



**Internship Report on**  
**Analyzing the Sales Force Management System (Project Outreach) of Philip Morris Bangladesh Ltd. at Dhanmondi Territory**





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**Date of Submission**

**30<sup>th</sup> August, 2017**



## Letter of Transmittal

30<sup>th</sup> August, 2017

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**Subject: Submission of the Internship report on Analyzing the Sales Force Management System (Project Outreach) of Philip Morris Bangladesh Ltd. at Dhanmondi Territory.**

Dear Mam,

I am honored to inform you that I have successfully completed my internship at **Philip Morris Bangladesh Ltd.** My internship period was from 15<sup>th</sup> May to 15<sup>th</sup> August. Now I am delighted to submit my internship report with the title “**Analyzing the Sales Force Management System (Project Outreach) of Philip Morris Bangladesh Ltd**”. I have learnt lots of things throughout my internship program and I tried to concentrate in all of those findings while making this report within the limits.

I am really obliged for getting all your kind co-operation, valuable advices and suggestions at the time of preparing this report. I hope that you will explore my hard works and efforts during my internship from the report. I have included all of my experiences and learnings in this paper which I have gained from working in this company.

Regards,

Imam Jafar Sadik

ID: 13104014

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## Acknowledgement

I want to show my gratitude to all of those persons who have helped me and co-operated with me at the time of making this report. Without their supports, I would not be able complete this paper with such amount of information and insights.

First of all, I want to thank Almighty Allah, the merciful, who made my efforts successful.

While making this report many individuals from Dhanmondi Distribution Point and company have helped me with lots of materials, which helped me to analyze the situation properly and make this paper an insightful one.

At the beginning, I want to thank my academic supervisor **Tania Akter** Miss, Lecturer of BRAC Business School, who has supported me with all her supervision and knowledge and she guided me from the very beginning till completion of this report.

Secondly, I would also like to thank all the Territory Sales Executives, especially **Hossain Md. Samse Rabby** and **Ariful Hoque Rahat** for assisting me and giving me guidance for the last three months. It was quite challenging for me to work in a sales department as a fresh graduate but their suggestions and advices helped me a lot to give my fullest potentials at my duty.

Furthermore, I want to thank all other interns from different distribution points for sharing their experiences with me which was really helpful.

Finally, I would also like to thank the **OCSAR** of BRAC University for providing me with the updated news and support to complete my internship report.



## **Executive Summary**

I have made this report based on my three months of internship experiences in Philip Morris Bangladesh Ltd. as a supervisor of the DR project. PMI has started this program to increase their sales in terms of volumes and ensure maximum market coverage in the prominent territories. The success of this project is very significant for PMI as it is consistently increasing its market share and now they are giving more concentrations on this project. In my internship period, I found that the salesmen of PMI accessed some of the routes where PMI was not able to enter in the previous years. Moreover, dependency on this sales team is an indication that the company wants to control and supervise a sales team of their own along with the DTI distribution channel.





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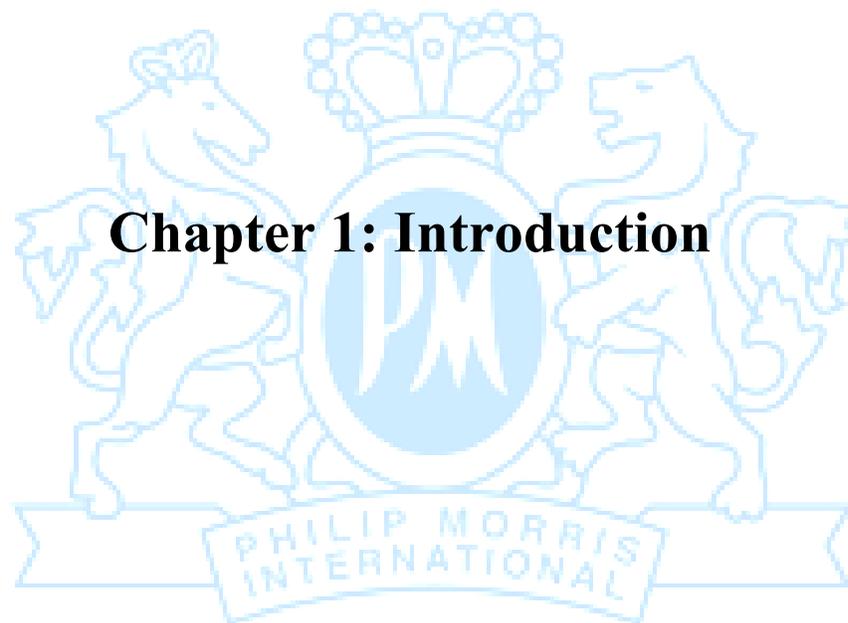
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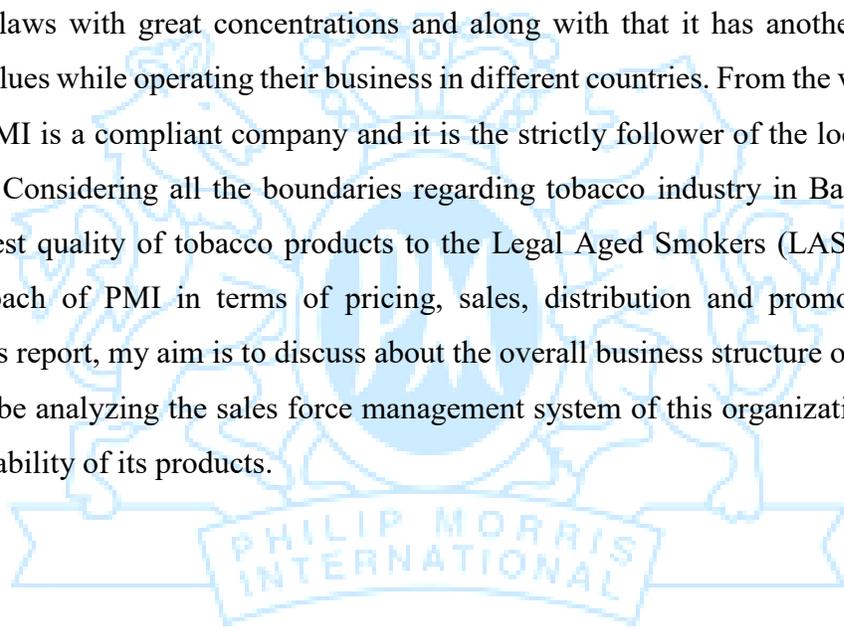
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Philip Morris International (PMI) is one of those prominent Multinational Organizations (MNC) which are working in Bangladesh. It is operating its business in Bangladesh as Philip Morris Bangladesh Ltd. In the Fast Moving Consumer Goods Industry (FMCG) of Bangladesh, Tobacco items are assumed to be a crucial element in changing the market and demands of these products are always significant. PMI is playing an important role for determining the market demands of tobacco and it is facilitating this demand with its premium quality of tobacco items. Although Bangladesh government has restricted tobacco companies with some rules and regulations, PMI is trying to extend their market share by focusing the customers who are adherent of premium cigarette brands. The Tobacco Laws of Bangladesh regarding production, marketing, distributing and selling of products are very strict and the companies have to follow it sensibly. PMI is following these laws with great concentrations and along with that it has another set of laws, principles and values while operating their business in different countries. From the very beginning of its journey, PMI is a compliant company and it is the strictly follower of the local laws, rules and regulations. Considering all the boundaries regarding tobacco industry in Bangladesh, it is delivering the best quality of tobacco products to the Legal Aged Smokers (LAS). The whole marketing approach of PMI in terms of pricing, sales, distribution and promotion is really compliant. In this report, my aim is to discuss about the overall business structure of PMI, but my prior target will be analyzing the sales force management system of this organization and how it is ensuring availability of its products.





## **1.1 Origin of the Report:**

In Philip Morris Bangladesh Ltd. (PMI) I am currently working as a sales intern at their distribution point of Dhanmondi Territory. My core job description as an intern is monitoring and managing the Distribution Representative (DR) program. Moreover, my job responsibilities include taking sales target from the Area Manager of our territory, achieving the sales target, generating monthly sales reports and delivering the reports to the head office, disbursing salaries to the salesmen (DR) and taking full authority of this DR project. Furthermore, PMI wants to make their project “Out Reach” successful with this DR program by ensuring maximum market access with their products. As it is working in the tobacco industry, it has to follow the rules and regulation in Bangladesh under the Tobacco Law abiding by all their principles and policies while running their business. Under these terms and conditions, it has been successfully serving to the legal aged smokers with its finest quality of cigarette brands and launching promotional activities.

## **1.2 Statement of the Problem:**

In Bangladesh Philip Morris International started their journey in 2008 and till then it is trying to expand their market share in this country. As it is the leader of the tobacco business around the world (Philip Morris International, 2017), they don't compromise with their quality. According to a report of AC Nelson, PMI expanded its market share from 1.8% to 2.8% from June 2016 to June 2017 in Bangladesh. Currently I am working as an intern in Dhanmondi Territory where PMI segment share is 20.9 percent according to the AC Nelson report. The purpose of my program was to make sure the successful numeric distribution, for that I was assign to manage a sales team and all the works of my internship was based on this team. As I have operated and supervised a sales team in my internship period, I faced various types of challenges to maintain this team and I have discussed these challenges, findings and recommendation throughout this report.



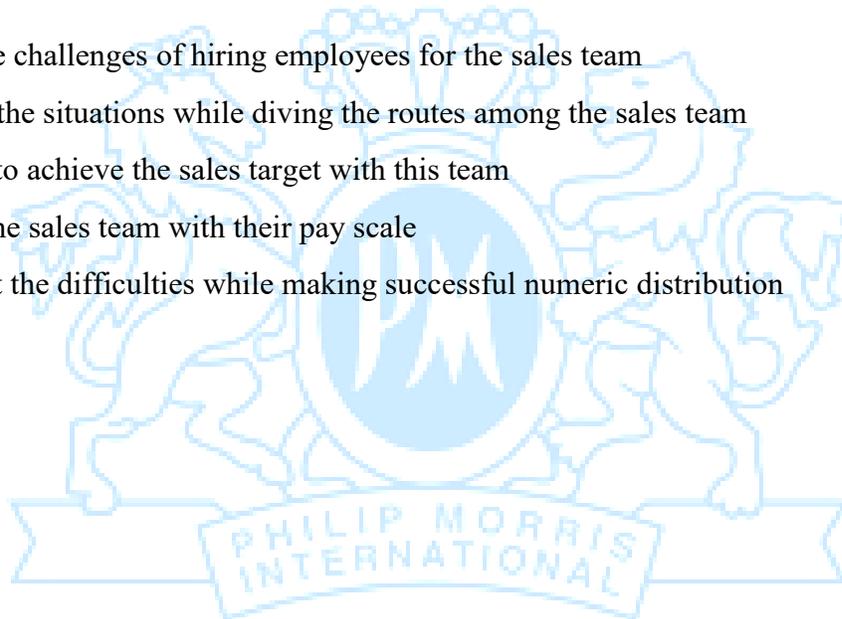
## 1.3 Objectives of the Study:

### Broad Objective:

The broad objective of my research is to find out the challenges of managing a sales team of a tobacco industry in Bangladesh through analyzing the circumstances in Philip Morris International

### Specific Objectives:

- To know the challenges of hiring employees for the sales team
- To find out the situations while diving the routes among the sales team
- Challenges to achieve the sales target with this team
- Satisfying the sales team with their pay scale
- To point out the difficulties while making successful numeric distribution





## **1.4 Scope of the Study:**

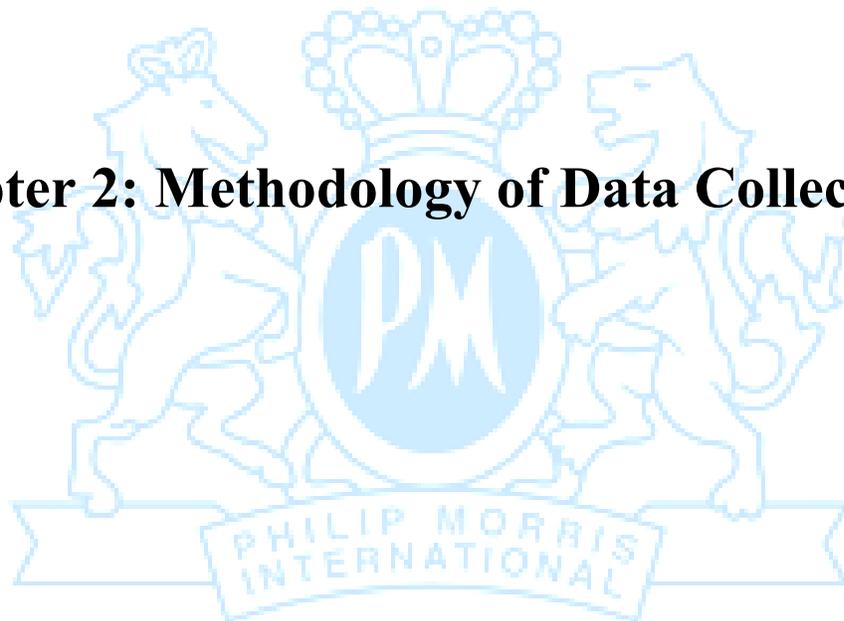
The purpose of this report is to represent the internship experiences. The objective was to gain practical knowledge from this internship program at PMI and understand the working environment of the distribution and sales. In Bangladesh, the managers and territory officers are trying to grow the market share of PMI. The authority is guiding the team and generating strategic plans and programs to facilitate its operation in this region. The whole report will concentrate on the findings and learnings of the project which is monitored by me as an intern thorough out my internship period.

## **1.5 Limitation of the Study**

As PMI is operating in the tobacco industry on a global scale and it is a very compliant company, there are many confidential issues over using its internal documentation and information due to legal restrictions. So, it was very hard to gather necessary information to make this report more comprehensive. Furthermore, PMI is a new industry for the Bangladeshi market and it is operating here only for past 9 years. Therefore most of its information regarding the operation and strategies in Bangladesh are completely new and difficult to disclose. At present PMI is operating inside the Dhaka city and other prominent cities only and it is quite tough to picturize the whole scenario of its business in this report.



## **Chapter 2: Methodology of Data Collection**





## 2.1 Research Design:

A research design is a comprehensive plan which states the objectives of the research and it gives direction what a research has to do to recognize those objectives properly (Jaideep, 2016). It is the blue print for collection, measurement and analyzing the data (M.K. William, 2017). The research design is the overall planning for addressing different components of the research in a logical and rational way; making sure that the research problem will be addressed properly.

The research design is similar to setting a descriptive plan for the research where the researcher will state that how the overall research will be conducted. It is the total pattern of leading the whole project by specifying the objectives, methods, data collection, time period, costing, execution and outcome of the project (Jaideep, 2016).

There are various types of research design which can be used for understanding different types of research problems. Basically researcher use three types of research design-

1. Exploratory Research
2. Descriptive Research
3. Causal Research

**Exploratory Research:** This type of research is used when there is no previous data or a few historical evidence to identify the problem. Exploratory research is an unstructured and casual type of research (Exploratory Research Design, 2016). It serves as a preliminary research that is conducted for better understanding the problem and discover new thoughts. Exploratory research is conducted through expert's interview, secondary data analysis (data collected for another purposes), case study, pilot survey, projective techniques like word association, sentence completion, focus group discussions (John Dudovskiy, 2017).

**Descriptive Research:** Descriptive research is predetermined and structural type of research design from where the researcher can get statistically inferable data for the problem. The main concept for using this research is to understand the opinions, thoughts and attitudes held by a group of people on a given topic ( FluidSurveys Team, 2014). In this research, responses are grouped and scheduled at the questionnaire for getting a statistically measurable finding. It is a conclusive type of research in nature.



**Causal Research:** The research which determines the cause and effect relationship of the variables for understanding the problem is called as Causal research design. Causal research is conclusive in nature. Moreover, this research is preplanned and structured type of research ( FluidSurveys Team, 2014). It tries to focus on two basic things-

1. To find out which variables of the research are cause and effects,
2. The nature of the relationship between cause and effects has to be identified

In my research project, I have followed **Exploratory Research** by taking experts interviews, group discussion with the sales executives and the area manager, analyzing some primary data from company's internal sources which is very confidential and secondary data analysis (websites, journals).

## 2.2 Primary Sources:

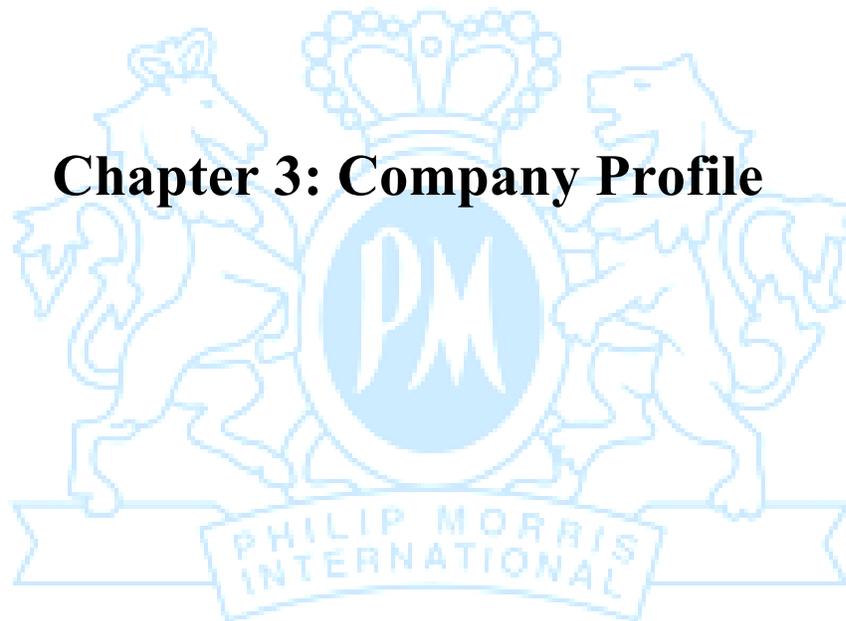
For my report, primary data collection has been done through observing the PMI employees. I worked directly with the employees of sales department in Dhanmondi Territory including the Area Manager. Therefore, I observed the activities of the employees and gathered all the information which helped me for conducting this research.

## 2.3 Secondary Sources:

- Published articles
- Official web sites
- Discussion with other people related to PMI



## **Chapter 3: Company Profile**





Philip Morris International is one of the biggest multinational company in the world and it has market share over 180 countries. In the tobacco industry, PMI has the top six cigarette brands among the first 15 international brands (Philip Morris International, 2017). One of the popular brands of PMI is Marlboro, which is known as the world's highest selling tobacco brand.

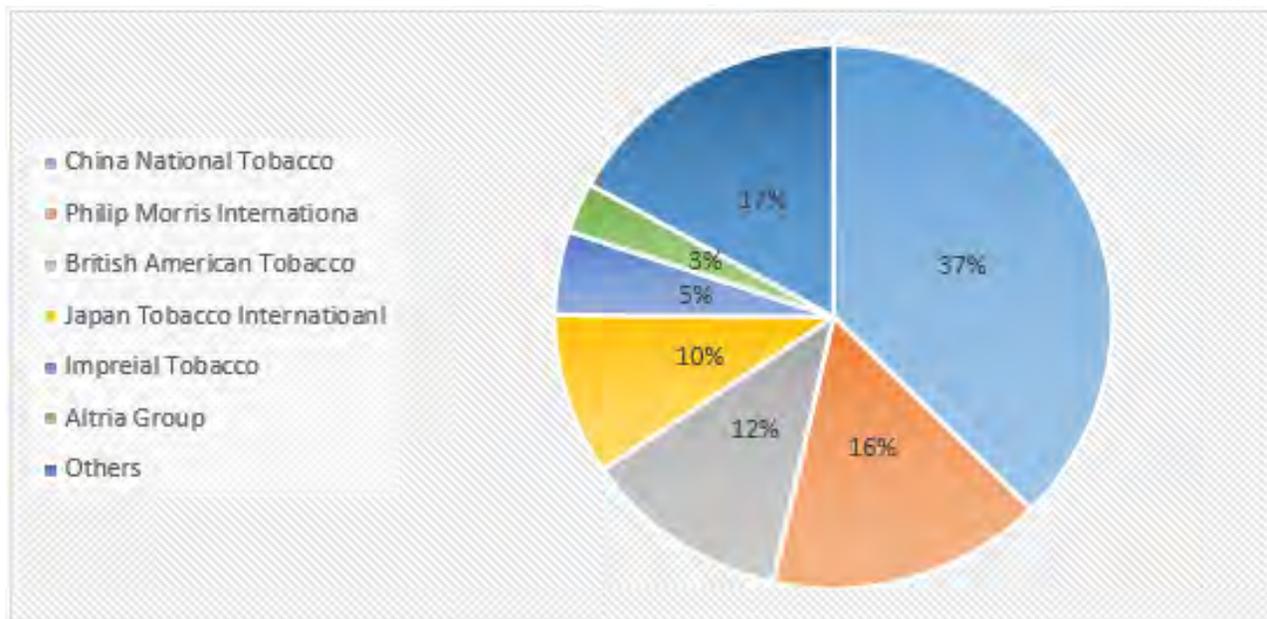
The goal of the PMI is to provide best quality of tobacco around the world and generate less harmful products for the adult smokers. By developing sustainable markets in different regions, it is also trying to provide maximum earnings to its shareholders. Furthermore, their research on harm reduction providing ideas for less harmful products like IQOS and other substitutes of cigarettes which is giving them a competitive advantage and sustainable growth to their business (Philip Morris International, 2017).

### **3.1 Brands:**

PMI is holding the world's leading brands in the tobacco industry including Marlboro, world's top selling tobacco brand since 1972, L&M the world's third highest selling brand excluding USA and Chinese market. They also have some other renowned brands like Parliament and Bond Street, world's 11<sup>th</sup> and 12<sup>th</sup> best-selling cigarette brands respectively. They also own Chesterfield, the fifth largest brand of Philip Morris with a volume of 46 billion across the world, Philip Morris, sixth highest selling brands over 35 countries with sells a of 36 billion cigarettes. Including these brands, PMI has some popular local brands for example- Dji Sam Soe, Sampoerna and U Mild in Indonesia; Champion, Fortune, and Hope in the Philippines; Apollo-Soyuz and Optima in Russia; Morven Gold in Pakistan; Boston in Colombia; Belmont, Canadian Classics, and Number 7 in Canada; f6 in Germany; Delicados in Mexico; Assos in Greece; and Petra in the Czech Republic and Slovakia (Philip Morris International Management, 2017) .

### 3.2 Performances:

Philip Morris International is the leading tobacco in the world excluding China, and holding the second position in terms of revenue at the tobacco industry. According to an article in 2014, PMI is holding 16% of market share in the global market (Gemstone Equity Research, 2014). China National Tobacco is leading the tobacco industry with the market share of 37.5% till 2014. PMI couldn't enter Chinese market due to the dominance of China National Tobacco but excluding China it has market share of 28.3% and it is trying to expand its market share every year. Philip Morris earned 31.217 billion revenue and it had a net income of 8.576 billion in the year of 2013.



Source: (Gemstone Equity Research, 2014)

PMI expects that its market share will increase more at the year end of 2017 due to launching its new product IQOS which is less harmful than the conventional cigarettes. Already this product has been launched to many parts of their market including Europe and some countries of Asia and it already has gained popularity among the consumers.



### **3.3 People:**

The employees of PMI is their greatest strength for achieving the potential market growths in different parts of the world. There are over 91000 employee working in PMI who speaks 80 different languages and this diversified workforce is their key source of success (Philip Morris International, 2017). PMI always try to pick up the best talents form different parts of the world for their operations and they encourage their workforce by motivating them, arranging career development programs, identifying their potentials and rewarding them for their achievement.

### **3.4 Investment in Harm Reduction:**

Smoking causes different types of serious diseases for example cancer, cardio-vascular diseases, emphysema, bronchitis etc. These diseases are more likely affecting the smokers at a huge percentage compare to the non-smokers. Hence, PMI is focusing on minimization of these harmful effects and trying to invent less harmful tobacco substitutes.

Already they have been launched a new product called IQOS, which tastes more like conventional tobacco but it is less injurious to health. This has been possible due to its investment on latest technological advancement and numerous research on less injurious tobacco substitute (Philip Morris International, 2017). PMI is also concerned about the people who doesn't smoke therefore their promotion and marketing strategies are highly regulated based on PMI's corporate policy. It doesn't promote its products to the non-smokers and under aged people. In my internship period, I have experienced that all their promotional activities are monitored strictly and they are targeting only the legal aged smokers consuming other brands cigarettes.



### **3.5 Commitment to Integrity and Sustainability:**

PMI is operating their business with integrity and they are consistently ensuring long term, sustainable growth in their business. It is concerned about the raw materials from which the cigarettes are being produced therefore it ensures the best quality of tobacco. Furthermore, it is implementing its global standards, regulations, policies throughout the world. With its practices it is also trying to reduce the environmental impacts on the earth and contributing to the societies which is making a difference to thousands of people around the globe (Philip Morris International, 2017).

### **3.6 History of Philip Morris International:**

#### **3.6.1 The First 100 Years**

Philip Morris International Company was started by Mr. Philip Morris in 1847, by initiating a single sole shop in London's Bond Street, which mainly sold tobacco and ready-made cigarettes. After Mr. Morris's death, the business was occupied by his wife Margaret and his brother Leopold. In the year 1881, the Company first became public, incorporation of Leopold Morris with Joseph Grunebaum to create Philip Morris & Company and Grunebaum, Ltd. But after couple of years, this partnership saw an end in 1885 and the Company changed its name to Philip Morris & Co. Ltd.

This Company finally left the founding family's control in 1894, when it was overtaken by William Curtis Thomson and his family. Under the ownership of the Thomson, the company had been appointed as tobacconist to King Edward VII in 1902 and also expanded their business in New York, by Gustav Eckmeyer. This partnership was divided at 50-50 percentage among the British founders and American shareholders. Eckmeyer was performing the role as a sole agent for Philip Morris in the USA since 1872, by importing and selling English made tobacco and cigarettes.



1919 was a significant year for the Philip Morris International. It had seen the introduction of the Philip Morris coronet logo, the acquisition of the Philip Morris Company in the USA by a new firm owned by American people and its incorporation in Virginia under the name of Philip Morris & Co. Ltd. Inc. By the end of the next decade, the Company had started to produce cigarettes in its factory in Richmond, Virginia; in 1924 and its most famous brand, Marlboro was introduced at that time period. After that in the mid-1950, the company has become an important part in the American culture.

### **3.6.2 55 Years of PMI**

#### **1954**

Philip Morris (Australia) becomes the first affiliate of Philip Morris Companies Inc. outside of the USA.

#### **1955**

Philip Morris Overseas was established as an international division.

#### **1957**

The first Marlboro cigarettes manufactured outside the U.S. are produced following an agreement with Fabriques de Tabac Réunies in Switzerland. This manufacturing facility is subsequently acquired by Philip Morris in 1963

#### **1967**

Philip Morris Incorporated established Philip Morris Domestic, Philip Morris International (PMI), and Philip Morris Industrial, each responsible for three identifiable operations of its business.

#### **1972**

Marlboro becomes the world's number one selling cigarette. Volume reaches 113 billion units as international expansion accelerates. License agreement with Japan Tobacco to begin manufacture of Marlboro in Japan

#### **1973**

International cigarette sales reach 124 billion units, versus 123 billion in the U.S.

#### **1977**

The Soviet tobacco industry, and PMI sign an agreement for local production of PMI brands



## **1980**

PMI opens its largest factory outside the USA in Bergen op Zoom in the Netherlands—today this factory is still PMI’s largest.

## **1987**

PMI is incorporated as an operating company of Philip Morris Companies Inc.

## **1989**

PMI operating income tops USD 1 billion for the first time.

## **1991**

PMI volume tops 400 billion cigarettes.

## **1992**

PMI acquired a majority holding in state-owned Czech Republic Tabak AS for USD 420 million in the largest single investment by a U.S. company in central Europe at the time. In the early 1990’s PMI participates in other state factory privatizations including in Kazakhstan, Lithuania, and Hungary.

## **1995**

PMI opened its first factory in Asia at Seremban, Malaysia.

## **2001**

PMI operations center transferred from Rye Brook, N.Y, USA, to Lausanne, Switzerland.

## **2002**

PMI’s operating income reached to USD 5.7 billion, more than a hundredfold increase over 1970.

## **2003**

PMI opened a factory in the Philippines, the Company’s largest investment in Asia at the time. PMI’s product sales represent almost 14% of the global cigarette market outside of the USA in that year and it acquired majority stake in Papastratos Cigarette Manufacturing S.A., the largest cigarette manufacturer and distributor in Greece. Moreover, PMI took over 74.22% of DIN Fabrika Duvana AD Nis in Serbia. As of December 2007, this holding was more than 80%.

## **2005**

PMI acquired PT HM Sampoerna Tbk in Indonesia and Compania Colombiana de Tabaco SA (Coltabaco) in Colombia. Both are the largest cigarette manufacturers in their respective countries. PMI also took back its license for Marlboro in Japan from JTI in the year 2005. Furthermore, in 2005 PMI announced an agreement with the China National Tobacco Company (CNTC) for the



licensed production of Marlboro in China and the establishment of an international equity joint venture outside of China.

## **2006**

Year-end volume stood at 831.4 billion, operating income at USD 8.4 billion, and global market share at 15.4%

## **2007**

PMI acquired an additional 50.2% stake in Lakson Tobacco Company, Pakistan, bringing its total holding to approximately 98%. On that year, the year-end volume stood at 850 billion, operating income at USD 8.9 billion, and an estimated global market share at 15.6%

## **2009**

PMI entered into an agreement to establish a joint venture company with Swedish Match AB to commercialize smoke-free tobacco products worldwide, outside of Scandinavia and the United States.

## **2011**

In June 2011, PMI completed the acquisition of a cigarette business in Jordan, consisting primarily of cigarette manufacturing assets and inventories, for USD 42 million. In January 2011, PMI acquired a cigar business, consisting primarily of trademarks in the Australian and New Zealand markets, for USD 20 million.

## **2012**

Five years after the spin-off from its parent Company Altria, Philip Morris International became the most profitable publicly traded tobacco company in the world. Operating Income reached to USD 13.8 billion while market share outside the US and China reached to 28.8%.

## **2013**

PMI invested more than USD 500 million to build its first “Reduced-Risk Product” factory in Italy. The factory is dedicated to the manufacture of products that have the potential to reduce individual risk and population harm.

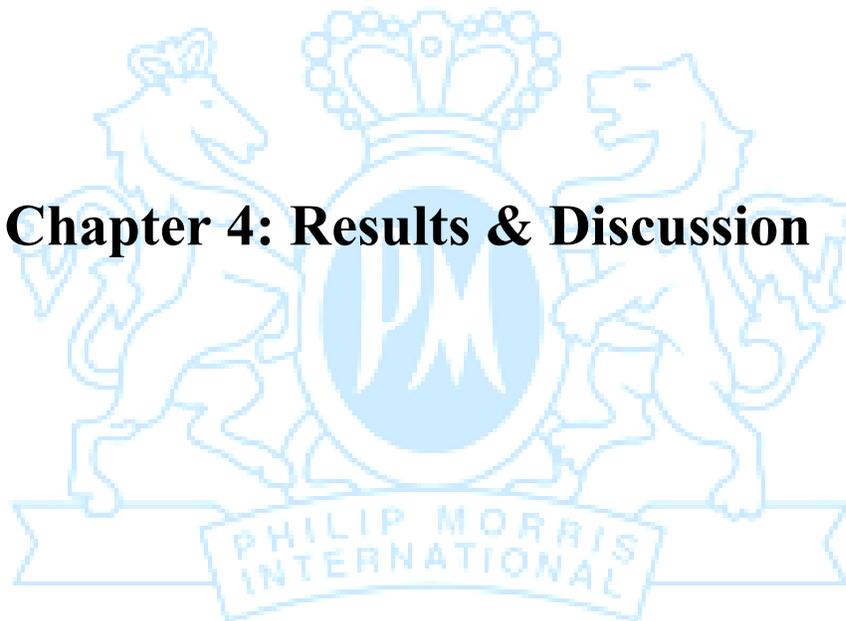
On the environmental front, PMI was recognized by the Carbon Disclosure Project as one of only five Global 500 Consumer Staples companies to be a carbon disclosure leader.

## **2015**

PMI first introduced its new product IQOS in the European countries and planned to make it spread in the different regions where it operates (Philip Morris International Management, 2017).



## **Chapter 4: Results & Discussion**





#### **4.1 To know the challenges of hiring employees for the sales team:**

For each and every company, hiring effective sales team is really important for ensuring maximum profitability. The employees who actually work in the sales department have to play a pivotal role to expand the market share of the company. Therefore, every company tries to recruit the best sales persons for their organization who have good bargaining skill, greater convincing power and ability to achieve the sales targets. Though the organizations look for the effective sales persons for their company, they sometimes face struggle to select the best matches. Recruiting the best sales people who have the capability to achieve or exceed their sales target can determine the success for the company in a competitive industry (Resource People Inc, 2013).

For hiring DR (distribution representative), company mentioned some rules that is required in the candidates, those are:

- The candidate should know how to ride a bicycle.
- The candidate should have some previous work experiences in sales.
- The candidates must have the appropriate personality for sales.
- The candidate must have any relative who is a government job holder or have permanent address in Dhaka city.

Hiring the right sales representatives is challenging. However, when it comes to selecting the positions, as a sales leader I must be able to see through some of the candidates who can conjure-up during the interview process. More than 20 people applied for the position of distribution representative in my internship period and among them I have taken best three employees for the vacant positions. I had to manage a sales team consisting of 9 distribution representatives where I recruited three new sales persons. I had to take interviews several time for each applicant and faced different challenges at the time of taking interviews.

Some applicants didn't know how to ride a bicycle but have the other skills which are required for doing the job. In that case, I have kept them waiting until any DR left his job and we are desperately in need of some talented sales people for boosting up the sales. Only in these situations, we hired people who doesn't know how to ride a bicycle.



Experience was a vital issue while hiring people for the Distribution Representative (DR) post. The activity of a DR is all about selling the products and make a proper communication with the retailers. Without any experience they would not be able to work actively on routes and make the sales. I hired those candidates, who got at least 6 months of experience working as a sales person.

For working in a sales team, a person should hold that kind of personality to cope up with the pressure and the consequences that might come up from the team leader. The sales person should know how to manage and keep good relation with his boss and his other team members. They have to be confident not just about themselves but also about the services that they will provide to the retailers. Hence, they have to convince the retailers with logic and bargaining skills and show positive characters while dealing with them. They have to maintain a good relation with them as well. Otherwise, the DRs will not be able to increase the sales. It is their personality which will help them to fulfill their job responsibilities effectively. I hired some candidates in the interview session who have the appropriate personality for doing a sales job.

Moreover, we are providing a bicycle along with the selling materials to each DR. The equipment and the products carried by the DRs are really expensive. We have selected only those people who got at someone doing government job or have permanent address in Dhaka city, so that the relatives can take guaranty on against of any occurrence that a DR can do in his duty period. If any occurrence happens, the guarantor is responsible for the consequences. Those relatives had to come to our office and sign guarantor form to ensure that they are taking all the liabilities of a particular DR.

Hiring perfect employee is challenging and also very critical to do. In my internship period I faced the challenges of recruiting the best matches for our company and learned to encourage them for showing their fullest potentials at their duties.



## **4.2 To find out the situations while diving the routes among the sales team:**

The companies have to concentrate on establishing effective distribution channels for delivering their products to the consumers. Distribution channels perform a vital role to ensure that consumers are getting the products as per their demands (Mulky, 2013). Though some manufacturers of the products directly communicate with the customers, most of the companies use effective and efficient distribution channels to deliver the goods to their customers. For building these distribution pathways, organization have to invest their money, time and considerable efforts (Mulky, 2013).

These distribution channels connect the manufacturers with the retailers and wholesalers, by whom the products are delivered to the customers. Hence, the retailers are creating a connection between the manufacturers and the customers. In Bangladesh, the distribution channels consist of retailers and wholesalers. Furthermore, these pathways are containing different types of networks which form independent businesses. These things have to be merged properly so that the manufacturers get the fullest advantage of distribution channels and can create the consumer demands for their products and services. There are over nine million retail outlets in Bangladesh which contains traditional tea stalls, grocery stores and general stores.

Distributing the routes among the DRs were very challenging and exciting. Three of the DRs got 2 routes for selling cigarettes and rest of the sales people got only one route. Those who got 2 routes or areas, have to cover each of these routes 3 days in a week. That means if they are going to “A” route on Saturday, the very next day he will go to route “B” for selling the products and thus he will spend 3 days in each of these routes, total 6 days in a week. Those who got single routes, they will cover these routes every day that means they will spend 6 days on that particular route for selling the products.

Some routes are consistently poor in terms of volume sales compare to the other routes and the sales team have to make sure the availability of products in each outlets of these routes. I had to make sure that each DR gets proper guidance and suggestion, so that they can fulfill their average daily sales target. Moreover, as a team leader I helped them to figure out how they can make the best sales in terms of their route conditions.



### **4.3 Challenges to set and achieve the sales target with this team:**

In my internship period, I have to set the sales target for the DRs based upon my knowledge from the previous year data and the monthly performances of DR. I also took help from the Territory Sales Executives of Dhanmondi Territory, as those DRs are working at the routes monitored by Territory Sales Executives. The Area Manager of Dhanmondi Territory use to give monthly sales targets to all the sales executives and that have been split up among the each executives.

In Bangladesh, PMI is using the distribution channel of DTI (Dhaka Tobacco Industry) which is owned by Akij Group. Territory Sales Executives of PMI allocate major of their sales target among the DTI sales people whom are equally accountable to PMI and Akij group. These sales people of DTI are called Sales Representative (SR) and they are responsible for selling three different company's cigarettes including: Marlboro Red, Marlboro Advance, Marlboro Gold & Bond Street cigarettes. Majority of PMI sales are coming from DTI's sales team who are known as SR. In addition to this SR team, PMI has launched this DR project where the SR and DR will generate sells simultaneously and the DRs will cover those routes which are not covered by the SR. Moreover, the DRs have the permission to go to the SRs routes but it will be done right after the SRs arrival on those routes. As DTI is our distribution partner, thus most of our sales is achieved by the SR or Sales Representatives.

As I previously mentioned, the monthly target is spilt up among all the sales executives and they preserve some targets for the DRs after giving the sales targets to SRs first. Sales Representatives are mainly responsible for achieving targets due to the policy, so they are liable for attaining majority of the PMI's sales target. After that, me with the other sales executives forecast and fix the monthly targets for Distribution Representatives. This is not an easy job at all. For this, we have to analyze the previous month sales of each and every DR and also we take consideration all the aspects that can affect the sales. For example, during the festivals all the universities and offices get closed and the demand of the cigarette might fall. Moreover, I have to calculate the average sales from each routes in previous months for giving them a target which is achievable.

The main challenge starts when I have to achieve the sales target. After setting the target, I need to inform my area manager about the target and he continuously keep pushing me up to attain or exceed the target. To get this job done, I have to consult with the other sales executives how I can get higher volume of sales from each DR and I also have to give the sales team briefing in every



week to boost up their sales. I also had to go for market visit to check that whether they are doing their duties properly or not.

#### **4.4 Satisfying the Sales Team with their Pay Scale:**

It is also a major challenge that I faced during my internship period. The pay scale of any sales team at any company is very minimal and they have to lots of hard work for getting that amount. We know that money is key element that motivates us for doing our job properly at any organization. Even, to appreciate the performance sometimes organizations provide monetary incentives to their employees. The pay scale of a salesman is very minimal and main challenge is to satisfy them with that existing pay scale. The sales team of PMI gets 8 thousand TK as a basic amount and 2 thousand TK based on their performances. With this pay scale, we have to motivate them to boost up their sales though in my internship period I have managed to get some extra incentives from the company like festival bonus for the sales men who at least working here for three months, free buffet lunch for best three performers and monthly prizes for the best three distribution representatives. These extra reward system are encouraging the sales team even more to increase their sales, giving their fullest efforts and performing their duties with integrity.

As a team leader I had to bargain for them with my higher authority so that they get some extra privileges from the company and it was a bit challenging for me. Furthermore, some of them got upset due to the poor performances and for that reason they got lesser salary than others. Motivating and encouraging them for doing better performance in the long run had been a great experience for me.

#### **4.5 To point out the difficulties while making successful numeric distribution:**

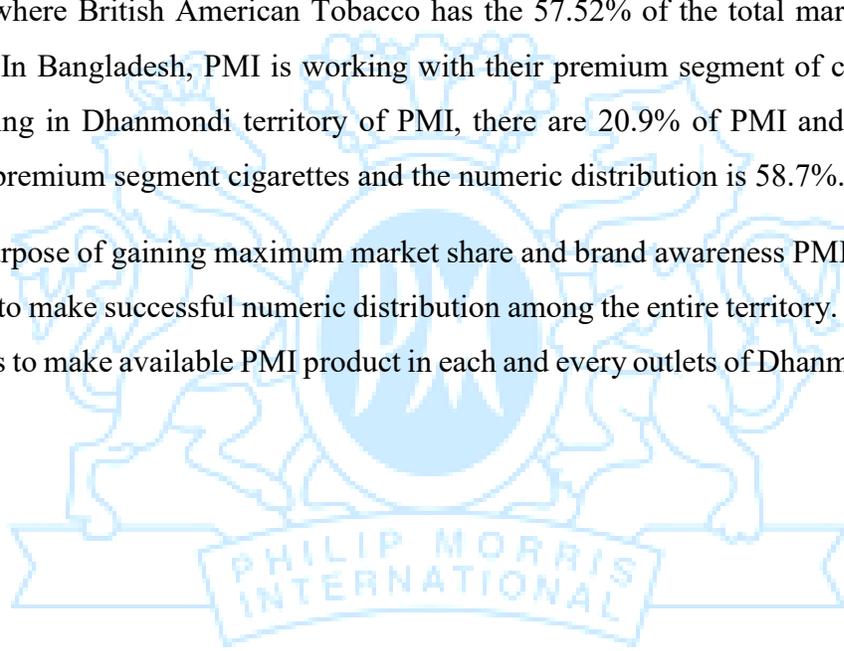
Numeric distribution means the number of outlets in a route are storing at least one of the product's stock keeping units. It is the percentage of the outlets that is keeping the stock products SKU, stock keeping units brand among all the stores in the relevant industry (MBA Skool, 2017). The project in which I am working as an intern, one of its main task is to making successful numeric distribution that means we have to make sure the availability of our products in the maximum outlets as much as we can.



Currently tobacco industry is going through a big change and Philip Morris International is trying to work with diversified product line, including the less harmful tobacco substitute. Still, majority of its revenue is earned from the existing portfolio of its cigarette brands and its major concentration is to increase the market share with these brands. PMI is also focusing on brand awareness by letting people know that they are offering the best quality of tobacco and using its brand value for capturing new customers. The consequence is people are switching to the PMI's products from the other cigarette brands in our country and it is occupying market shares from the competitors gradually.

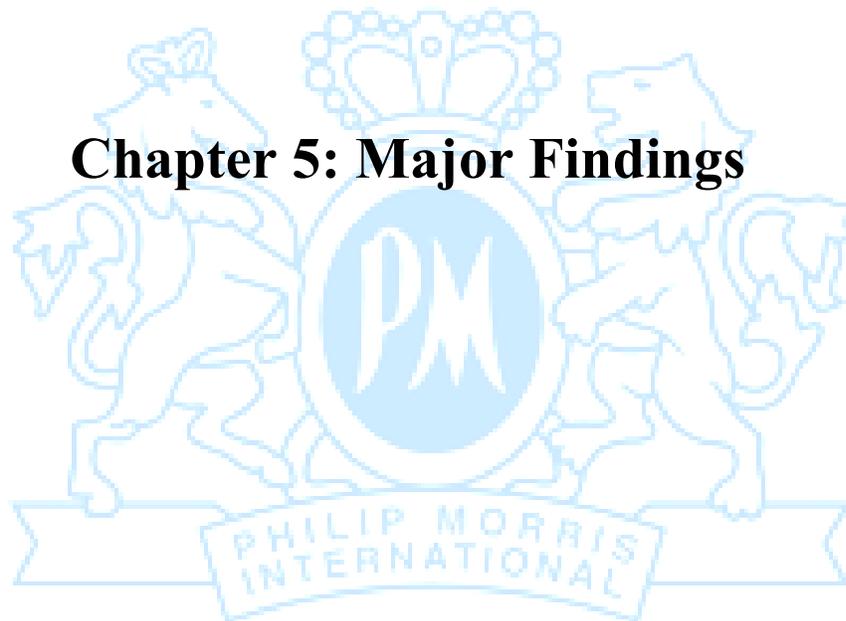
In Bangladesh Philip Morris International doing business from 2008 and it has gained the market share by 2.8%, where British American Tobacco has the 57.52% of the total market share (AC Nelson Report). In Bangladesh, PMI is working with their premium segment of cigarettes. As I have been working in Dhanmondi territory of PMI, there are 20.9% of PMI and 70% of BAT market share of premium segment cigarettes and the numeric distribution is 58.7%.

Again, for the purpose of gaining maximum market share and brand awareness PMI is conducting the DR program to make successful numeric distribution among the entire territory. The main goal of this program is to make available PMI product in each and every outlets of Dhanmondi territory.





## **Chapter 5: Major Findings**





## 5.1 Challenges of hiring people:

- We had to hire the people who will be the best match for our company and we were needed to take lots of interviews for recruiting our distribution representatives. In the interview, we had to judge and evaluate the candidates by giving them different situations in which they have to go through. We tried hard for making the best sales team by analyzing their ability to increase sales, convince people, negotiate with the retailers and manage pressures.
- We had to look for the people who knows to ride a bicycle and it was one of our major concern for recruiting people. Some people came for the interview who passed in each and every phase of the interview but do not know to ride on a bicycle properly. So we had to take them into considerations only on those circumstances when we were in need of boosting our sales up.
- We were seeking experienced person to make up this sales team so that was a challenge to find out the people who have the sales experiences previously.
- Selecting people with positive mindset and good personality was another challenge for me. A sales man has to maintain good relationship with all of his team mates, retailers, distribution point and his superiors. He has to be committed to his job and should give his best efforts at the duty.
- We have appointed only those people who have a guarantor doing government job or at least have a relative with a permanent address in Dhaka. The products which they take to the market are really precious and thus if any accident occurs by them, we can find someone accountable for the deed.



## **5.2 Situations while dividing the routes among the sales team:**

- We had to divide the routes between the sales team by analyzing their ability of making sales.
- Some routes have the most prominent outlets in our territory. Those stores have the bulk demand of our products and we need our best DRs to cover those outlets. Therefore after analyzing critically, we send our DRs to the routes according to their capability and capacity of making sales.
- There are some routes from which we get lower volume of sales and we send our best sales people to those routes. After sending them, we monitor their activities very closely and we take updates from them so that we can follow up the daily. Furthermore, we observe the sales conditions over there and according to the situation we give advices to our salesman so that they can generate more sales.
- As a leader of a sales team I have to ensure that every outlet of each route has been covered properly and availability of our products is maximum. For that, I have to visit the outlets frequently and take updates from each retailer whether they are getting our product every day or not.

## **5.3 Setting Sales target and achieving the target:**

- For setting sales target, we had to analyze the previous achievements of the distribution representatives, their average daily sales, route capacity to generate sales etc.
- One of the main challenges that I have faced regarding sales target is, inappropriate targets can create hassles and problems in terms of achieving that sales.



- Before setting the targets I consulted with my seniors (Territory Sales Executives), investigated and forecasted the possible sales and then communicated with my sales team.
- I had to set some realistic sales target which would help the sales team to work with confidence, clear mind set and positive expectations to achieve the target.
- Trying to achieve the target is far more challenging as we had to set strategies according to the market conditions and circumstances. Sometimes the sales team came up with a poor sales from the routes and we had to figure out what is the reason behind this and how we can overcome from this situation.

#### **5.4 Satisfying the people with their pay scale:**

- Most of the sales men are satisfied with their pay scale but they want some increment in their salary every year. Sometimes it becomes quite for them to manage their family with the amount they are getting.
- From my observation, I think that the commitment to their duties are less because they are not getting a good amount of money from their salaries. Hence, they are not stable in their jobs and they always try to search for better opportunities.
- Keeping them motivated is really a difficult sometimes when they get consistently poor salaries due to their performance though festival bonus and incentive for the best performers improved this situation quite a lot.



## 5.5 Making successful numeric distribution:

- Ensuring successful numeric distribution was the core task of my internship period. As an intern, I had to monitor the availability of our products in maximum outlets at a particular route. The main challenge of was convincing the retailers to stock our products as BATB (British American Tobacco Bangladesh) is there as a market leader. Hence, most of the cigarettes are being bought from BATB by the retailers since the demand is high. Furthermore, most retailers do not have enough capital to purchase their daily sellable items. That is why, they prioritize those products which have greater demands. In some area, Marlboro is not as popular as B&H. Thus, we needed to convince the retailers by giving some incentive programs for the highest sellers PMI's products.
- Incentive programs make many retailers to stock Marlboro in a bulk amount compared to the other brands. The reason behind this is, if a customer asks for another brands product and due to unavailability of that brand, the retailer will suggest them to taste Marlboro. That customer would purchase a Marlboro cigarette instead of B&H as the retailer does not have that brand. Then if the cigarette tasted good to that consumer, he might switch to this new brand.
- In Dhanmondi Territory, the numeric distribution is 58.7% and the segment share is almost 21% according to the AC Nelson report in 2016. We were quite successful to ensure a good percentage of numeric distribution but still we have to ensure our product's availability in almost 40% of the outlets which is quite challenging.



## **Chapter 6: Recommendation**



## **6.1 Challenges of hiring people:**

- Company should sort out applications by a simple background check and also about previous work place confirmation.
- It should allow only those employees who can perform properly, not the people who just know to ride a bicycle.
- It needs to select those applicants, who got at least one year of experience in the field.
- Moreover, there should be a policy where company will not allow any candidates under H.S.C qualification.
- Furthermore, to maintain all the equipment, company should appoint a supervisor to take all the responsibility.

## **6.2 Situation while of dividing the routes among the sales team:**

- Company should provide training program to each DR about the total route understanding.
- It should also educate each of the DR about all the incentive program for delivering the message properly to their retailers.

## **6.3 Setting the sales target and achieving target:**

- Company has to set up a sale target according to the route planning and also give some directions to the employees regarding that.
- Besides, it should practice a realistic target policy which is achievable for a DR.

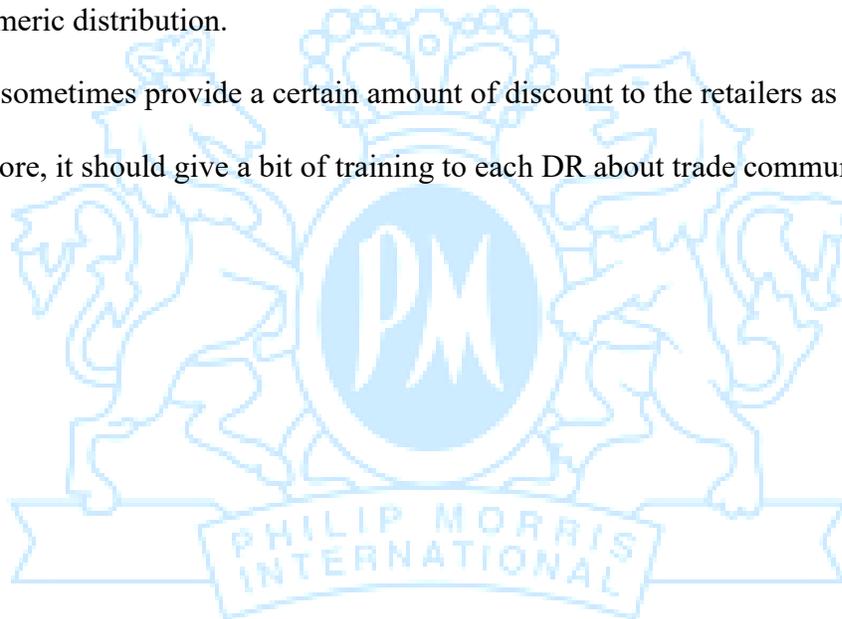


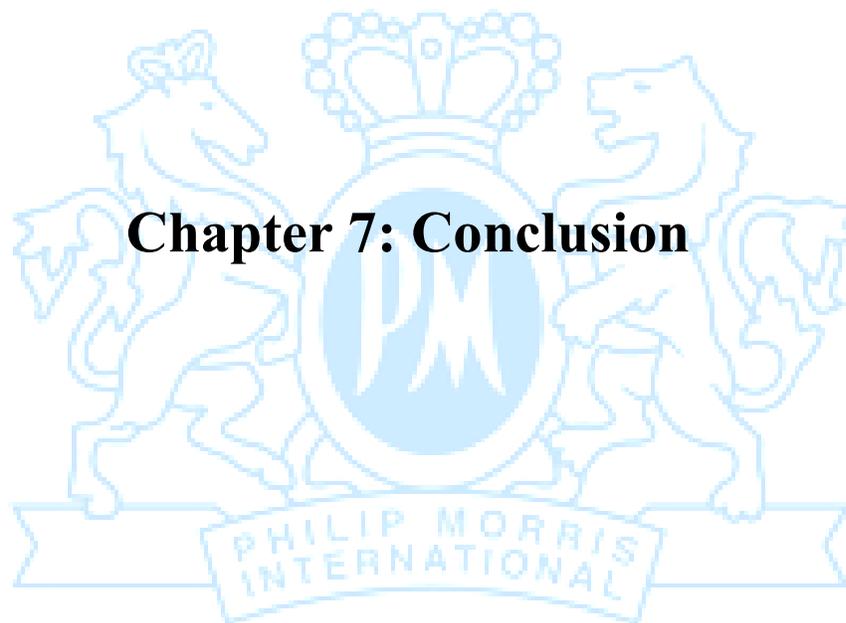
## 6.4 Satisfying the team within this pay scale:

- It would be better if the company manages some sort of increment in the salaries based on their performances.
- The company should improve their salary structure and arrange frequent remuneration program for them.

## 6.5 Challenges of making successful numeric distribution:

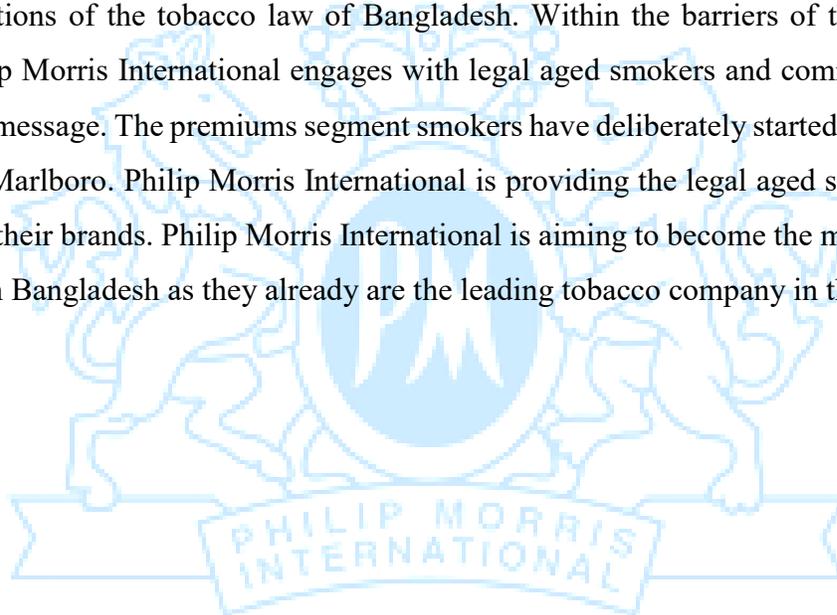
- Company should provide frequent incentive programs and offers for the retailers to ensure better numeric distribution.
- It should sometimes provide a certain amount of discount to the retailers as well.
- Furthermore, it should give a bit of training to each DR about trade communication.







Philip Morris International is very new at the tobacco industry in Bangladesh. They have started their operation here in 2008, but already they have become one of the most notable names among the premium segment and also to the legal aged smokers. They have earned reputation in the market by providing their premium quality of tobacco products. The journey has not been very smooth for Philip Morris International in Bangladesh. Still they are struggling to gain greater market share in the industry. Currently they are just focusing in some prominent cities of Bangladesh and Dhaka metro, which clearly states that they have lots of works to do for making their business sustainable in Bangladesh. Moreover, they are still using the field force of Dhaka Tobacco, however on the brighter side the sales force of Philip Morris International is becoming stronger gradually. Philip Morris International is a very compliant company and follows all the rules and regulations of the tobacco law of Bangladesh. Within the barriers of those rules and regulations Philip Morris International engages with legal aged smokers and communicate them with their brand message. The premiums segment smokers have deliberately started to switch from other brands to Marlboro. Philip Morris International is providing the legal aged smokers a great experience with their brands. Philip Morris International is aiming to become the market leader in the near future in Bangladesh as they already are the leading tobacco company in the world.





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