



Internship Report On
**Observation from Field Force attachment on
Distribution Excellence**

Course CODE: BUS 400

Prepared For:

Ms. Mahreen Mamoon

Assistant Professor

BRAC Business School

BRAC University

Prepared By:

Ahmed Rosafi Mahmood

ID: 12304033

BRAC Business School

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Letter of Transmittal

December 5th, 2017

Ms. Mahreen Mamoon

Assistant Professor

BRAC Business School

BRAC University

Subject: Submission of Internship Report.

Dear Ma'am,

It is my great honour to submit the internship report titled “**Observation from Field Force attachment on Distribution Excellence**” which has been prepared as an integral part of the course requirement for BUS400 of my BBA program. My internship was held in Khulna at the trade marketing function of British American Tobacco Bangladesh. I was privileged to work with the Trade Marketing team of Khulna; the work environment was wonderful. It had given me a great opportunity to learn about corporate culture and this will be very helpful in my future life.

I would like to show my gratitude to you for giving me such a great opportunity to prove my abilities in making a quality report. I realize that my report may not be flawless; there might be some mistakes which were not noticed by me due to my inadequate professional knowledge, and I humbly apologize for that beforehand. It will be highly appreciated if you kindly accept the report. Your positive action regarding this matter would be very much helpful for my academic career.

Sincerely,

.....

Ahmed Rosafi Mahmood

ID: 12304033

BRAC Business School

BRAC University

Acknowledgement

I would like to express my deepest gratitude to God almighty for all that he has bestowed on me and for guiding me through my academic life. It is my greatest pleasure to be able to complete my internship at **British American Tobacco Bangladesh**. The practical experience and the valuable knowledge that I have gained during my course of internship at **BATB** has given me the confidence and necessary skill set to pursue a career in the corporate sector and the FMCG industry.

Firstly, I would like to thank my academic supervisor **Ms. Mahreen Mamoon** for her support, guidance and suggestions. Without her supervision and valuable insight, this report might never have materialized.

I would also like to thank my organizational supervisor **Mr. Rezwan Nawsher (Area Manager, Khulna)**. Without their direct help, suggestion, and assistance it would be impossible for me to complete this report. In addition, I am also indebted to the Khulna Trade Marketing (Khulna Gallants) team members who have guided me through each step of the way. They have constantly shared their knowledge and experiences with me and given me advice that has surely helped me grow professionally.

The positive and balanced work environment at British American Tobacco Bangladesh has always been a constant source of motivation for me to go work and sustain throughout the day for which I will be forever grateful.

.....

Ahmed Rosafi Mahmood

ID: 12304033

BRAC Business School

BRAC University

Declaration

I do hereby declare that the internship report on “**Observation from Field Force attachment on Distribution Excellence**” has been prepared by me under the supervision of **Ms. Mahreen Mamoon**, based on my practical working experience at British American Tobacco Bangladesh.

I further uphold that the work is original and no part of this report has already been submitted by any other student of this university or any other university. This report has been prepared by me for the academic purpose of my Bachelor of Business Administration degree. Therefore, permission of the author is needed to use any part of it.

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Ahmed Rosafi Mahmood

ID: 12304033

BRAC Business School

BRAC University

Executive Summary

This internship report has the study of the organization British American Tobacco Bangladesh. It is one of the prominent industries in Bangladesh and has been playing a significant role in the economy of Bangladesh. BATB has appreciable renowned strategies and implementations. I was privileged to get appointed in the Trade Marketing function of British American Tobacco Bangladesh. This has given me the opportunity to acquire a closer understanding of the distribution process and the activities of trade marketing.

BATB has four categories of Brands in their portfolio. The trade marketing team is responsible for planning and developing campaigns, promotional activities in all available channels aligned with sales force in order to penetrate market and help reach sales KPI's. The main purpose of this report is to analyze the marketing activities put forward to develop brand value in a market still in growth period. The report contains some marketing activities that I have personally experienced. It contains results, channels used and the purpose of the marketing campaigns and activities.

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Overview of the Organization Profile

British American Tobacco

A global business with a proud history and an exciting future.

British American Tobacco is one of the world's leading multinational companies, with brands sold in over 200 markets. They make the cigarettes chosen by around one in eight of the world's one billion adult smokers while leading the market in more than 55 countries. It is a matter of pride to the company that they are consistently among the top 10 companies on the London Stock Exchange.

In 2016, they sold 665 billion cigarettes, made in 44 factories in 42 countries. The brand portfolio includes their world-famous Global Drive Brands – Dunhill, Kent, Lucky Strike, Pall Mall and Rothmans – along with many other leading international brands, such as Vogue, Peter Stuyvesant and State Express 555. As well as cigarettes, their core tobacco product range also includes Fine Cut (roll-your-own and make-your-own tobacco), Swedish-style snus and cigars.

Alongside the traditional tobacco business, BAT is also at the forefront of developing products that offer consumers potentially less risky alternatives to regular cigarettes. They call them Next Generation Products and that portfolio includes Vype, Vapour Products, and Glo (Tobacco Heating Product). The four regions they operate in – Americas; Asia-Pacific; Eastern Europe, Middle East and Africa; and Western Europe – cover six continents. The graphic below highlights the strong contribution each of the regions in 2016 made to their annual performance.



History of British American Tobacco

- 1902** ● The UK's Imperial Tobacco Company and the American Tobacco Company of the United States form a joint venture, the British American Tobacco. James 'Buck' Duke becomes the company's first chairman. His strategy is to devise a superior product, hire the best people to make it, price it as low as possible, and mechanize production.
- 1910** ● Cigarette sales exceeded 10 billion per year.
- 1927** ● 25th anniversary. One of the UK's leading companies with 120 subsidiaries.
- 1949** ● First factory in Bangladesh. Fauzdarhat, Chittagong.
- 1955** ● A return to growth after the Second World War sees them rank third among British, French and German companies, measured by company profits.
- 1965** ● Second factory in Mohakhali, Dhaka.
- 1972** ● Bangladesh Tobacco Company Ltd.
- 1992** ● Hungary's Peci Dohanygyar is acquired. Acquisitions and joint ventures follow rapidly in Ukraine, Uzbekistan. Czech Republic. Russia. Romania and Poland.
- 1998** ● BAT Industries divests its financial services businesses. British American Tobacco becomes a separately quoted company on the London Stock Exchange.
- 2013** ● CTBAT International Limited, a joint investment of subsidiaries of China National Tobacco Corporation and British American Tobacco commences trading. The group launches its first e-cigarette product, Vype, in the UK.
- 2015** ● Completes a number of investments and strategic partnerships focused on future growth. The group acquires TDR in Croatia, the leading independent cigarette manufacturer in Central Europe.

Highlighting the commitment to lead in Next Generation Products, they acquire CHIC Group, a market leading Vapour Product business in Poland. Continue to develop Vype with new products and expansion into new markets, and launch first Tobacco Heating Product, glo iFuse, in Romania.
- 2016** ● BAT makes proposal to acquire remaining 57.8% of Reynolds American Inc. it doesn't already own. Commitment to Next Generation Products continues with the acquisition of Ten Movies, a UK e-cigarette company. BAT launches glo, a new-to-world Tobacco Heating Product.
- 2017** ● January- BAT announces agreement to acquire Reynolds American Inc.

Glo Tobacco Heating product launches in Switzerland and Canada.

July- BAT completes Acquisition of Reynolds American Inc.

Reynolds American Inc. acquisition

In July 2017, British American Tobacco plc. (BAT) acquired the remaining 57.8% of Reynolds American Inc. (RAI) that BAT did not already own, creating a stronger, global tobacco and Next Generation Products company, with direct access to the US market. The addition of RAI's operating companies means their combined portfolio now also includes three out of the four best-selling cigarette brands in the US – Newport, Camel and Pall Mall – as well as VUSE, one of the leading brands sold in the US Vapour Products retail market.

People

Around 55,000 people are employed worldwide, while many more are indirectly employed through their supply chain. The quality of the people they recruit has always played a major role in their success. The culture of BAT is about developing talent from within, while also attracting people who bring knowledge and skills that strengthen the business.

They are often independently rated as a leading employer in countries where they operate. In 2016, for example, BAT was recognized as the Top Employer in Europe by the Top Employers Institute for the seventh consecutive year, underlining their position as one of the best companies to work for in the region. Not to mention, British American Tobacco Bangladesh has been nominated as the **'Dream Company to Work for'** most recently.

Valued partners

Throughout its history this company has always prioritized their relationship with tobacco farmers. Today they work closely with some 90,000 directly contracted farmers worldwide – as well as third-party suppliers which contract their own farmers – to source tobacco leaf for their products. They have more than 1,000 leaf technicians who spend their days advising farmers on crop growing and sustainable agriculture. BAT also supports retailers worldwide, many of them independent, family-run shops, offering them all their knowledge and experience to help them build successful businesses.

High standards

BAT has always been committed to the highest standards of corporate conduct, from how they source their tobacco leaf right through to how they market their products to adult consumers. They take pride in the sustainable and responsible way their businesses are run and the recognition they've received show it's not just them who think they are doing the right thing.

Rightfully so, they were the first tobacco company to be included in the Dow Jones Sustainability Indices in 2002 – and have been included every year since. And in September 2016 they were ranked number one in a good governance index published by the Institute of Directors. They understand to continue their success and grow their business they need to operate sustainably. That will depend on them meeting the needs of not only their shareholders, but also their many other stakeholders.

Delivering today, investing in tomorrow

British American Tobacco has a rich heritage and, they believe, a bright future. They continue to deliver value to their shareholders today while also investing in their markets, brands, new product categories and people to ensure a sustainable and successful future for their business.

Brands of British American Tobacco

BAT has a proven track record of developing strong, global brands driven by innovation and product quality. Their world-famous tobacco brands drive year-on-year share growth in key global markets by meeting the needs of the consumers. They are also investing in a portfolio of Next Generation Product brands to meet consumer demand for potentially less risky alternatives to regular cigarettes, including Vapour and Tobacco Heating Products. These innovations demonstrate their commitment to meeting all of the differing preferences of consumers with a choice of tobacco and nicotine products.

Leading Tobacco Brands

Their business isn't about getting more people to smoke or encouraging those that do smoke to smoke more. It's about really understanding and meeting the preferences of adult smokers with high quality, innovative products so that they can continue to increase the global market share. Five leading tobacco brands – Global Drive Brands (GDBs) – are

Dunhill, Kent, Lucky Strike, Pall Mall and Rothmans.



They play a key role in the growth strategy and in 2016 accounted for 49% of all the cigarettes BAT sold, up from 32% in 2011.

Introduction

Rationale

While writing this report I have pondered about a lot of things; the first thing that comes to mind is the 4 and half years of concentrated learning and I believe this is the final edition of those learning put into use in a real life situation.

British American Tobacco Bangladesh.

This report holds the experience I have gained at BATB in combination with the learning I have received from my university. It has been a privilege to work for the Trade Marketing function of BATB. In the vast field of marketing it has truly helped me gain steed. Devising promotions were the things of books and case studies, but at BATB I was able to be part of trade marketing activities, distribution and sales. From observing on how the distribution function process to the flaws within it and how the field force does not keep pace with the regulations provided by the company. Hence, this report is important as it holds my experience and transition to the real world.

It is my great honour to submit the internship report titled “**Observation from Field Force attachment on Distribution Excellence**” which has been prepared as an integral part of the course requirement for BUS400 of my BBA program.

Background

British American Tobacco Bangladesh

The presence of British American Tobacco in this part of the world can be traced back to 1910. Beginning the journey as Imperial Tobacco 103 years ago, the Company set up its first sales depot at Armanitola in Dhaka. After the partition of India in 1947, Pakistan Tobacco Company was established in 1949. The first factory in Bangladesh (the then East Pakistan) was setup in 1949 at Fauzdarhat in Chittagong. In 1965, the second factory of Pakistan Tobacco Company went into production in Mohakhali, Dhaka. Thereafter it became Bangladesh Tobacco Company Limited in 1972 immediately after Bangladesh's independence. In 1998, the Company changed its name and identity to British American Tobacco Bangladesh (BAT Bangladesh) aligning the corporate identity with other operating companies in the British American Tobacco Group.

BAT Bangladesh is a part of British American Tobacco plc, one of the world's most international businesses, with brands sold in more than 200 markets around the world.

They make high quality tobacco products for the diverse preferences of consumers, spanning the business 'from crop to consumer' and we are committed to embedding the principles of corporate social responsibility Group wide.

Shareholders

They are among the first companies to be listed on the Dhaka and Chittagong Stock Exchanges and currently ranked amongst the top 10 companies in terms of market capitalisation. British American Tobacco Group holds 72.91% of shares; 12.86% is owned by Investment Corporation of Bangladesh; Shadharan Bima Corporation, Bangladesh Development Bank Limited, Government of People's Republic of Bangladesh and a further 14.23% is owned by other shareholders.

Contributions

They continue to contribute approximately two-thirds of the revenue derived from the cigarette industry, wherein 2013-14 fiscal year BAT Bangladesh contributed over BDT 8,436 crore as taxes to the National Exchequer. The company will continue to support Government proposals that establish a sustainable level of tax contribution to the national exchequer while ensuring a sustainable growth for the industry.

Beliefs

At British American Tobacco Bangladesh, they strive to be a responsible company wherever they operate - that may be to the shareholders, employees, business partners or any other relevant internal and external stakeholders. To them, responsibility is a way of life and that is why they believe 'success and responsibility go together'.

People – Strength

Employing more than 1,500 people directly and approximately 50,000 people indirectly as farmers, distributors and local suppliers, they take great pride in saying that BAT Bangladesh is one of the most preferred employers in the country. It is the people, who bring their differences every day and make BAT Bangladesh a great place to work in.

Principles

The principle of Mutual Benefit

The principle of Mutual Benefit is the basis on which they build their relationships with their stakeholders. They are primarily in business to build long term shareholder value and they believe the best way to do this is to seek to understand and take account of the needs of all of their stakeholders.

The principle of Responsible Product Stewardship

The principle of Responsible Product Stewardship is the basis on which they meet consumer demand for a legal product that is a cause of serious diseases. Therefore, their products and brands

should be developed, manufactured and marketed in a responsible manner. They also aspire to develop tobacco products with critical mass appeal that will, over time, be recognised by scientific and regulatory authorities as posing substantially reduced risks to health.

The principle of Good Corporate Conduct

The principle of Good Corporate Conduct is the basis on which all their businesses should be managed. Business success brings with it an obligation for high standards of behavior and integrity in everything they do and wherever they operate. These standards shall not be compromised for the sake of results.

BAT Vision

“World’s best at satisfying consumer moments in Tobacco and beyond”

Brands of British American Tobacco Bangladesh

They manufacture and market high quality and well established international cigarette brands. The current brands are Benson & Hedges, John Player Gold Leaf, Pall Mall, Capstan, Star, Pilot, Bristol, Derby and Hollywood which are positioned in four segments in the Bangladesh cigarette market.

Benson & Hedges

Since its launch in 1997, Benson & Hedges has dominated the Premium segment and set the standards in a very competitive market. And in 2012, the house of Benson & Hedges launched a new and unique variant - Benson & Hedges Switch. Keeping innovation at its core, Benson & Hedges Switch became the first ever capsule cigarette to be launched in Bangladesh.

John Player Gold Leaf, Pall Mall and Capstan

John Player Gold Leaf, Pall Mall and Capstan are positioned in the Aspirational Premium segment. Launched in 1980, John Player Gold Leaf is one of the highest selling brands of our company, enjoying large market share in the Aspirational Premium segment. Pall Mall was the Group’s first Global Drive Brand to be launched in Bangladesh in 2006.

Star

Star and Star Next are positioned in the VFM segment. Star was launched in 1964 and Star Next was launched in 2012. The brand has absolute leadership in the segment with a robust performance.

Pilot, Hollywood and Derby

They have three brands in Low Segment – Derby, Pilot & Hollywood. Derby was launched in 2013 and is the biggest brand among the three, offering taste differentiation to the consumers through its two variants. On the other hand, Pilot offers true and authentic smoke to the consumers. Pilot was launched in 2009 and at present it is the fastest growing brand in the industry. The third brand is Hollywood which was launched in 2011.

Objectives

The purpose of this report is to express my experience at BATB for a short 3 month period, what I have learned there, who was the supervisors behind my learning and my roles and responsibilities. Over the course of my internship I was assigned to attachments with the Field Force who basically drive the sales of the company and my key objective was to finding out key improvement areas within Distribution Excellence.

Scopes:

- People
- House
- Logistics
- Customer Listing(PRISM)

Activities Undertaken

For attaining the objective it was important to visit markets on a regular basis. Mostly with FF.

Firstly I started with FF attachments.

That included-

- Sales Representative
- Sales Supervisor
- Sales Manager
- Brand Rep Supervisor
- Territory Sales Assistant

During the attachments I barely could learn anything outside what they helped me to learn. So it was impossible to find out the improvement areas as the FF would never expose the flaws within their work.

At that point I decided to get out on random market visit to see things on my own.

That included-

- Multiple route visit
- Partner interview
- TSA interview
- Trade visit
- Priority Cluster visit

Sales Representative:

- **Issues:**
 - Improper Stock Allocation
 - Shortage of Stock
 - Brand Unavailability(not necessarily OOS)
 - Recovering from nearby routes
 - Proper Sales Calls
 - Brand Communications

- **Solutions:**
 - Regular Market visit
 - Training
 - Monitoring
 - Briefing
 - On the job coaching
 - Feedback
 - Evaluation

Sales Manager:

Issues:

- FF Discipline
- A SR with good review from the market had been shifted to another route.

Solution:

- Responsibility

Brand Rep Supervisor:

Issue:

- BR failed to portray Brand Communication properly.

Solution:

- BR.Sup needs to be monitored by Area Coordinator.

Customer Listing (PRISM):

Issues:

- Unorganized customer listing.
- Closed outlets.
- Inefficient route plans.(e.g. 22A)

Solutions:

- Scope for regular updating
- Only TO should have the

*Other than that there should be an option that will make sure SR does MEMO onboarding properly.

Logistics:**Issues:**

- Inadequate capacity not sufficing growth.
- No designated logistics admin/personnel.
- As a result SS/SM takes on the responsibility.
- Affecting their own schedule.

Solutions:

- Deploy proper logistics to
- Scooter van specifically for route 22A.
- Appoint a designated logistics personnel.

Distribution House:**Issues:**

- House Code of Conducts
 - Behavior of BM not proper
 - Elder SRs gets priority
 - SS do not obey the TSA properly.
- House Resources
 - No sitting arrangement for TSA
 - TSA PC config not up to mark
 - No contingency plan
 - No logistics personnel

Solutions:

- Playing the hardball
- If necessary fire the BM
- Another SM might help mitigate service gap
- TSA1 should be warned, if needed fire him.

Random Market Visit Observations:**Observations:**

- 116D & 4A - SR doing gift requirement manually.
- Masum Store - TSA not active.
- Arman Store - Complain from other partners.
- Murad Store (MVP) - TSA last visit unknown. Came after calling.
- Tarok Store - Didn't get memo. When asked, SR blamed no listing.
- Jalal Store - B&H BG short, last day shortage.
- Taaj Store - Can be exclusive.
- SR doesn't provide Memo to retailers.
- Lack of service frequency.
- SS not available in the market.

TSA 2 Interview:

- › **TSA sitting arrangement.**
- › **TSA PC numbers & configuration.**
- › **SS sitting arrangement.**
- › **BM, SM, SS.**
- › **SR gets priority over market in terms of allocation.**
- › **Few senior SR has BTL relationship with BM, SM.**
- › **No logistics admin/personnel. Alt: SM/SS.**
- › **PRISM database much unorganized.**
- › **SS, SR not doing their responsibilities properly.**

TSA 3 Interview:

- › **Customer list not proper- Fake outlets, Mismatch.**
- › **SS doesn't stay long in the market, lack of proper sup.**
- › **Long lasting SS needed.**
- › **SS profile not alright. Doesn't handle pressure.**
- › **Depends on SR for information.**
- › **Extra SR & ASR needed. Substitute.(Labor)**
- › **SR time maintenance. 11th hour reporting.**
- › **Frequent changes. Next month 2 SS leaving.**
- › **Not unity among SS.**
- › **Behavior in house not alright. Even TSA. SS doesn't follow.**

SR Responsibilities:

- Proper lifting
- Proper sales call
- Brand Availability
- Service frequency
- Trade relationship
- Provide memo
- Sales records
- D&D
- Communication
- Volume/OOS

SS Responsibilities:

- Daily Market Visit
- Post Visit Briefings
- On the Job Coaching
- Trade Relation
- Feedback
- Monthly Evaluation

Lessons Learned

To get into British American Tobacco Bangladesh Limited, I had to pass the three step online assessment, then I had to go through a focus group discussion and a face to face interview; in order to be eligible for work here. Starting from the interview it always felt like a proper job. My role was in the trade marketing function with the Khulna TM&D team, which has given me a great opportunity to work with my specialization. While doing this internship I was grateful to work with highly qualified professionals and meet other parties associated with this country's marketing scenario. While working for the TM&D team, being an intern I was always asked to give ideas to the projects I could be assigned to. This has given me valuable experience in analysing distribution excellence with keener eyes, to put forward ideas confidently. Practical experience of FF attachments gave me opportunities to understand the distribution scenarios, the challenges and the solutions.

My supervisor Senior Area Manager (Khulna) never failed to give his valuable time and teachings to help me grow and be empowered to make decisions. Starting from motivational comments, to completely delegating work and giving me a sense of ownership in my roles while correcting my mistakes just like a teacher. This makes you feel like a crossover between an Intern and a permanent job holder. British American Tobacco Bangladesh really adds value to one's life, as a marketing intern working directly under an Area Manager gives you a great opportunity to practically learn about trade marketing and management.

Conclusion

One of the most trusted and loved MNC operating in Bangladesh. Since its start, the company was well recognized for its already established image, which helped it grow faster. Continuous innovation and development of existing products, working on media opportunities and better communication system has proved that BATB looks forward in presenting better solutions to the customer's problems. This is run by employees who are responsible and proficient and most importantly highly professional.

Things I have learnt during this three months is asset for me. These three months have been more of an investment. Return on this investment is for a lifetime. It was an amazing experience visiting the markets as a BATB personnel. Traders gave huge respect and they were mostly so welcoming.

In conclusion, time at BATB has been pivotal in my learning curve. It has helped open eyes to the real life problems. Starting from management to learning marketing at every level. British American Tobacco Bangladesh offers great experience and career growth. Since, they are the market leaders.

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