



Inspiring Excellence

# INTERNSHIP REPORT

ON

**“BTL Activation of DANO Power.”**

**Submitted To:**

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## Letter of Transmittal

**09-05-2016**

Dr. Md. Mamun Habib

Associate Professor

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**Subject: Submission of Internship Report.**

Dear Sir,

With great enthusiasm, here I submit my internship report on “**Arla Foods Bangladesh Ltd.**” Work under its Marketing Department that you have approved and assigned as a compulsory requirement of the BUS 699 course. I have given utmost dedication and concentration to make the internship report so that I could prepare a successful internship report. It is a great opportunity for me to present my internship report under your supervision. I am very thankful for your guideline and support.

I tried to put my best effort for preparing the internship report. Yet if any shortcomings or flaws arise, it will be my pleasure to answer any clarification and suggestions regarding this report.

Yours Faithfully,

-----

Tawsif Chowdhury

ID-16264070

BRAC Business School,

BRAC University

## Acknowledgement

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I like to give my heartiest admiration to Dr. Md. Mamun Habib my internship supervisor for supporting me and directed me to the proper way to complete the report.

Thank you all for making my report come to an end within the time.

## Executive summary

Bangladesh is a developing and densely populated country. For decades, Bangladesh has a large domestic market for milk products which was largely met through importation of subsidized milk, powder milk and milk products from developed countries. During 1989-90, Bangladesh imported milk and milk products worth 400 million taka to meet a shortfall of 40 percent of domestic demand. Bangladesh milk sector is failed to provide sufficient supply for liquid milk. To minimize this shortage government has taken some steps such as urgent meet up through imported powder milk and try to develop dairy farms to the private entrepreneurs' levels. Only local dairy farm could not provide sufficient supply of liquid milk according to consumers demand.

To fill up this gap there are a lot of companies launch in Bangladesh to sell milk powder product. One of them is DANO which is a familiar word for each household in rural and urban area in Bangladesh. Mutual Group is primarily a 'Toll Manufacturing & Distribution company' with the legacy of establishing two global brands, 'Horlicks' and 'Dano', as the household name in Bangladesh. It separated from Mutual Group and created a joint venture with Arla Foods a.m.b.a in Denmark in 2011. In Bangladesh, Arla foods has varieties of product for powder milk like regular and instant milk powder, filled milk powder, baby foods- Deelac, Dano mom for pregnant women in Bangladesh.

Arla Foods is home to some of Bangladesh's best-loved dairy brands. We work hard to make sure that our suppliers meet our exceptionally high standards of production and animal welfare and with nearly 1500 employees and a turnover of more than tk1.2bn. Globally we are 19,000 colleagues across 30 countries and 12,700 dairy farmer owners in Denmark, Sweden, United Kingdom, Germany, Belgium, Luxembourg, Netherlands and Bangladesh. Together, we share a strong identity Good Growth that guides our decisions as we create the future of dairy.

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# Chapter 1

## 1.1 Introduction

In this modern world, Organizations are striving for gaining the lead over competitors. In the industry of dairy, the competition is much more immense as they need to meet consumers demand continually and more properly. Arla, with the brand Dano, being the 4th largest Dairy Company in the world serving the people with the aim of ensuring Health, Nutrition & Wellness (HNW) with customer satisfaction & glory.

For decades, Bangladesh has a large domestic market for milk products which was largely met through importation of subsidized milk and milk products from developed countries. During 1989-90, Bangladesh imported milk and milk products worth 400 million Taka to meet a short fall of 40 percent of domestic demand. Bangladesh milk sector is failed to provide sufficient supply for liquid milk. To minimize this shortage government has taken some steps such as urgent meet up through imported powder milk and try to develop dairy farms to the private entrepreneurs' levels. Only local dairy farm could not provide sufficient supply of liquid milk according to consumers demand. To fill up this gap there are a lot of companies launch in Bangladesh to sell milk powder product. One of them is Dano (Brand of Arla Foods) which is a familiar word for each household in rural and urban area in Bangladesh. It is working in Bangladesh successfully proving the right blend of nutritious elements to the children according to their ages & body requirements. Dano full cream milk is renamed to Dano Power and this new name indicated by consuming Dano, children will grow more strongly both physically and mentally.

Recently, Below the Line (BTL) Activation Campaign for Dano Power is continuing for making the product message to the target group in a very convenient way. It means- Direct marketing through Brand Promoters (BP) to increase the sales growth and enhance its profitability.



**Below the Line Marketing:** A marketing strategy in which a product is promoted in mediums other than radio, television, billboards, print and film. Below-the-line advertising seeks to reach a consumer, instead of a mass audience, directly rather than through an intermediary. Types of below-the-line advertising commonly includes direct mail campaigns, trade shows and catalogs, and targeted search engine marketing. This advertising type tends to be less expensive and more focused.

**Below-the-Line Marketing – highly targeted direct marketing focused on conversions.**



Figure-1.1

Moreover, Dano Power is also reaching the people through digital media both in online & offline for ensuring the maximum customer coverage & reach.



## 1.2 Objectives of the Study

### Main

The main objective of the study is to understand the roles of BTL marketing communication of Dano Power and how it is impacting the brand proposition on consumer's mind as well as on sells. Moreover, to discover the customer insights & feedback regarding this Dano Power Dairy product by Arla.

### Supportive

- I. To investigate BP Activation (part of BTL) [BP= Brand Promoter]
- II. To find out the conversion rate of Non- Dano user to Dano user.
- III. To analyze the succession rate of the activation.



### **1.3 Methodology of the study**

The study would be **Qualitative** in nature. Thus, Methodology included direct observation, face-to-face discussion with customers & the brand promoters of Dano Power in the targeted market place.

#### **1.3.1 Primary Sources of Data Collection**

Primary Data are collected directly from the targeted fields & areas. For the completion of this report, the primary sources of Data are-

- I. Personal Observation in the defined clusters (Wet-market).
- II. Discussion & response from the target customers coming to the clusters.
- III. Feedback from the Brand Promoters (BP) of Dano Power as they interact to the target customers more precisely.
- IV. Feedback from two agencies who operate this activation as a third party of Arla Foods Bangladesh Limited.

#### **1.3.2 Secondary Sources of Data Collection**

The Data which has already been collected by others but relevant to the topic to work on, such Data are called secondary Data. For this internship report, the secondary Data are collected from the below sources-

- I. Website of Arla Foods Bangladesh Limited and Arla Foods internal websites.
- II. Reports on milk based & instant milk powder & customers general perceptions.

## 1.4 Research Design Formulation

The Qualitative research for this study will follow the **Descriptive research** to formulate the report. Thereby, the research study will follow the **Survey Method** for the Data collection and the Data to be collected through **Structured and Semi-Structured Questionnaire**. The Survey includes:

1. Personal Interviewing
2. Telephone Interviewing
3. Observation

Personal interview was with the brand promoters, consumers and retailers by visiting in the wet markets directly.

Telephone interview was mostly with the consumers who purchase Dano Power through BP communication and with the BP to know how they are dealing with consumers.

Observation was running over these three parties (consumers, brand promoters, retailers). The things are mainly observed:

- I. Consumers insights and movement
- II. Retailer reaction and insights to Dano Power
- III. Brand promoter's activities.

## 1.5 Limitations of the Study

It is not possible to prepare a report on a project without any limitations. So, regarding this report, the limitations are:

- I. Timeline of the program was three months only which seemed to be not enough for the details study.
- II. The brand promoters who directly communicate with consumers had given some fake Data about customers and milk consumptions during activation.
- III. It was too difficult to interact with the customers at cluster markets as people coming there are too busy to buy different goods.
- IV. There was also problem from the retailers to talk with the customers on any product or even limited accessibility.
- V. Because of the limitation of information, some assumptions were made. Thus, it may not display the overall scenario with full accuracy as expected.

## Chapter 2

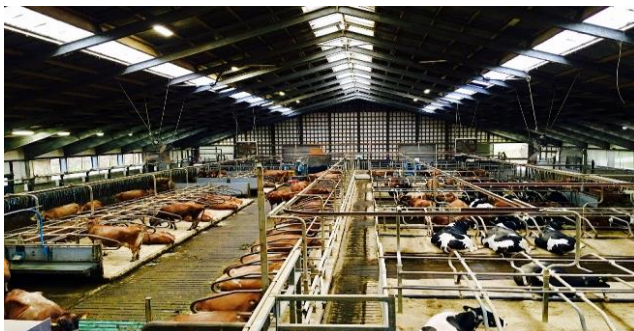
### Company Overview

#### 2.1 Arla Foods Global

Arla Foods is a dairy cooperative, owned by over 12,500 farmers. The philosophy of Arla is to producing natural, healthy and high quality dairy products for consumers Dano back to the 1880s when dairy farmers in Denmark and Sweden joined forces with one common goal – to produce and provide the best dairy products. Because this is farmer-owned, all its earnings go back to the farmer owners. This means that when people buy the products the money is split equally between each liter of milk that our owners supply. That’s also a key part of their cooperative philosophy. Being a farmer- owned company, they are committed to high standards of animal welfare, product quality and food safety for consumers.

Arla Foods is an international cooperative based in Viby, Denmark, and the largest producer of Dairy products in Scandinavia. Arla Foods was formed as the result of a merger between the Swedish dairy cooperative Arla and the Danish dairy Company MD Foods on 17 April 2000. About half a century ago, starting with Sweden, the world's 4th largest milk producer is 'Arla Foods'. Arla collects authentic cows’ milk every Dano from 12,500 own farmers from 7 countries of Europe, including Denmark, Sweden, England and Germany. Because the farm, transportation and manufacturing system are absolutely the same, Arla can ensure the quality and quality of all products from beginning to end. At present, many products of Delicious and Nutritious Milk and Milk products are being sold in more than 130 countries around the world.

The name Arla derives from the same word as the English word "early" and is an archaic Swedish term for "early (in the morning)"





88% of all the children want to know more about the food they eat and where it comes from. To let those children's experience where their food comes from, Arla introduced 'Dairy Adventures' where kids go to the countryside and explore Dairy farming one by one.

### Research at our world-class facilities

In the newly built Arla Innovation Centre, along with product development teams in the UK, Sweden, China, Germany, Netherlands, Finland and the US, they passionately innovate from farm to plate to create the future dairy products to the world. Arla do this with state-of-the-art science and consumer labs and a 2000 m<sup>2</sup> pilot plant, with more flexibility to install any type of process needed for the innovation projects.

The Innovation Centre is at the heart of the Danish Food cluster – ranked first in the EU in terms of business investment in food and drink R&D – and our researchers are strongly connected, and make innovation happen, across Arla and its markets.

### **2.1.1 Origins**

In the 1880s, dairy farmers in Sweden and Denmark formed small cooperatives to invest in common Dairy production facilities. The first cooperative dairy was established in Sweden at Stora Arla Gard in Vastmanland in 1881 under the name of Arla Dairy Association and the first Danish cooperative dairy was established in Hjedding, outside Olgod, Southern Jutland in 1882.

On 26 April 1915, dairy farmers in Stockholm and adjoining counties created Sweden's largest cooperative dairy organization, (The Farmers' Milk Retail Association), which operated dairies as well as a chain of shops selling dairy products.

In 1927, the company registered the name Mjolkcentralen (The Milk Central, shortened MC) and from the 1950s a growing number of cooperative dairies in other parts of Sweden began joining MC. In 1975, MC changed its name to Arla, a name previously used not only by Sweden's first cooperative dairy, but also by the largest dairy retailer in Gothenburg between 1909 and 1965.

By the end of the 20th century, Arla had a 65% market share in Sweden.

On 1 October 1970, Mejeriselskabet Danmark (MD) was established by four dairy companies and three individual dairies. In 1988, the company changed name to MD Foods. In 1992, MD Foods





and Denmark's second largest Dairy Company, Klover Milk, signed a financially binding co-operation agreement, and in 1999, the two companies merged to become MD Foods, gaining 90% of the Danish milk production.

In April 2000, MD Foods merged with Swedish Arla and formed Arla Foods with headquarters in Aarhus, Denmark, and became Arla Foods as it is known to Dano.

### **2.1.2 Current operation**

Arla Foods is the fourth largest Dairy Company in the world with respect to milk volume, seventh with respect to turnover. At the start of 2016, 12,500 farmers across Western Europe and Northern Europe owned the cooperative.

Arla Foods has three minor brands: Arla, Lurpak and Castello cheeses that are sold worldwide.

1. The Arla Brand is both a co-operative brand and a brand across all product categories.
2. The Lurpak brand of butter and spreads is owned by the Danish Dairy Board.
3. Castello is a cheese brand including blue cheese and yellow cheeses.

Arla Foods incorporates **Arla Foods Ingredients**, a former division established as an independent subsidiary in 2011. The company develops and manufactures milk based ingredients, primarily function and nutritional milk proteins, bioactive phospholipids, minerals, permeate and lactose for the food industry.

Head office is in Denmark. Arla Foods Ingredients has one wholly owned production plant in Denmark, with joint venture production at facilities in Argentina and Germany. In March 2011, Arla Foods and DMK formed the joint venture company Ar.No.Co GmbH & Co. KG, to produce whey proteins for the food industry.





## 2.2 Arla Foods in Bangladesh

Dano Milk powder is the leading milk powder product in Bangladesh. Dano was introduced in the market in 1962 by MD Foods all over the world. MD Foods is a Danish company and operation business in European market. Some of Bangladeshi (Former East Pakistan) businessmen were imported Dano milk powder from Denmark in 1962. Basically, their market was whole sales point like Moulovi Bazar based. They distribute Dano milk powder all over East Pakistan. They continue their import Dano as scattered from Denmark till 1970. MD Foods was recognized one Bangladeshi person as intender in 1973. Bangladesh indenter was collected & identifies importer demand and authorized indent of importer letter of credit from Bangladesh to Denmark till 1994.

In 1989, MD Foods was setup liaison office in Bangladesh. MD foods basically monitor the market by various activities like sales promotion (Both for consumer & Traders) and advertisement in print and electronic media. In 1995, Mutual Trading Limited was got import license of Dano milk powder from Denmark as an exclusive importer in Bangladesh. Mutual Treading Limited. It is only one Bangladesh Company, who can import Dano milk powder from Denmark.

In 1995, Arla foods take over MD foods and merger new company name as Arla Foods Ingredient. Arla Foods Ingredients owned Dano milk powder all over the world. In 1998, Mutual Trading Limited was setup new factory in Bangladesh for packing of Dano milk powder product as per Arla Foods recommendation and Mutual Trading Limited changed company name as Mutual Milk Products Limited.

In 2004, Mutual starts new factory with 2 productin lines and in 2007, got an achievement of 6,300 Tons volume sales. But in 2008, Melamine incident hit and pulled down the market for next 2 years. In 2011, Launch of Deelac IFFO and In 2013, Arla entered into market with Joint Venture structure.

**In 2014**, Arla Foods started direct operation in bangladesh with only Dano Daily Pushti (DDP) with Iron fortification formula and in 2015, Launch of DDP at current (Instant) formulation.

In 2016, Arla got the success of DDP lead 2.5X Volume growth (11K Tons) and Dano achieved the best milk brand award three years in a row-2016,2017,2018.





### **2.2.1 Mission of Arla Foods Bangladesh Limited**

“The mission of Arla Foods is to provide the modern consumers with natural milk-based products and to create inspiration, confidence and well-being.”

Arla foods is the 7<sup>th</sup> largest Dairy in the World according to Turnover. The main Mission of Arla Foods is to secure the highest value of the farmer’s milk while creating opportunities for their growth. Arla foods, as a corporate company owned by milk producers, their task is to ensure that they can create as much as possible from the milk producers’ milk and thereby aims to create a competitive milk price for both the owners and other suppliers.

For the owners, it is important that they are confident that their milk can be sold not only today, but also in future. Without a secure future, they would not be able to develop their own farms. Arla foods also focus on its business so that a dynamic business can be created. For Arla foods it is important that the farmers develop their farms, as this will ensure that Arla have the milk they need. More milk can produce a dynamic business because they can utilize scale benefits and grow as the retail sector expands. The goal is that Arla can always supply its consumer and customer according to their requirements.

Arla believe that, through growth, they can secure a sound and stable milk price, ensuring that the owners have faith in the future, as well as confidence in Arla foods. This growth will be achieved by pursuing the strategy and fulfilling the vision.

### **2.2.2 Vision of Arla Foods Bangladesh Limited**

“The vision is to be the leading Dairy Company in the world through considerable value creation and active market leadership to obtain the highest possible milk price.”

#### Creating the future of Dairy

Part of Arla foods’ historical roots, their DNA, is their constant aim to progress and create something greater and better. Since the cooperative movement began 130 years ago, milk producers and colleagues have worked together to create a common future in the dairy industry. Their achievements over the years have laid the foundations for Arla foods to Dano, which is now one of the world's leading Dairy Company. Every Dano, they seek to improve and refine what they deliver and develop solutions for the future. These may take the form of new products and new inspiration for their consumers. New technologies and more effective ways of working.







More value in the collaboration with the customers. Healthier and more natural foods. Greater social responsibility. A reduced impact on the environment and climate. Improved food safety.

Arla will not only follow others in the Dairy industry - but also help to shape its future and participate actively in developing the dairy structure of tomorrow and creating new trends in dairy consumption. Therefore, Arla will keep asking, how it can set the standard for the dairy activities of the future. Are we first? Are we best? Can Arla research and develop their professional field even more than they do to Dano? Can it challenge itself and each other more? They want to do their best and realize Arla Foods's full potential.

### 2.2.3 Product Categories of Arla Foods Bangladesh limited

Dano is recognized as the best milk brand of Bangladesh for the third time in the fidelity and acceptance. Dano has been helping the generation of Bangladesh grow with intellectual, physical ability and confidence for the last 58 years. The SKU of Dano brands starts from 20gram to 2.5 kilogram.

<p>Dano Daily Pushti is an affordable nutritious solution for the whole family. Produced from high quality milk ingredients, Dano Daily Pushti contains Calcium, Protein and important Vitamins and minerals that are necessary for our family's everyday wellness. It is also suitable for tea and other milk-based foods.</p>	<p>1.</p>  <p>DANO DAILY PUSHTI</p>
<p>Dano Power is a full cream milk powder has been nourishing Bangladeshi families since the early 1960's. It is full of Calcium, Protein and all the essential Vitamins and Minerals to give your family a daily foundation of good nutrition. The naturally tasty and creamy DANO is a big favorite for making tea and coffee, cooking and baking.</p>	<p>2.</p>  <p>DANO POWER</p>




<p>Dano Fit contains only 0.1% fat, greater amount of Calcium, Vitamin A and Vitamin D. With Dano Fit, customers are making an active commitment to health and vitality while getting all the goodness from milk.</p>	<p>3.</p>  <p>DANO FIT</p>
<p>Dano Mom is a milk-based nutritional supplement with essential vitamins and minerals for those women are planning to get pregnant, women who are pregnant and for women who breastfeed their babies to support the quality of breast milk. It meets the stringent international and government standards of hygiene and nutritional quality. Daily 2 glasses of Dano Mom fulfill the daily requirement of 100% Vitamin D, Folic Acid, Iron, 94% Calcium, 70% Zinc and others important nutrient.</p>	<p>4.</p>  <p>DANO MOM</p>
<p>Dano Sterilized Cream is made of fresh cow's milk and vegetable oil and directly imported from Denmark. We can use it not only as a topping on sweets, vermicelli, pastry, toast or bread, it makes a great recipe of cooking some excellent dishes like cream korma, cream curry, custard, firni, shahi tukra etc. It enhances the taste and can also be used to garnish our dishes.</p>	<p>5.</p>  <p>DANO STERILLIZED CREAM</p>

Table -2.1

## 2.2.4 All Products of Arla Foods Bangladesh Limited SKU-wise

Dano Power is a full cream milk and Dano Daily Pushti (DDP) is a no-fat milk, only vegetable fat is added with DDP. These two are the main two brands of Arla Foods Bangladesh Limited. Dano Captain is newly launched chocolate milk, children can take chocolate flavor in a powder milk. Dano Fit is for health-conscious people. Deelac powder milk is mainly for the mothers and Arla Foods Bangladesh also have UHT milk in liquid.

<b>Brands</b>	<b>SKU Name</b>	<b>MRP / SKU (Taka)</b>
<b>Dano Power</b>	Dano Power - 2.5 Kg	1,500.00
	Dano Power - 1.5 Kg	850.00
	Dano Power - 1 Kg	590.00
	Dano Power 1 Kg Pillow Pack	575.00
	Dano Power - 500 Gm	298.00
	Dano Power Classic - 400 Gm	248.00
	Dano Power - 400 Gm	248.00
	Dano Power - 200 Gm	135.00
	Dano Power - 100 Gm	70.00
	Dano Power - 20 Gm	15.00
<b>Daily Pushti</b>	Dano Daily Pushti - 2 Kg	745.00
	Dano Daily Pushti - 1 Kg	375.00
	Dano Daily Pushti - 500 Gm	199.00
	Dano Daily Pushti - 400 Gm	165.00
	Dano Daily Pushti - 325 Gm	150.00
	Dano Daily Pushti - 250 Gm	115.00
	Dano Daily Pushti - 200 Gm Pouch	95.00
	Dano Daily Pushti - 200 Gm BIB	99.00
	Dano Daily Pushti - 100 Gm	48.00
	Dano Daily Pushti - 20 Gm	10.00
	Dano Daily Pushti - 8 Gm	5.00

<b>Dano Captain</b>	Dano Captain Choco 150gm	75.00
	Dano Captain Choco 30gm	15.00
	DanoCaptain Choco 12gm	8.00
<b>Dano Fit</b>	Dano Fit 350 Gm	295.00
	Dano Mom 360 Gm	450.00
<b>Deelac</b>	Deelac 1 BIB - 180 Gm	220.00
	Deelac 1- 400 Gm	530.00
	Deelac 2- 400 Gm	530.00
<b>UHT</b>	Full Cream UHT Milk 3.5%	198.00
	Low Fat UHT Milk 1.5%	198.00
	Skimmed UHT Milk 0.3%	198.00
	Lacto free UHT Milk 3.5%	248.00
	Organic UHT Milk 3.5%	248.00

Table -2.2

### 2.2.5 Major Competitor Milk Brands in Bangladesh

SL NO.	Brand Name	Country of Origin	Marketing By
1.	MARKS	Australia	Abul Khair Group
2.	NIDO	New Zealand	Nestle Bangladesh
3.	DANO	Denmark	Arla Foods
4.	Diploma	Australia	New Zealand Dairy
5.	Red Cow	Australia	New Zealand Dairy
6.	Fresh	China	Meghna Group of Industries
7.	Kwality	Australia	Sanowara Corporation
8.	Anchor	New Zealand	New Zealand Dairy
9.	Farmland	New Zealand	New Zealand Dairy
10.	Starship	China	Abul Khair Group
11.	Milk Vita	Bangladesh	Bangladesh

Table -2.3



### **2.2.6 Customers of Arla Foods Bangladesh Limited**

People all over the country consume Dano, in that sense, they all are consumer of Arla foods Bangladesh Limited. But Arla distribute Dano directly to 9 regions of Bangladesh. Arla Foods Bangladesh Limited markets its products throughout the country with the help of the distributors.

The whole country is divided into nine regions:

1. Dhaka Central
2. Dhaka North (Bhairab, Gazipur, Jamalpur, Kaligonj, Kishorgonj, Mymensingh, Netrokona, Sreepur, Tangail)
3. Dhaka South (Kanchpur, Keranigonj, Munshigonj, Narayangonj, Narsingdi, Nawabgonj)
4. Chittagong
5. Sylhet
6. Bogra
7. Barisal
8. Khulna
9. Sylhet

Arla have several distributors in every region to reach the products in every retail outlets.



## 2.2.7 Market Share of Powder Dairy Industry

Company Name	Milk Brands	Market Share	%
Abul Khair Group	Marks	37.6	38%
Meghna Group of Industries	No-1	0.5	1%
Meghna Group of Industries	Fresh	15	15%
Arla Foods Bangladesh Limited	Dano Power	8.6	9%
Arla Foods Bangladesh Limited	Dano Daily Pushti	16.2	16%
'NEW ZEALAND DAIRY PROD.-BD	Diploma	10.9	11%
'NESTLE-BD	'NESTLE-BD	4.0	4%
	Others	7.3	7%
Total		<b>100</b>	
Arla Foods Bangladesh Limited		25	25%

Source: Nielsen RSA Data-Sept'18

Table- 2.4

This table shows that Dano Power has the 9% market share and Dano Daily Pushti has 16% market share of the total milk industry. But Arla Foods Bangladesh Limited holds 25% market share in this dairy industry with all milk powder brands.

## Chapter 3

### **BTL Activation Implementation part**

The BTL activation was basically for Dano Power as this product is renamed to 'Dano Power' from 'Dano Full Cream Milk' recently. Through the activation, Arla was trying to increase the awareness toward Dano Power and enhancing the sales growth.

Target customer of Dano Power is basically the mothers because they take the purchase decision about their kids' nutrition like milk powder.

The activation was implemented through four phases

1. Conducting proper training to Brand Promoters (BP)
2. Communication Dano Power with consumers through BP
3. Make a consumer survey of BP Activation
4. Find out the Conversion Rate.

#### **3.1 First Phase: Conducting proper training to Brand Promoters (BP)**

First, training was conducted before every activation for the brand promoters to know about the history of Arla foods and Dano and how they will communicate with consumers in wet markets. I already put the history of Arla and Dano at the beginning of my report.

Then, in training they learn, how they will make conversation with consumers.

- Dano milk collects from Arla's own farm at Europe rather than different sources. That's why, Dano can ensure milk's maximum quality and safety from the very beginning.
- After collecting the milk, Dano is packed by maintaining strict regulation of Europe. That's mean, Dano maintain the European standard in every phase.
- We are providing this international standard milk only by 3taka more per glass than other brands.



## Frequently Asked Questions (FAQ) and Answers

In the training session brand promoters also learned about the frequently asked questions by consumers and the answers regarding Dano.

**Q- 1.** Why Dano milk prices are high?

Ans

"Good thing have a good price", and the respected buyers will be happy to know that Dano Milk is collected from Arla's own farm, after collecting it, this milk is packed in according to the strict European standard in its factory, which is in Europe, the Middle East, Across the globe in more than 130 countries including Asia, and only the Dano offers you and your family with international standards milk. You have to pay only 3taka more, per glass than other brands.

**Q- 2.** What is the difference between Dano Power and Dano Daily Pushti?

Ans

Dano Power is a full cream powdered milk that has all the nutrients of pure milk, so Dano Power strengthens your child in and out of the strings and makes it strong.

Dano Daily Pushti is a product which has modern method of reducing the amount of fat from the authentic cow's milk and adding it to other vegetable fat, so that all the nutrition and taste of pure milk is the same, but the price is much lower than the flower cream, which ordinary people can buy very easily.

**Q- 3.** Whether Dano have any preservatives in their milk?

Ans

For the convenience of your' knowing, only the preservatives are not mixed in any kind of color and flavor Dano milk. So Dano milk always remains unturned, the actual nutrition of pure milk. Because the Dano milk of Arla Foods is prepared after collecting from its own farmers, in Europe, in according with the European Standard in their own factory, Arla owns.







**Q- 4.** Why Dano don't give any gift with product?

Ans

The respected buyer will be happy to know that the Dano of Arla Foods has maintained the same standard and taste since 1961, which has proven that we have achieved the Best Milk Brand Award three times in a row. On the other hand, in many companies, consumer promotions for the inequitable sales progress, but negatively to the seller and the consumers about the value of the product, in this case, the Dano quality of Arla Foods is always uncompromising for taste and, so we consider our milk as the main goal.

However, considering our honorable consumers, we will arrange for the promotion to inform our authorities.

**Q- 5.** We heard that once malicious melamine was found in Dano milk?

Ans

For your reference to the respected buyer, in Bangladesh, Melamine was found once in the milk of Yashili-1 milk formula, in Bangladesh, but since 1961, melamine has never been detected in the Dano milk till to Dano. So be sure to stay with Dano milk to meet the needs of the best milk for your family.

**Q- 6.** Why do we buy 1kg of milk at 590 taka in some stores and 575 taka in some other stores?

Ans

A respected buyer, sorry for your confusion, to inform you that according to the consumer demand we have two types of packaged Dano Power: 1 kg of paper, one of which is a paper box pack, another is a pouch pack. The cost of the box pack is 590 taka and the cost of pouch pack is 575 taka.

**Q- 7.** You are claiming that Dano Milk is collected from the own farm from the farmer and is packaged in European standard in its own factory. Is there any proof of this statement?



Ans

The respected buyer can enjoy the videos of Arla Foods Limited web site and Arla page on YouTube through internet service, which is enough to remove the doubts of your mind that Dano Milk is being packaged in the strict European standardized system in its own factory after collection.

### 3.2 Second Phase: Communication Dano Power with consumers through BP

After training, Arla assign those trained BP to cluster markets of ten regions of Bangladesh and promote Dano Power to consumers. BPs are mainly conveyed some important points that consumers need to know about Arla, about Dano, these points are:

- Dano milk collects from its own farms, not from different sources. So, we are ensuring the best quality of milk from the very beginning.
- After collecting, milk is packaged in Arla's main factory by maintaining European standards.
- After that, Dano milk is sending to 130 countries including European countries, Middle-east, American, Asian countries. That's mean Dano is giving international standard milk.
- You (consumer) need to pay 3taka more per glass than other milk brands.

Calculation of 3 taka:

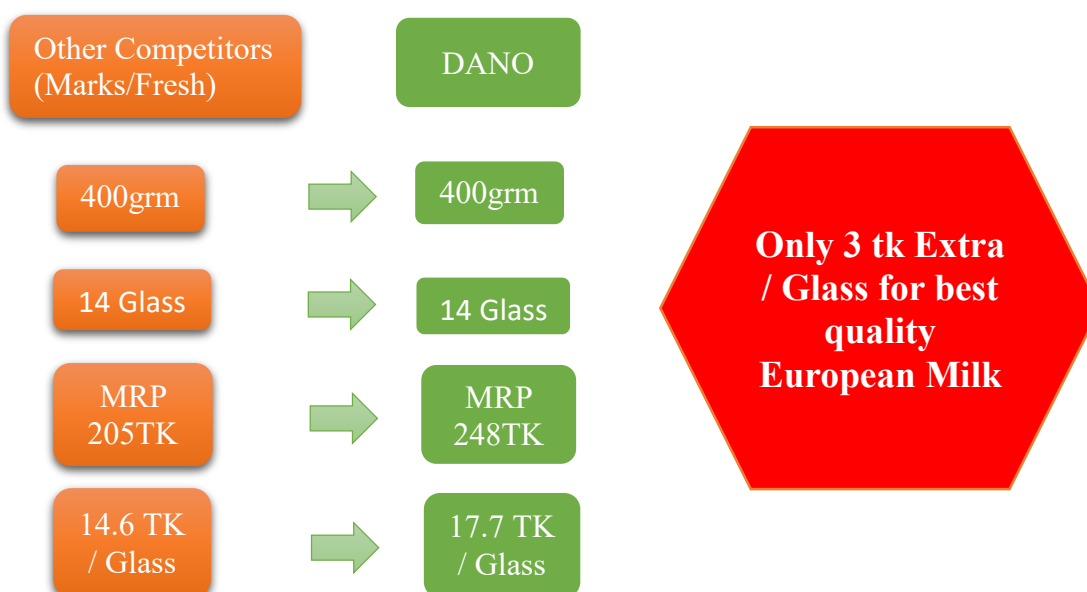


Figure-3.1

### 3.3 Third Phase: Survey on Consumers

A survey on consumers was done who were supposed to talk with the brand promoters (BP) and may or may not purchase Dano Power. In this phase, the effectiveness of BP activation was checked and how properly they (BP) have done their work. This stage was running by asking some questions regarding BP activation and consumers milk consumption pattern.

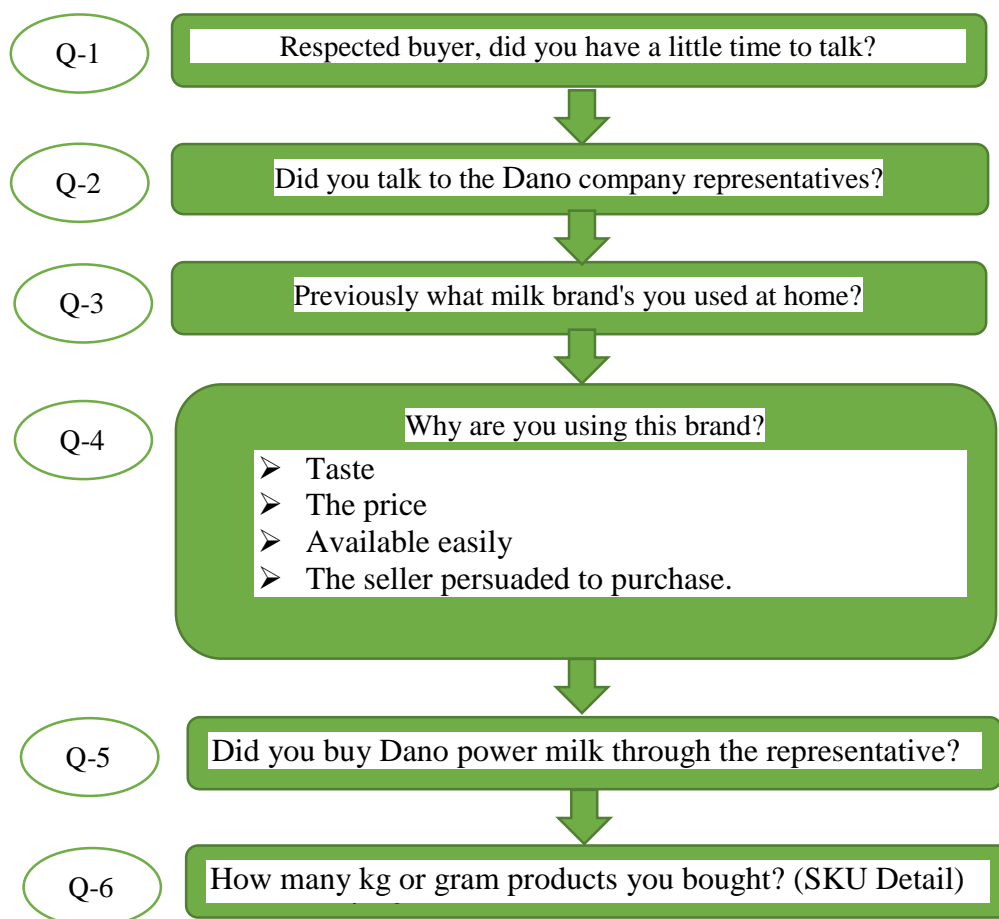


Figure- 3.2

### 3.4 Fourth Phase: Finding out the Conversion Rate

After the survey, the conversion rate of Non- Dano -user to Dano user were calculated through evaluating the survey Data. I have given the steps by which the conversion rate was calculated.

Facts	Number	%
Total successful Contact	8603	
Fake consumer Data	2453	29%
Actual Reach	<b>6150</b>	
Dano User	1747	28%
Non Dano User	4403	72%
Don't Buy	3077	50%
Purchase User	3073	50%
Dano User	967	31%
Non Dano User (Conversion rate)	2106	68.5%
Diploma user	260	12%
Marks user	1027	49%
Fresh user	219	10%
Others	600	28%

Table-3.1

These percentage are showed by four pie charts-

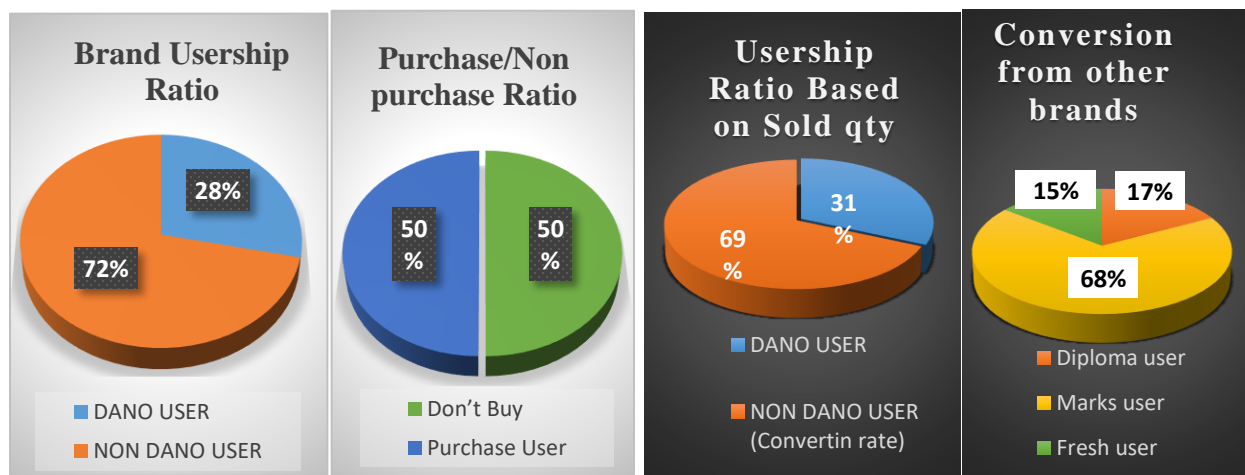


Figure-3.3

## Chapter 4

### 4.1 Analysis

The main purpose of this BP activation is to increase the sales. Arla Foods Bangladesh run this BTL activation through four phases (each phase = 12 days). In 1<sup>st</sup> and 4<sup>th</sup> phase, this activation run only in Dhaka central and Chittagong regions. In 2<sup>nd</sup> and 3<sup>rd</sup> phase, this run in 10 regions (Dhaka, Dhaka North, Dhaka South, Chittagong, Comilla, Sylhet, Khulna, Barishal, Rajshahi, Bogra).

#### BP Activation Outcomes

Regions	1st Phase		2nd Phase		3rd Phase	
	Total Contact no.	Total sales (kg)	Total Contact no.	Total sales (kg)	Total Contact no.	Total sales (kg)
Dhaka Central	14913	3681	25315	4281	20023	5643
Dhaka South			13861	1838	14187	2243
Dhaka North			15211	2167	16909	2318
Khulna			3668	534	4973	1113
Barisal			3648	179	8727	648
Chittagong	9593	1688	8029	1858	9593	1688
Comilla			4616	771	7164	1324
Slyhet			1930	598	2694	632
Rajshahi			2989	251	2837	363
Bogra			1567	227	1595	191
<b>Total</b>	24,506 persons	5,369 kg	80,834 persons	12,702 kg	88,702 persons	16,162 kg

Table- 4.1

If I compare the outcome of 2<sup>nd</sup> phase with the outcome of 3<sup>rd</sup> phase, we can see the impact of activation. In 2<sup>nd</sup> phase, the total contact reach (brand promoters communicate with consumers directly in cluster markets) was 80.8 thousand and in 3<sup>rd</sup> phase it was 88.7 thousand.

In 3<sup>rd</sup> phase of activation, the total sales through BP increased by 3460 kg (16,162kg -12,702kg).

**Sales Growth**

This is the actual scenario of BTL activation, the effect or result of activation is shown in the table below.

Phase	BP Clusters only			Non-BP Clusters only		
	ADS Activity period -2018	ADS of same period-2017	Sales Growth	ADS Activity period -2018	ADS of same period-2017	Growth
<b>2nd</b>	1,731	899	93%	6,805	7,832	-13%
<b>3rd</b>	2,205	1,436	54%	7,744	9,253	-16%

Table- 4.2

Here, this is a clear scenario of the result of BTL marketing (BP activation). There is no growth in Non-BP clusters, where no activation took place. On the other hand, the growth percentages are 93% and 54% in second and third phase of activation, in the clusters where BP worked.

## **4.2 Findings**

### **4.2.1 Customer feedback**

1. The customer found Dano Power flexible enough to prepare the milk drink as it doesn't require extra milk powder, sugar or other ingredients. Thus, it saves both time & effort.
2. The quality of Dano Power is good enough. Consumers find the real taste of milk from Dano Power.
3. The price is a bit high to most of the customers. In some regions, consumers are too price conscious and they don't prefer Dano Power for that.
4. Taste is good but can be better with more modification & value addition.
5. Less ad frequency of Dano Power in different media.

### **4.2.2 Customer Insights:**

1. People are less aware of Dano Power as this is re-named from Dano full Cream Milk. More over the people aren't watching this ad/ Promotion frequently which may drive the customers to buy Dano Power for the household consumption thus making them well informed about the brand.
2. Price of Dano Power is enough high to consumers.
3. People can rely on Dano Power as it is under the name of Dano, the long-trusted consumer brand for years & thus elicit positive attitude towards the product.

### **4.2.3 Brand Promoters feedback**

1. More sampling may offer to attract customers to this newly launched product.
2. More Stock Keeping Units may offer to meet consumer's demands accordingly.
3. Needs more availability of small pack in the market.
4. Tough to attract customers as the competitors are offering free toys & gifts with their products just beside Dano Power in the product shelf.

## Chapter 5

### 5.1 Recommendations

The recommendations regarding Dano Power might include the feedback & suggestion from my point of view having the overall market scenario in the target markets. Moreover, the recommendations further include the experiences gathered from working with this product. Thus, the recommendations for Dano Power might cover the following aspects and areas:

#### 5.1.1 Recommendation for BTL Activation

As this activation just started for the first time in national wide, there are a lot of changes will include and some learning also for the next time. This activation basically depends on the performance and skills of BP, so that Arla can enhance activation's outcome if they can develop BP performance and can control BP's activities. As I visited a lot of wet markets and watch their work physically and teach them in training, I think, Arla can improve this activation in some ways:

- I. Sim tracking system for brand promoters
- II. Assign expert team leader in every market
- III. BP need apron for their uniform purpose
- IV. Rapid market visit and check brand promoter activities
- V. Need more agency supervision and control on BP.
- VI. Free sampling can enhance the sales growth
- VII. Agency should be more careful about the payment of BP. As this activation is running through the third party (two agencies), they need to clear the payment of BP after every activation. Because if the brand promoters got their remunerations within right time, they will be motivated in their work.



### **5.1.2 Generic Recommendation for Dano Power**

- I. More ads and promotional activities can be undertaken for the maximum coverage & making the customers very well informed about Dano Power. It might include more TVC; especially at the programs that are for the kids who are the ultimate consumers of Dano Power.
- II. More attractive/ Eye catching ads may be introduced.
- III. The product message needs to be clearer to the target customer group (s).
- IV. The units of Dano Power can be introduced for customer buying flexibility.
- V. Dano milk powder products are acknowledged to be better quality and this must be maintained in all the way.
- VI. Majority consumers purchase milk powder nearest convenience shop. When preferred brand is not available they find another shop. So, company should ensure the availability of the product to pocket outlets because most of the outlets are under the distributor of the company, but they do not cover fully. Distribution policy need to develop.
- VII. The price of Dano Power milk powder is higher to the retailers and consumer's point of view price is moderate to the competitors. So, pricing policy may be reviewed with competitors for higher sales of the product.



## 5.2 Conclusion

Arla, the producer of Dano, being the 4th largest dairy company and the 7<sup>th</sup> largest Dairy in the World according to Turnover in the world serving the people with the aim of ensuring Health, Nutrition & Wellness (HNW) with customer satisfaction & glory.

Arla Foods Bangladesh Limited is a strongly positioned organization. The Company is continuously growing through the policy of constant innovation, concentrating on its core competencies and its commitment to high quality food to the people. People feel respect in their mind when they think about Dano brand. Dano deserves as a market leader of powder milk brands by using valuable marketing tools that are creating competitive advantage for competition which ultimately helps us to reach our market as well as organizational objectives.

Here, the study is focused mainly on the direct marketing through BTL activation and building the brand awareness of Dano Power and enhancing the sales growth. After the completion of the activation campaign it has come up with the positive attitude from the target customers in different aspects including quality, price, taste & increase consumer awareness and build a brand image as well.





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## APPENDIX

### 1. Tables

#### BTL Activation data

##### 1.1 First Phase of BTL Activation

Region	Total Reach	Total sales(kg)	Total Cluster	Total BP	Cost
Dhaka Central	1692	380.55	26	66	1080601
Chittagong	6605	1904	11	29	560041
<b>Total</b>	<b>8297</b>	<b>2284.55</b>	<b>37</b>	<b>95</b>	<b>1640642</b>

##### 1.2 Second Phase of BTL Activation

Region	Total Reach	Total sales	Total Cluster	Total BP	Cost
Dhaka Central	25315	4280.83	26	66	1074962
Dhaka South	13861	1837.7	16	41	683986
Dhaka North	15211	2166.6	8	34	562659
Khulna	3668	533.7	10	10	254784
Barisal	3648	178.5	18	18	417526
Chittagong	8029	1858	11	29	611716
Comilla	4616	771	7	11	280652
Slyhet	1930	598	6	7	207755
Bogra	1567	227	6	3	109495
Rajshahi	2989	251	3	5	146354
<b>Total</b>	<b>80834</b>	<b>12702.33</b>	<b>111</b>	<b>224</b>	<b>4349889</b>

### 1.3 Third Phase of BTL Activation

Region	Total Cluster	Total BP	Total Reach	Total sales	TOTAL Cost
Dhaka Central	26	66	20,023	5,643	1037012
Dhaka South	16	41	14,187	2,243	659267
Dhaka North	8	34	16,909	2,318	542179
Khulna	10	10	4,973	1,113	246371
Barisal	18	18	8,727	648	407532
Chittagong	12	31	9593	1687.9	646940
Comilla	12	20	7164	1324.4	457335
Slyhet	5	7	2694	632	207755
Rajshahi	3	5	2837	362.5	107471
Bogra	3	3	1595	190.9	146354
<b>Total</b>	110	232	87,107	15,971	4458217

## 1.4 Household Milk Consumption (MAT Year Penetration-Sept'18)

MAT Year Penetration-Sept'18									
MAT Household Penetration									
Brand	Aug	Sept	Bangladesh	Dhaka	CTG	Sylhet	Barisal	Khulna	Rajshahi
Category	54.3	53.9	-0.4	0.105	1.4	-0.3	0.3	-0.2	-1.6
DANO	9.4	9.1	-0.30	0.07	0.30	-0.60	0.30	-0.30	-0.50
POWER									
DDP	18.4	19.4	1.00	0.00	0.40	0.20	2.10	-0.10	0.90
Total DANO brand	22.8	23.6	0.8	-0.001	0.5	0.4	2.5	-0.1	0.7
MARKS	23.1	23.1	0.00	-0.01	0.30	0.60	0.50	-0.30	0.00
DIPLOMA	15.1	15.2	0.10	0.07	0.20	0.00	-0.30	0.70	0.00
FRESH	17.2	17	-0.20	0.02	0.80	1.10	-0.20	0.60	-0.60
NO 1 PUSHTI	4.7	4.6	-0.10	-0.01	0.10	0.40	-0.40	-0.40	-0.80
GREENLAND	3.2	3.2	0.00	0.11	-0.10	0.00	0.50	-0.20	0.10
PRAN	7.6	8.2	0.60	0.01	0.60	0.20	-0.10	0.40	0.30

Category shown de-growth of (-.40). The position of Dano Power is a bit same (-.30) mainly came from Sylhet and in CTG, we didn't grow well only .30 where the category growth is 1.40. DP holds a positive position in DHK so, we need to focus on CTG and Sylhet. Pran is also moving well on few markets in CTG/Sylhet. Fresh movement is noticeable in CTG and Sylhet

## 1.5 Household Milk Consumption (MOM Year Penetration-Sept'18)

MOM Year Penetration-Sept'18									
MOM Household Penetration									
Brand	Aug	Sept	Bangladesh	Dhaka	CTG	Sylhet	Barisal	Khulna	Rajshahi
Category	29.2	28.5	-0.7	1	-3.5	-0.01	-5.8	-1.2	-0.5
DANO	1.4	1.4	0.00	0.60	0.70	0.15	-2.20	0.00	-0.50
POWER									
DDP	3.9	4.9	1.00	2.70	-0.60	0.18	1.70	-1.10	0.90
Total DANO brand	5.2	6.3	1.1	3.4	0	0.176	-0.4	-1.1	0.5
MARKS	9.4	9.1	-0.30	-0.80	-0.90	0.00	-1.30	-0.60	0.00
DIPLOMA	5	4.1	-0.90	-1.10	-0.70	1.00	-4.50	0.10	-0.60
FRESH	3.9	4.4	0.50	0.40	2.10	0.00	-2.10	0.20	-0.30
No 1 Pushti	0.4	0.3	-0.10	-0.30	-0.70	0.02	0.80	0.00	0.00
Greenland	0.5	0.4	-0.10	0.20	-0.50	0.00	-0.40	0.10	0.10
Pran	1.7	1.2	-0.50	-0.20	-3.00	-0.42	0.10	0.50	0.20

Though the Category shown de-growth of (-.70) but the position of Dano Power is unchanged. DP growth is not enough grow comparing with the Category. DP need to focus more in Barisal (-2.20) though the category is also in de-growth (-5.80). Fresh is in a noticeable growing position in CTG (2.10) where the category is in de-growth (-3.50).

## 1.6 Growth of Different Milk Brands of Bangladesh

Brands	Factor	Growth
Dano Power	MS Volume	0.26
Dano Power	Dealer number	5,692
Dano Daily Pushti	MS Volume	0.09
Dano Daily Pushti	Dealer number	(1,043)
Marks	MS Volume	-1.33
Marks	Dealer number	(5,390)
Fresh	MS Volume	-0.04
Fresh	Dealer number	-
Diploma	MS Volume	0.28
Diploma	Dealer number	(1,765)
Nestle	MS Volume	0.00
Nestle	Dealer number	-
Green land	MS Volume	0.23
Green land	Dealer number	-

Here, MS= Market Share and Dealer number indicates the distribution area.



## 2. Pictures from BTL Activation of Dano Power

