and how it is beneficiary both the company and the consumers. The next chapter discusses and analyzes their activities and evaluates the objectives. It this chapter, I have disclosed my findings and related those to my objectives. Lastly, the fifth chapter illuminates my recommendations.
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Chapter - 1: Introduction

Merchandising is one of the foremost elements in a business to ensure sales. There is no point producing a product if your consumers do not know about it. The best product in the world would still fail in front of the competitors if you fail to generate revenues if you are unsuccessful at demonstrating the usage or benefits of the product, or more precisely, unsuccessful at attracting your customers. This is where merchandising comes into play. In a nutshell, merchandising is the creative presentations of products in retail stores to attract potential customers and retain consumers. In this report, I would reflect on the benefits of merchandising and evaluate how Unilever Bangladesh Limited's merchandising activities help the company grow and retain their position in the market.

1.1. Origin of the Report

I have prepared this report to fulfill the requirements of my Internship program at BRAC Business School, BRAC University. I have been working in the Customer Development Department at Unilever Bangladesh Limited for 3 months as an intern. I have encountered practical business problems and learned how an organization manages these obstacles during my internship. I have worked under Mr. Bayejidul Haque, Merchandising Manager, Unilever Bangladesh Limited, and Mr. Saif Hossain, Senior Lecturer, BRAC Business School, Brac University, has been assigned as my internship supervisor at BRAC Business School, BRAC University.

1.2 Objective of the Report

The main objective of this report is to analyze the merchandising activities of Unilever Bangladesh Limited.

Specific objectives of the study are as follows:

- To observe the planning of merchandising activities of Unilever Bangladesh LTD.
- To detect the problems faced while implementing merchandising planning of Unilever Bangladesh LTD.
• To discern the monitoring system of the implemented merchandising planning of Unilever Bangladesh LTD.
• To observe how the merchandising activities of Unilever Bangladesh LTD. is helping the local company to grow

1.3 Scope of Study

This report will help the readers to get a glimpse of the company overview of Unilever Bangladesh Limited, understand the significance of merchandising in business, how Unilever Bangladesh Limited is conducting its merchandising activities and how it is effecting the company and the industry in the country as a whole.
The report does not contain any confidential or controversial internal informational of the organization.

1.4 Methodology

• **Primary:** I have acquired primary data through the following method:
  
  **Interview:** I have interviewed my line manager Mr. Bayejidul Haque, agencies, 3P agencies, competitors, retailers, Unilever employees and other interns to observe the planning, implementation and monitoring system of merchandising activities of Unilever Bangladesh Limited.
  
  **Market Visit:** I have visited several markets to gather information discern the monitoring system and drawbacks of merchandising activities of Unilever Bangladesh Limited and identify Unilever Bangladesh Limited's core strategies that helps the local merchandising activities.
  
  **Observation:** I have acquired many information through direct observation and my day to day activities to analyze the impact of Unileve Bangladesh Limited's merchandising projects on the local companies, retailers and third party agencies.

• **Secondary:** I have acquired secondary data from Unilever's official websites, internet articles and previous internship reports.
1.5 Limitations

I have faced difficulties while acquiring the information and mentioning those in the report. The confidentiality rules and regulation of the company restricted me from adding some key information in this report.
Chapter - 2: Company Overview

If you ask an average person from Bangladesh about the soaps he/she uses, he/she is most likely to answer, "Lux", or the detergent they use to wash their clothes, they answer is most likely to be, "Surf Excel", or the shampoo they use, the reply is most likely to be, "Sunsilk" that is the impact Unilever Bangladesh Limited (UBL) has in our country. Unilever Bangladesh Limited is the market leader of 7 out of the 8 sectors they have engaged in, making them one of the most successful Multi-National Companies in the country.

2.1 Unilever Global:

Unilever is an Anglo-Dutch company, with a history of colonial exploitation, on which it has gradually built its capital. Today it owns more than 400 of the world's consumer product brands in food, beverages, cleaning agents and personal care products. Unilever employs more than 174,000 people and had worldwide revenue of €49.800 billion in 2013. Unilever has two parent companies: Unilever NV in Rotterdam, Netherlands, and Unilever PLC in London, United Kingdom. Both Unilever companies have the same directors and effectively operate as a single business. The current non-executive Chairman of Unilever N.V. and PLC is Michael Treschow (May 2007) while Paul Polman (January 2009) is Chief Executive Officer. The net income in 2014 was €5.515 billion and the total number of employees in 2015 is 172,000. Unilever's major competitors include Nestlé and Procter & Gamble.

2.2 History of Unilever:

William Hesketh Lever founded Lever Brothers in 1885. Lever established soap factories around the world. In 1917, he began to diversify into foods, acquiring fish, ice cream and canned foods businesses. In the Thirties, Unilever introduced improved technology to the business. The business grew and new ventures were launched in Latin America. The entrepreneurial spirit of the founders and their caring approach to their employees and their communities remain at the heart of Unilever's business today. Unilever was formed in 1930 when the Dutch margarine company Margarine Unie merged with British soap maker Lever Brothers. Companies were competing for the same raw
materials, both were involved in large-scale marketing of household products and both used similar distribution channels. Between them, they had operations in over 40 countries. Margarine Unilever grew through mergers with other margarine companies in the 1920s.

In a history that now crosses three centuries, Unilever’s success has been influenced by the major events of the day – economic boom, depression, world wars, changing consumer lifestyles and advances in technology. And throughout they’ve created products that help people get more out of life – cutting the time spent on household chores, improving nutrition, enabling people to enjoy food and take care of their homes, their clothes and themselves. Through this timeline you’ll see how UBL brand portfolio has evolved. At the beginning of the 21st century, path to Growth strategy focused us on global high-potential brands and Vitality mission is taking us into a new phase of development. More than ever, how brands are helping people ‘feel good, look good and get more out of life’ – a sentiment close to Lord Lever Hulme’s heart over a hundred years ago.

2.3 UNILEVER BANGLADESH LIMITED

2.3.1 The history

Unilever Bangladesh Ltd is one of the world’s most successful fast moving consumer goods manufacturing companies with local manufacturing facilities, reporting to regional business groups for innovation and business results.

Lever Brothers Bangladesh Ltd. as a subsidiary of Unilever is leading the home care, personal care and food product market of Bangladesh. On 25th February 1964 the eastern plant of Lever Brothers Pakistan Ltd. was inaugurated at Kalurghat, Chittagong with a soap production capacity of approximately 485 metric tons. It was a private limited company with 55% share held by Unilever and the rest by the Government of Pakistan. After independence the eastern plant was declared abandoned. But on 5th July 1973 it was registered under the name of Lever Brothers Bangladesh Ltd. as a joint venture company of Unilever PLC and the Govt. of Bangladesh with a share arrangement of 60.75% to Unilever and 39.25% to the Bangladesh Govt.
2.4 UNILEVER BANGLADESH LIMITED AT A GLANCE

**Type of business:** Fast Moving Consumer Goods Company with local manufacturing facilities, reporting to regional business groups for innovation and business results.

**Operations:** Home and Personal Care, Foods.

**Constitution:** Unilever - 60.75% shares, Government of Bangladesh - 39.25%

**Product Categories:** Household Care, Fabric Cleaning, Skin Cleansing, Skin Care, Oral Care, Hair Care, Personal Grooming, Tea based Beverages.

**Brands:** Wheel, Lux, Lifebuoy, Fair & Lovely, Pond's, Close Up, Sunsilk, Taaza, Pepsodent, Clear, Vim, Surf Excel, Rexona, Dove, Vaseline, TRESemme, Knorr.

**Manufacturing Facilities:** The Company has a Soap Manufacturing factory and a Personal Products Factory located in Chittagong. Besides these, there is a tea packaging operation in Chittagong and three manufacturing units in Dhaka, which are owned and run by third parties exclusively dedicated to Unilever Bangladesh.

**Employees:** Unilever Operations in Bangladesh provide employment to over 10,000 people directly and through its dedicated suppliers, distributors and service providers. 99.5% of UBL employees are locals and they have equal number of Bangladeshis working abroad in other Unilever companies as they expatriates.

The employees are recognized there by staying connected and growing while the company is growing at the same time.

2.5 MISSION

Unilever's mission is to add Vitality to life; to meet everyday needs for nutrition; hygiene and personal care with brands that help people feel good, look good and get more out of life.

Unilever recognizes growing consumer needs for:

- a healthy lifestyle,
- more variety, quality, taste and enjoyment,
- time, as an increasingly precious commodity,
- helping people to feel good, look good and get more out of life will enable us to meet these needs and expand our business.

2.6 CORPORATE VISION

To help people to look good, feel good and get more out of life – which shows how clearly the business understands the 21st century-consumers and their lives; though the spirit of this mission forms a thread that runs throughout the history of the company.

- Sustainable Living: One of the key aspects of UBL’s vision is to make sustainable living a commonplace. They are developing new business practices that grow both the company and the communities. They are meeting people’s ever-increasing desire for more sustainable products and creating a brighter future for everyone. The Unilever Sustainable Living Plan will help the company to double the size of the business while reducing the environmental footprint and increasing the positive social impact. And the company is working in partnerships where they can help change things on a global scale: deforestation and climate change; water, sanitation and hygiene; and sustainable agriculture and smallholder farmers.

2.7 UNILEVER BRANDS AND PRODUCT OFFERINGS:

Unilever has a portfolio of about 400 brands globally. Worldwide, the products can be categorized into four sectors:

1) Food and Drink,
2) Home Care,
3) Personal Care,
4) Water Purifier.
However, many of these are local that can only be found in certain countries, e.g. Fair & Lovely. In Bangladesh the number of UBL’s existing brands is 22, which are categorized in different sections.

<table>
<thead>
<tr>
<th>Category</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fabric Wash</td>
<td>➢ Wheel Laundry Soap</td>
</tr>
<tr>
<td></td>
<td>➢ Wheel Washing Powder</td>
</tr>
<tr>
<td></td>
<td>➢ Wheel Power White</td>
</tr>
<tr>
<td></td>
<td>➢ Surf Excel</td>
</tr>
<tr>
<td>Household Care</td>
<td>➢ Vim Powder</td>
</tr>
<tr>
<td></td>
<td>➢ Vim Bar</td>
</tr>
<tr>
<td></td>
<td>➢ Vim Liquid</td>
</tr>
<tr>
<td>Personal Care</td>
<td>➢ International Lux</td>
</tr>
<tr>
<td></td>
<td>➢ Lifebuoy Total</td>
</tr>
<tr>
<td></td>
<td>➢ Dove bar</td>
</tr>
<tr>
<td></td>
<td>➢ Lifebuoy Liquid soap</td>
</tr>
<tr>
<td>Water Purifier</td>
<td>➢ Pureit</td>
</tr>
<tr>
<td>Skin Care</td>
<td></td>
</tr>
</tbody>
</table>
|                                                                        | ➢ Fair & Lovely Multivitamins
|                                                                        | ➢ Fair & Lovely Body Fairness Milk
|                                                                        | ➢ Fair & Lovely Ayurvedic
|                                                                        | ➢ Fair & Lovely Menz Active
|                                                                        | ➢ Pond’s Age Miracle range
|                                                                        | ➢ Pond’s Daily Face Wash range
|                                                                        | ➢ Pond’s Cold Cream
|                                                                        | ➢ Pond’s Perfect result Cream
|                                                                        | ➢ Ponds Dream Flower Talc
|                                                                        | ➢ Pond’s flawless white range
|                                                                        | ➢ Pond’s White Beauty Range
|                                                                        | ➢ Pond’s Body Lotion
|                                                                        | ➢ Lakme skin care products
|                                                                        | ➢ Dove skin care products
|                                                                        | ➢ Vaseline skin care products

| Hair Care                                                                 | |
|                                                                        | ➢ Sun Silk Shampoo
|                                                                        | ➢ All Clear Shampoo
|                                                                        | ➢ Lifebuoy Shampoo
|                                                                        | ➢ Dove shampoo
|                                                                        | ➢ All Clear Hair Oil
|                                                                        | ➢ TRESEmme Shampoo

| Oral Care                                                                | |
|                                                                        | ➢ Close-up Toothpaste
|                                                                        | ➢ Pepsodent Toothpaste
|                                                                        | ➢ Pepsodent Toothpowder
|                                                                        | ➢ Pepsodent Tooth brush

| Deodorant                                                                | |
|                                                                        | ➢ Rexona
|                                                                        | ➢ Axe

| Foods                                                                    | |
|                                                                        | ➢ Lipton Taaza Danadar and Strong, Knorr Noodles and Knorr Soup.

Source: [https://www.unilever.com.bd/](https://www.unilever.com.bd/)
2.8 STRATEGIES FOLLOWED BY THE COMPANY

2.8.1 Functional Level Strategies:

Unilever Bangladesh Ltd follows different functional level strategies to gain competitive advantages and sustain it in the long run in the matured industries.

- The Company increases their efficiency through exploiting economies of scale and learning effects. For example, 808,720 bars of soaps, 1,023,810 packets of detergent powders, 154,430 toothpaste tubes and sachets, 329,530 bottles and sachets of shampoo, 156,910 tubes, jars, bottles and sachets of creams and lotions, and 35,000 packets of tea are produced in one day in Bangladesh by Unilever.
- They adopt flexible manufacturing technologies, upgrade the skills of employees through training and perform research and development function to design products that are easy to manufacture.
- They have higher customer responsiveness rate. They carry out extensive research to innovate new products and modify the existing products to better satisfy the consumers.
- They continuously innovate products, promotional activities, packaging and distribution. This way they can respond quickly to customer demands.

2.8.2 Business-Level Strategies:

Unilever’s strategic managers adopt different business level strategies to use the company’s resources and distinctive competencies to gain competitive advantage over its rivals. These are:

- They follow cost-leadership strategy as they have intermittent over capacity and the ability to gain economies of scale. This way they can produce cost effective products and yet be profitable.
- They also follow differentiation strategy for some products to meet the needs of the consumers in a unique way.
• They also target different market segments with different products to have broad product line. By product proliferation they reduce the threat of entry and expand the range of products they make to fill a wide variety of niches.

2.8.3 Strategy in the Global Environment:

Unilever Bangladesh Ltd. is registered under Unilever. As a part of a global company it follows some generalized strategies and principals of Unilever. However, they also modify different strategies based on the national conditions. The different strategies that they follow in the global environment are stated below:

• As a worldwide famous company and comprising internationally renowned brands gives them unique strengths that allow a company to achieve superior efficiency, quality, innovation, or customer responsiveness. The different policies and strategies Unilever follows and their experience is transferred to Unilever Bangladesh Ltd.
• They import the raw materials from the places where it is less costly, thus achieve location economy.
• They are locally responsive. They are always ready to improve and modify their products to meet the needs of the local customers.
• UBL follows a multi domestic strategy where the companies extensively customize both their product offering and marketing strategy to different national conditions.

2.8.4 Corporate strategy:

UBL carries out the following corporate level strategies:

• They involve in short term contracts and competitive bidding for the supply of raw materials.
• They have a diversified business. UBL has both related and unrelated diversification.
• They compete in nine different industries with various products from home care, personal care and even food products. They have economies of scope as most of the
products can share the same manufacturing facilities, inputs and specially the distribution channels.

2.9 ORGANIZATIONAL STRUCTURE

In terms of Unilever, they have two chairmen leading the company worldwide. They have seven top directors leading seven different departments. They have divided their worldwide business into different region and have different business groups to manage them.

Unilever Bangladesh limited falls under the Southeast Asian region. On a more micro scale, Unilever Bangladesh ltd is monitored by Hindustan lever Ltd. which oversees operation in Bangladesh, India, Pakistan and Sri Lanka. The chairman of Unilever Bangladesh Limited is known as the managing director. The management staff of the company consists of six layers, starting from junior manager (who are local managers) to manager grade 5 (who are Unilever managers). Apart from this the company also hires many non management staff as well as operatives to work in the factories.

Unilever Bangladesh Limited structured in the following manner:

Unilever Bangladesh Limited has five departments to carry out all the organizational functions. Respective director's head are head of all departments. These departments are:

1. Customer Marketing Development Department,

2. Brands & Development Department,

3. Supply Chain Department,

4. Finance Department,

5. Human Resources Department.
Chapter - 3. Understanding the Objectives

3.1. Merchandising:

What is merchandising? It is any activity in the store designed to increase visibility and movement of products from the store to the shopper’s shopping basket. These six points can demonstrate merchandising and its benefits more precisely:

- An extension of advertising & an aid to selling
- Art of displaying products
- Ensures visibility & dominance
- Enhances reach & has access to mass media
- Reminds consumer about our products
- Increases the chance of impulse buying

3.2. Merchandising Objectives:

Merchandising plays a very significant role in conceptualizing a product. The art of merchandising brings in customers' focus to the product. It constantly reminds the consumers of the product and creates a demand for the product in a customer's mind. The role of merchandising are as follows:

- **Attract Customers:** Merchandising helps to evoke customers to a company's product through creative display and presentation.
- **Distinguish a product:** Merchandising helps differentiate a company's product from its customers.
- **Promoting a product:** Merchandising is very crucial for marketing a product.
- **Retain customers:** Merchandising plays a vital role in preserving customer loyalty through extensive display of the product.
3.3. Significance of Merchandising:

Merchandising is one the key element of business. The significance of merchandising in business is as impactful as producing, financing and marketing. Merchandising is directly and indirectly responsible for a company's growth. The significance of merchandising are as follows:

- **Overall growth of sales**: Effective merchandising results in a growth of revenue.
- **Enhances brand identity**: Creative merchandising strengthen a brands’ image.
- **Magnify shopping experience**: Merchandising makes shopping experience more exhilarating.
- **Proper allocation of products in a shop**: Effective merchandising results in effective product shelving in a retail store.

3.4. Merchandising at UBL:

In Unilever, the merchandising functions falls under the Customer Development department. Merchandising is conducted in a holistic approach here. It includes -

- Activities that contributes in the increment customer’s visibility,
- Ensuring the sale of products in retail level,
- An additional direct advertisement,
- The technique of creatively exhibiting products,
- The charge that excites potential buyer at the point-of-sale to consume a product,
- An alternative mechanism to attract the people without the access to mass media.
3.5. Merchandising Activities of Unilever Bangladesh Limited:

Vast production capability and innovation of new products has always been the major catalyst behind the success of Unilever Bangladesh Limited. Due to the availability of various products, Unilever Bangladesh Limited has divided its merchandising activities in two major types on the basis of target market. These are:

a) Urban Bangladesh

b) Rural Bangladesh

The above mentioned types are internally categorized in several channels to allocate the work more promptly for different products.

3.5.1. Urban Bangladesh

Merchandising in urban Bangladesh involves merchandising of products that are more desirable to people living in the urban area. This merchandising techniques includes target customers that are comparatively financially stable, has fewer fluctuation in the demand and more exposed to better social standard.

The urban Bangladesh merchandising jobs can be categorized under three major activities. These are:

Fig 1: Classification of merchandising channels at Urban Bangladesh
1) **Perfect Wet Market Branding:** Perfect Wet Market Branding includes merchandising activities that involves putting advertisements in the wet markets of the urban areas. The wet markets shop mostly vend grocery items. These shops offer a great opportunity of visibility for manufacturers all around the country as these are visited by people from different aspects of life. The urban wet markets are perfect for enhancing the brand visibility and it also assists in implementing Unilever’s vision of enhancing health and hygiene. Moreover, the creative POSMs distributed by Unilever also helps the shops look more attractive. Hence, it creates a win-win situation for both Unilever and retailers.

2) **Garments Neighborhood Cluster Branding:** Garments Neighbourhood Cluster Branding is the merchandising mechanism of advertising products in general stores situated near garments and congested urban areas. These store usually sale daily necessary household items including healthcare. These shops provide impactful visibility to the middle class group.

3) **Shopping Complex and Modern Trade Branding:** Shopping Complex and Modern Trade Branding is the merchandising technique that involves promulgating products to the customers of shopping malls and modern trade (supermarkets). These stores provide everything from needle pin to advanced computers, and the customers here are very versatile. However, these customers comparatively enjoy a better standard of living, hence, the branding of products that are done in the Shopping Complex and Modern Trade Branding activities are aimed towards the financially well off people of the country. Popular shopping malls and superstores are targeted for these type of merchandising and brands are advertised very delicately through the usage of creative POSM including shop board branding, TV branding, branding through danglers, hangers etc. Fair & Lovely, Knorr, POND’S and Rexona are four of the most branded products in shopping malls. Moreover, POSMs are installed near lifts, pillars and other important zones around the shopping malls as it assist in grab customers' focus easily and attract them.

Shopping Complex and Modern Trade Branding involves utilizing of the most creative POSMs. These includes: Mini Solomon, Illuminated Hair care Unit and Men’s zone.
3.5.2. Rural Bangladesh

Merchandising in rural Bangladesh is merchandising of products that has demand in the rural area and supplied in the rural area. The target market of these merchandising activities are the people that are not financially privileged and mostly spent their lifetime in the rural area.

The Rural Bangladesh merchandising jobs can be categorized under three major activities. These are:

![Diagram showing classification of merchandising channels at Rural Bangladesh]

1) **Rural Wet Market Branding**: Wet Market in the rural area provide unlimited opportunity of visibility. People in the rural are more collective and tend to spend a significant amount of time near the wet market. Moreover, villages tend to center around a wet market in the rural area. hence, the reach of visibility is very high in this area. The targeted customer ranges from lower middle to lower class in these area.

2) **Rural Cluster and Haat Branding**: Rural Cluster and Haat Branding is a holistic approach that has been undertaken by the merchandising department. The major activity of the approach involves aggressive and substantial branding of Unilever's products through posturing or coloring the whole store including its surrounding which includes shades, benches, wall, furniture, shutter box to make it very visible.
3) Rural Cosmetics Store: People living in the rural area are now becoming more conscious about their look and lifestyle. Due to the increment in the demand of cosmetics product in the rural area, Unilever Bangladesh Limited has diverted its focus towards the rural cosmetics stores. As a matter of fact, it has now become one of the prominent channels for Unilever Bangladesh Limited. The merchandising department has finished distribution of Mini LED TV to various cosmetics stores to increase the visibility of Unilever's cosmetics products rural, situated in the important rural zone.

3.5.3. Additional Supporting Activities

The merchandising department of Unilever Bangladesh Limited also involves themselves in many additional supporting activities. These activities helps the company stand out in the market, distinguish from its competitors and enhance the brand value of Unilever Bangladesh Limited. These activities include installation of various creative and innovative POSMs. These activities also includes promotion of launch and re-launches of various products.

Fig 3: Supporting activities of Merchandising department
3.6. Merchandising Process of Unilever Bangladesh Limited

3.6.1. Undertaking Merchandising Decisions:

Unilever Bangladesh Limited has reach out to all the people around the country. They have been successfully doing their business in all of Bangladesh. Hence, before every major merchandising operation, especially in the beginning of a year, a meeting is taken place by managers at different level including brand managers, merchandising personnel, head of Customer Development department and other associates. Before reaching any conclusion, they usually sit for several meeting and discuss the matter through. After that, the propose a conclusion which is assessed and examined several times for maximum output and hedging risks. The conclusion includes merchandising activities that would be implemented, analyzed, monitored and adjusted if necessary throughout the whole year. Moreover, Contract Merchandiser has been trained and assigned by UBL around the country to monitor and carry out the activities more efficiently and precisely.

3.6.2. Production of Merchandising Apparatus (POSMs):

Unilever Bangladesh Limited takes a integrated approach to merchandising the achieve the maximum output. The managers allocates the partial activities to the third party agency including production of Point of Sales Materials (POSM) and sometimes designing. This method helps the job to be more time friendly and less complicated. Even though the decision of approval in undertaken by top managers, the third party agencies still gets the chance to state an opinion. The agencies includes Fahim AD, Bandhu Media, Images, Azad Art Hall, Step Media Ltd etc.

3.6.3. Unilever Bangladesh Limited's Point-of-Sales Materials (POSMs):

Point of Sales Materials (POSMs) are the visual advertising instruments that are displayed at the Point-of-Sale (POP) to attract the customers. These materials are used to excite the customers at the Point of Sale so that they buy the products when they are most ambitious towards buying a product and they bear the financial capability.
Some examples of UBL’s POSMs includes:

<table>
<thead>
<tr>
<th>POSM Items</th>
<th>Picture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branded outlet (Shop Board, Pillar, Shutter)</td>
<td><img src="image1.png" alt="Picture" /></td>
</tr>
<tr>
<td>Pump Hanger</td>
<td><img src="image2.png" alt="Picture" /></td>
</tr>
<tr>
<td>Pouch Hanger</td>
<td><img src="image3.png" alt="Picture" /></td>
</tr>
<tr>
<td>Mega Hanger</td>
<td><img src="image4.png" alt="Picture" /></td>
</tr>
<tr>
<td>Sachet Hanger</td>
<td><img src="image5.png" alt="Picture" /></td>
</tr>
<tr>
<td>Merchanaline</td>
<td>Description</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
</tr>
<tr>
<td>B-Shelf</td>
<td></td>
</tr>
<tr>
<td>Basket</td>
<td></td>
</tr>
<tr>
<td>Illuminated Poster</td>
<td></td>
</tr>
<tr>
<td>Merchandising in Modern Trade</td>
<td></td>
</tr>
</tbody>
</table>
3.6.4. Implementation of Merchandising Projects:

Unilever Bangladesh Limited undertakes a unique approach while implementing their merchandising projects. Firstly, the location is set by the initial meeting and POSMs are designed. After the production of POSMs they are evaluated in the Unilever Bangladesh Limited's corporate office. Once the evaluation is done, the producer of the selected POSMs are assigned to install the POSMs around the country. The installation is governed by territory managers and contractual managers in that specific location. Moreover, the tracking is also done by the agencies as they are responsible for delivering visual evidence of the project implemented.

3.6.5. Monitoring Merchandising Projects:

Unilever Bangladesh Limited projects a well operated monitoring system of their merchandising activities. The monitoring is initiated as soon as the implementation is executed and the installation of POSMs is carried out. The monitoring is done at three levels. Firstly, the third party agencies are responsible are responsible for carrying out all the activities to ensure the proper execution of merchandising activities. Secondly, the merchandising department assigns employees and territory managers of that certain area to inspect the implementation. Thirdly, the territory managers audits the stores monthly to ensure the POSMs are still operational. Moreover, feedbacks are taken from store owners from time to time assure proper maintenance of the projects.
3.6.6. Limitations of Implementing Merchandising Projects

Unilever Bangladesh Limited confronts many challenges while implementing their merchandising projects. The major drawback is supervising the vast area that Unilever Bangladesh covers in their merchandising activities. The procedure is very complex and demands very rigorous tracking system. Moreover, the store owners are very misanthropical and not easily persuaded. The process becomes very difficult for managers to convince the store owners due to their intractability and hostility to corporations. Furthermore, the laxity of third party agencies is also one of the major limitations faced by Unilever Bangladesh Limited.
Chapter - 4. Findings and Analysis

Doing business has never been as competitive as it has been in this modern time. Business has now come out of its traditional production and selling activities, and evolved to a great extent. The revenue of a company now relies as much as on the presentation of a product as it relies on its quality. With the growing number of business in Bangladesh, and the emergence of huge FMCG manufacturers, the retail merchandising sector is developing day by day.

In this report I have tried to evaluate the retail merchandising activities and the merchandising process of fast moving consumer goods (FMCGs) through analyzing the merchandising of Unilever Bangladesh Limited. I have closely worked with the Merchandising Department of Unilever Bangladesh Limited, which helped thoroughly examine the merchandising activities of a renowned and successful company of Bangladesh.

4.1. Findings

Unilever Bangladesh Limited has a wide reach in retail merchandising in the country. From the general grocery store near an urban house to the tin-shed rural shop, Unilever Bangladesh Limited has covered a vast range of stores. They have been very successful in retail merchandising as well which reflects in their growth and success. The methods that has assisted in their success are as follows:

- **Effective Agenda**: Unilever Bangladesh Limited follows a very rigid and effective agenda that fuels in their success. Before the beginning of each year, they sketch out the blueprint of the next years' merchandising planning.

- **Holistic Approach**: Unilever Bangladesh Limited engage in an holistic approach before drawing a conclusion. They have different brand managers for different products. The merchandising managers along with the head of Customer Development partake in group meetings with both the brand managers and the third party agencies.

- **Tactical Agency Management**: Two of the most powerful skills of the merchandising department of Unilever Bangladesh Limited is its strategic planning and agency management system. They have a very efficient agency management system. As I have mentioned earlier they partake in a holistic approach to achieve maximum output.
Unilever Bangladesh Limited establishes a professional relationship with third party agencies with a blend of compassion. They allow the agencies authoritative rights to some extent and allow the agencies to express opinions. This mechanism helps in both creating a long-term healthy relationship with the agencies and also helps the agencies to perceive a sensation of appreciation and significant. Moreover, the group discussion with the agencies assist in generating new ideas and innovating newer modules that makes the merchandising activities so unique.

- **Impactful Training System**: Unilever Bangladesh limited offers a rigorous training to both its employees, contractual merchandisers and third party agencies. This training system sets them apart from other companies around the country. They have assigned employees all around the country to ensure the best out of their merchandising activities. These employees are highly trained with the help of Unilever's advanced and innovative training modules. Moreover, Unilever Bangladesh Limited engage in training the third party agencies also.

- **Integrated Monitoring System**: Unilever Bangladesh Limited maintains an integrated monitoring system that is both time and cost efficient. Proper tracking and monitoring are the tools that helps Unilever Bangladesh Limited continue their merchandising activities with such proficiency. They have assigned company personnel all over the country to observe the executed activities. Moreover, they are also assisted by third party agencies to observe and monitor the ongoing projects.
  
  *POSM Track 360* is a monitoring tool developed by Unilever Bangladesh Limited to ensure proper monitoring of the installed POSMs all over the country. It offers a web based platform which helps assure an integrated and fast reporting tool.

- **Innovative POSMs**: Unilever Bangladesh Limited has demonstrated its unique expertise in developing innovative and creative POSMs. They constantly engage in originating POSMs that both exclusive and creative. They incorporate with the third party agencies to share ideas and generate enticing POSMs.

- **Quality Management**: Quality Management system is very strict in Unilever Bangladesh Limited. The managers go through several evaluation process to make sure the implementation of their planning is done with proper care and it reflects quality. Before producing POSMs for any project, the production operation is distributed among several third party agencies to demonstrate a sample. All the samples provided by different agencies are then examined at different stage by merchandising managers.
brand managers and head of Customer Development department. This thorough assessment ensure that the best quality product is being marketed and implemented in the market. As a result, the POSMs installed by Unilever Bangladesh Limited stands out in the market vividly.

- **International Standards:** The most distinguished advantage that Unilever Bangladesh Limited holds over local companies is its access to international standards. As an international company Unilever is easily able to locate its profound skills and technique all around the world. Moreover, they are bound to maintain an international standards which reflects in the quality they provide. Furthermore, Unilever Bangladesh Limited has also associated with renown international agencies to assist in their merchandising activities in Bangladesh. These international agencies posses top-notch and latest technology.

4.2. Analysis

Unilever Bangladesh Limited has set an example for merchandising at the retailing level for the Fast Moving Consumer Goods (FMCG) in the country. Merchandising has been a core element of the business in this sector. Merchandising is one the foremost elements in increasing revenue and company growth. A proper and solid merchandising technique not only assures sales, but also secures brand image.

Unilever Bangladesh Limited adopted an integrated merchandising approach that aided in their success in this country. They have acquired top talent from the country to create a company culture that is versatile and solid. Their managers indulge themselves creative and diversified contemplation which concludes in effectual planning. Moreover, they review their decision with third party agencies and contractual employees to make the best out of it. This rigorous evaluation system, that Unilever Bangladesh Limited possesses, engenders potent managerial decision. Further, the decisions are implemented very effectively with the help of the best third party agencies in the country. All this adds up to the success of Unilever Bangladesh Limited's merchandising planning and executing.

Moreover, Unilever Bangladesh Limited has established a definite solution of merchandising, recognized the sheer essentiality of merchandising and hence, planned and progressed
accordingly. This is reflected in their advancement. They business has been growing since their origin in the country and now their retail merchandising is visible all around the country.

Furthermore, not only did Unilever Bangladesh Limited has been improving the retail merchandising of their company, but also they have been one of the most influential retail merchandisers in the country. Their activities around the country has helped the surrounding business environment in various aspects. Below are the some of the business environmental members that are affected by Unilever Bangladesh Limited:

- **Competitors**: Unilever Bangladesh Limited is the market leader in 7 of the 8 sectors they have conducted business in Bangladesh. Their triumph in the business has attracted their competitors to transcribe their merchandising planning. Unilever Bangladesh Limited provides creative and innovative merchandising solution and ensures international standards. It creates an opportunity for local companies to be exposed to world class merchandising solution and thereby, initiate in improved retail merchandising.

- **Retailers**: The POSMs those are provided by Unilever Bangladesh Limited is designed to be eye pleasing and attractive. The purpose of the POSMs are to excite the customers at the Point-Of-Sale. The retail merchandising activities assist in decorating retail store in such a way that it stimulates buyers to buy from the store. Hence, it not only generate additional revenue for Unilever Bangladesh Limited, but also results in additional sales for the retailers also. Moreover, some retailers, especially the ones in the rural area, does not bear the financial or the privilege to decorate their stores. The merchandising solution of Unilever Bangladesh Limited aids in renovating these stores which results in a win-win situation for both the company and the retailers. Moreover, The retail merchandising of Unilever Bangladesh Limited also provides solution to inventory management. They have appointed employees that assists the retailers to manage inventory in the most efficient way. These retailers, especially the ones from the rural area, neither had the understanding of inventory management nor knew the benefits that came along with it.

- **Third Party Agencies**: As I have mentioned earlier, Unilever Bangladesh Limited associated third party agencies in their merchandising solution. These agencies enjoys authoritative privilege to some extent. This opportunity helps the third party
agencies to acknowledge further understanding of the retail merchandising rather than just the producing and printing of POSMs. Unilever Bangladesh Limited also visits the factories of the agencies they work with to ensure safety and quality. Moreover, they also provide necessary advice if something needs to be regulated and altered. Furthermore, the most important contribution of the merchandising department of Unilever Bangladesh Limited is that it develops its associates along with itself. The international standard, that Unilever Bangladesh Limited ensures, is communicated and delegated among the agencies too. The international agencies, that Unilever Bangladesh Limited works along, also help the local agencies to develop further. It helps the locals agencies to develop effective skill, master expertise and get exposed to better technology.
Chapter - 5. Recommendations and Conclusion

5.1. Recommendations

Despite the fact that Unilever Bangladesh Limited's merchandising is one of the best in the country, it can still be improved for better outcome. I have sketched out some of the limitations that it posses. This drawbacks should be tackled with proficiency and overcome. I would recommend to:

- **Hire more Merchandising Associates:** The department consists of some very skillful and proficient managers and associates. However, given the wide reach of Unilever Bangladesh's merchandising programs, the departments lacks in adequate manpower. The work is heavily distributed among the employees and sometimes, it becomes very haphazard for the people involved in the department.

- **Concentrate more on emerging channels:** Unilever Bangladesh Limited posses the potentiality to uncover more opportunity. These opportunities can be excavated from the emerging channels. Unilever Bangladesh Limited should definitely focus more on the emerging channels.

- **Digitalize the whole system:** The process of retail merchandising is still manual to a great extent. Unilever Bangladesh Limited should put more emphasis on digitalizing the whole system. Digitalization the system will lead to a more convenient and less complicated processing technique which will save both time and money for the company.

- **Engage in more promotional activities:** Unilever Bangladesh Limited should engage in more promotional activities of their products give the vast opportunity that lies doing business in Bangladesh. The financial stability and growth of the economy of the country illuminates a very bright future. Unilever Bangladesh Limited should take this opportunity into consideration and interlock this opportunity to enhance their brand image.

- **Assist third party agencies to facilitate latest technology:** Unilever Bangladesh Limited posses the financial capability to develop its associates. They should assist these agencies to not only create a communicative relationship, but also to secure a
long term relationship with these agencies. It will help the company to save time and money in the long run if they provide or aid the agencies to acquire latest technology.

5.2. Conclusion

Merchandising in one the crucial tool that drives the business engine. According to Maier (2009), a favorable marketing strategy helps create an effective brand image among its potential consumers. It helps eradicates competition and engage in the market in such a way that assists in generating revenues by enhancing brand value.

The role of merchandising is eminent in company growth. The well execution of an effective merchandising solution builds up confidence about one's products in customer minds. On a research conduct by Dawes (2008), he has observed that visual merchandising plays a vital role in building a durable company image in customer's mind.

Unilever Bangladesh Limited's products has always been in the top position in their respective sector. It happened not only because of their excellent product quality, but also their emphasis on branding. Subsequently, their branding has been so successful due to their competency and ability to generate strategic merchandising scheme. The company has assisted in vastly to develop retail merchandising in the country. It has mastered the art of retail merchandising and disseminate its knowledge around the country, which helped the local businesses to advance and grow in the country.
References