



BRITISH AMERICAN TOBACCO



Internship Report

Factors Affecting Derby's Brand Equity In Kushtia Territory

Submitted to

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Submitted by

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Subject: Submission of Internship Report

Dear Sir,

I am submitting my Internship Report titled “Factors affecting Derby’s Brand Equity in Kushtia Territory”, which is a requirement to complete my BUS400 course. During the timeline of my internship, I have worked with Activation and Trade Marketing team of British American Tobacco in Kushtia District. While working, I came to know in details about BATB LOW brand Derby. For such, I came up with an intention of doing a research analysis through SPSS to provide statistical analysis and understanding of the factors affecting Derby’s brand equity in Kushtia Territory.

I have tried my best to prepare this research report and tried to make it as accurate as possible. Yet, if it requires any clarification I will be happy to address them.

Sincerely

Afra Tasnim Samonti

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Acknowledgement

Firstly, I would like to be thankful to the almighty who has given me the ability to complete my report on due time. I would also like to thank my advisor, Mr. Hasan Maksud Chowdhury as he has helped me throughout to make the report and research in a right way. He always kept track on my progress and encouraged me to come up with different effective approaches.

Next I would like to thank, Mr. Shamin Yeasar Shadman (Area Manager, Kushtia) who has helped me by giving valuable insights about British American Tobacco Bangladesh. I am also grateful to the GLT team of Kushtia Territory and Mr. Anwar (Business Manager, Joarder Traders) to help me conduct a research.

Executive Summary

British American Tobacco Bangladesh (BATB) is one of the largest multinational companies of the country and brings about two thirds of the revenue generated by the tobacco industry. Despite operating in a controversial industry, BATB has consistently promoted sustainable business while achieving milestones in multiple aspects.

This report describes the learning and experience derived from working in BATB as a Global Graduate – Marketing. As for first three months, I have experienced world class Tobacco business while knowing details about Trade Marketing and Distribution in the Urban, Sub Urban and Rural Market. I wrote about the background of BATB, history and also the product they are offering to the customers. Then I gave small introduction of the Marketing department where I am working, talked about the dynamics of trade marketing and distribution and focused on a Brand's Pack Upgrade Campaign. As a part of my learning in three months, I have also conducted a research to understand factors that are contributing in building Brand Equity in Kushtia Territory. In the research, I have done both primary and secondary data collection to come to the research conclusion.

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Introduction

British American Tobacco Bangladesh (BATB) is a subsidiary of British American Tobacco Group. It has been incorporated in 1972 as Bangladesh Tobacco Company (BTC). Since 1972 BATB has been operating in Bangladesh as one of the leading multinational organization. Since 1972 BATB is operating as the market leader in the tobacco industry by providing some of the most powerful global and local brands. At present BATB is the highest tax paying company, contributing around 7% of the total revenue of the Government of Bangladesh. BATB is renowned as one of the most prominent socially responsible and ethical company in the minds of the citizen. Bangladesh is considered as one of the leading tobacco consuming countries in the world. Approximately 87% of the population of Bangladesh consumes tobacco in some form whether smoked (both cigarettes and biris) or smokeless amongst which with a higher percentage of 58% is men and the other 29% is women. In 2012, an estimated 46.3 million adults used some form of tobacco product, smoked or smokeless. Research says that most smokers are male — 28.3% of adult men smoke manufactured cigarettes and 21.4% smoke biris. In contrast, smokeless tobacco use is substantial across both genders, while women having an upper hand with 27.9% being women and 26.4% of men using some form of smokeless tobacco.

This report has been prepared to meet the requirements of the Internship program of BRAC University, Bangladesh. This report is an outcome of almost three-month internship program. I worked three months as a Global Graduate in British American Tobacco where I gathered experience on Trade Marketing and Distribution. I got to know many things about the entire maintenance of BATB works. I am working under Mr. Shamin Yeasar Shadman, Area Manager of Kushtia.

Company Profile

The presence of British American Tobacco in this part of the world can be traced back to 1910. Beginning the journey as Imperial Tobacco 106 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 set up in 1949 in Fauzdarhat, Chittagong. In 1965, the second factory of Pakistan Tobacco Company went into production in Mohakhali, Dhaka. 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 or BATB) aligning the corporate identity with other operating companies in the British American Tobacco Group.

BAT Bangladesh is a part of BAT plc, world's leading tobacco group, with brands sold in 200 markets around the world. We 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 through our responsible business operation.

Shareholders

BATB is the first companies to be listed on the Dhaka and Chittagong Stock Exchanges and currently rank 3rd in terms of market capitalization. British American Tobacco Group holds 72.91% of the shares. Among which 7.05% is owned by Investment Corporation of Bangladesh, Shadharan Bima Corporation, Bangladesh Development Bank Limited and the Government of the People's Republic of Bangladesh while a further 20.04 % is owned by other shareholders.

Contributions

The company continues to contribute approximately two-thirds of the revenue derived from the cigarette industry. In 2016 calendar year, BAT Bangladesh contributed over BDT 13,631 crore as taxes to the National Exchequer, which makes BATB the highest taxpayers to the Government. The Company will continue to support Government proposals that establish a sustainable level of tax contribution to the National Exchequer while ensuring sustainability for the industry.

Beliefs

At BAT Bangladesh strive to be a responsible Company wherever they operate – it can be their shareholders, employees, business partners or any other relevant internal and external stakeholder. To BATB, responsibility is a way of life and that is why it is believed success and responsibility go together.

People

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

Vision: World's best at satisfying consumer moments in tobacco and beyond.

Satisfying Consumer Moments: We believe that by being the world's best at satisfying consumer moments, we will sustain our leadership of the industry. Consumers are at the core of everything we do and our success depends on addressing their evolving concerns, needs and behaviors.

Tobacco and Beyond: The second part of our vision – tobacco and beyond recognizes the strength of our traditional tobacco business and the opportunities we see in Next Generation Products. This is a great potential business opportunity because consumers are looking for choices and product categories in which we are uniquely placed to succeed.

Mission: delivering our commitments to society, while championing informed consumer choice.

Champion Informed Consumer Choice We need to continue to ensure that our adult consumers are fully aware of the choices they are making when they purchase our products. We recognize that we have a responsibility to offer a range of products across the risk continuum, but we will also defend people's right to make an informed choice.

Deliver Our Commitments to Society: As society changes and priorities and needs shift, we must be ready to meet new challenges and take advantage of new opportunities. We are a major international business and with this status come responsibilities such as developing less

risky products, being open about the risks of all our products, supporting agricultural communities in leaf-growing areas worldwide and minimizing our impact on the environment.

Strategic Focus Area: The foundations upon which our strategy is built have been in place for many years, but we continue to refocus our activities in all four areas and constantly review our ways of working.

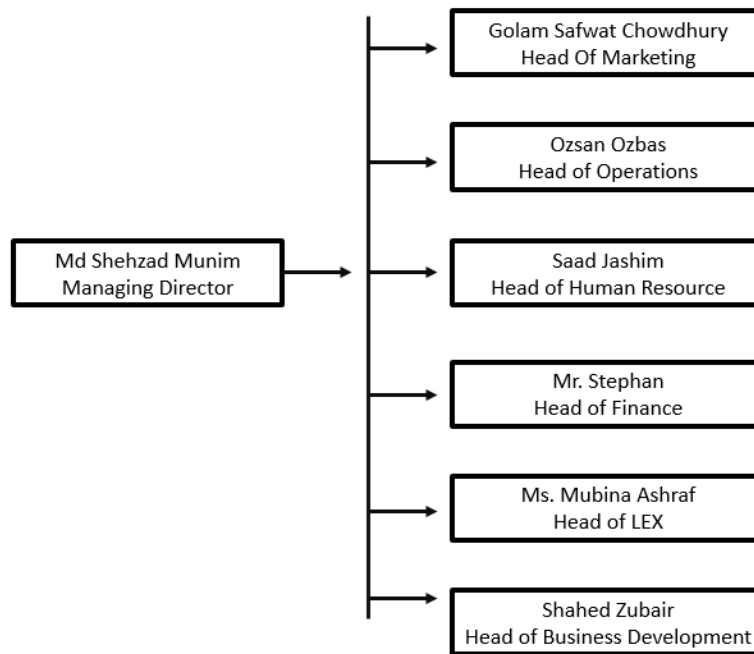
Growth: Developing brands, innovations and new products to meet consumers' evolving needs.

Productivity: Effectively deploying resources to increase profits and generate funds for investment.

Winning Organization: Ensuring we have great people, great teams and a great place to work.

Sustainability: Ensuring a sustainable business that meets stakeholders' expectation.

Corporate Division



Overall activities of tile company arc governed by the "Board of Directors" and Executive. The "Board of Directors" is composed of members headed by a chairman. Chief Executive of British American Tobacco Bangladesh is called the "Managing Director" who is normally appointed by "BAT Holdings". Managing Director of the company is the chairman of the executive Committee. This committee includes the head of all the functional departments. The decision making, infrastructure is participatory to a very high extent. All the plans and decisions that are made are communicated from the top level of the organization and the decisions are made after discussing the issue with the related authority and the grass root level. Every possible input from every relevant level of workforce is taken before getting into any decision.

Details of the Product Line

BATB offer adult consumers a range of products to choose from, including: Benson & Hedges, John Player Gold Leaf, Pall Mall, Capstan, Star, Derby, Pilot and Hollywood. There are different segments like premium, medium and low. The higher brand of cigarette in the market is in premium segment.

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 the company, enjoying large market share in the Aspirational Premium segment.

Star and Star Next are positioned in the Value for Money(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 BATB has 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.

Operation Details

BATB has very organized departmentalization within the organization. There are six departments that perform all the different activities regarding the whole business process of BATB. The main six Departments of BATB are described below. However under these six departments there are many small departments which can also said as wings.

- Operation (production, leaf, supply chain and Logistics, Engineering and other services)
- Trade Marketing
- Human Resource
- Finance
- Legal

- Business Development

Operations

Supply Chain: To operate a business smoothly, operation activities of that business should be done in an integrated and appropriate way. In BATB, operation is a major activity. It includes leaf growing, storing of them, checking of their quality, quality control; send them for manufacturing, packaging, warehousing, distributing, procurement etc. Making up quick decisions based on the arisen situation is another activity of Supply Chain at BATB.

Leaf: The Leaf Department is very strong and efficient at BATB. They are responsible for all the activities related to leaf growing, communicating with farmers, controlling of the leaf quality, purchasing, processing, packing, shipping and storing of the leafs etc. People who are working with Leaf department have to be very responsible. They have to ensure the continuous supply of tobacco leafs and the quality of it. It is very important job, because the taste of the cigarettes depends on the quality of the tobacco leaf. However, some of the major activities done by Leaf department are:

1. purchasing 2. processing 3. Packing 4. shipping 5. Storing Leaf tobacco
Primary Manufacturing Department (PMD): In PMD the leaf is being prepared for the production activities. Secondary Manufacturing Department (SMD). After PMD, the products come into the SMD. Here activities like wrapping tobacco with materials, manufacturing etc. are done.

Supply Chain Management: In the previous part it is mentioned that BATB do a business which starts from leaf growing ends with the distribution activities. It means they do their business from the producer to their end customers. But this is a very complex job, which involves several works.

Checking and controlling the quality of the tobacco and its packaging is another task of operations. As it is operation so factory is involved here. BATB has the nicest environment for its working environment, they ensure the quality of work life, at the same time they are very much careful about their employees. They provide the environment where employees can work safely. That is why several times they have received the Zero Accident Award. Under supply chain management, the following activities can be seen. They are Supply Chain, Product, Procurement, Security, Logistics and EHS (Environment, Health and Safety)

Engineering sites and services department (ESSD): This department has three wings. They are utilities, facilities and Project. The main function is dispensing most of the production support services under their supervision. Operations of these sites, maintenance activity, performance analysis and follow-up up-gradation are administered on a periodic basis. Support services such as all the Civil service, Plumbing service, Electric service, Carpentry service, Electric Power supply, Air-conditioning, steam supply, water and air treatment, humidity Control and project works which are all associated with the key production chain are this department's major concerns. Besides maximization of the overall efficiency of these sites through thriving endeavors, constructional establishment projects along with their corresponding facilities to be provided are one of their fundamental responsibilities.

Human Resources department: of BATB has responsibility for energizing, developing, retaining and attracting truly talented people all around the country. The department also believes in maintaining harmonious relationship between the management and workers all the times. The department ensures that managerial development contributes to organizational development.

Finance Department: The Core Finance and Management Accounts activities includes monitoring and controlling all the Accounting and Financing activities of the company such as product costing, invoice pricing, taxation etc. Audit Manager manages all the internal and external auditing of the company.

Marketing Department: To increase the sales, brand image and create a value for the brand is every important for any organization. This is a center focal point for every organization as the business means to sell the services or experiences. In BATB, the marketing team is very efficient and energetic, the verification we can get from their excellent selling records and their highly appreciated values towards the customers. BATB's marketing department mainly conducts two activities called Brand marketing and Trade marketing which includes several other works. Besides this, promotion or advertising activities is very important for any manufacturing organization.

Legal: Legal department mainly considers the Legal and Secretarial function of BATB. It helps BATB to know that what the right procedures to run their business are. As BATB is doing a debatable business, so they have to conduct their business in a very proper and legal way and BATB is very careful about this. Legal department handles how to solve the problems, how to follow and adjust with the state's laws, the shares and stakeholders, auditing, AGM etc.

Corporate & Regulatory Affairs: Corporate & Regulatory Affairs (CORA) is one of the important departments at BATB. As BATB deals with the controversy product, so in conducting the business they have to be very careful. And this makes them to become a successful organization. However, through the corporate social responsibility they carry out their responsibilities towards their stakeholders and the society.

CSR Activities:

The CSR initiatives are aligned with the Government and stakeholders requirements, its business relevance, and focus on contributing to Government's agenda on Sustainable Development Goals (SDGs). In 2016, the CSR Committee highlighted the following matters. These are Afforestation programme, Safe Drinking Water project and Solar Home Systems. These programmes drive the corporate reputation based on the sustainable agriculture and environment theme.

Afforestation Programme: British American Tobacco Bangladesh initiated its afforestation programme in 1980 when the forest department of the Government of Bangladesh called on the private sector to support its endeavor to conserve the forests. So far, BAT Bangladesh has contributed around 91.5 million saplings to the country's afforestation initiative in the last 36 years including 4 million saplings alone in the year 2016. The Saplings consist of fruit, timber and medicine yielding species. In 2016, as a Company they have participated in 20 local level tree fairs by the invitation of local administrations and won first prizes in all of the locations. This is the highest number of awards in a year that BAT Bangladesh received from local level administration in recent times.

Water Filtration Project: Recognizing the necessity of water and sanitation, specifically in the context of the Sustainable Development Goals (SDG), BAT Bangladesh has stepped forward with a safe drinking water project for its community people. So far, 65 water filtration plants have been installed ensuring pure drinking water for approximately 170,000 people every day. As a result of operating this particular CSR Programme, BAT Bangladesh won the 'Asia Responsible Entrepreneurship Awards' in Asia Pacific for best CSR project in the year 2015.

Solar Home System Project: BAT Bangladesh is providing Solar Home Systems to the hill tracts' communities those were previously deprived of electricity all their lives. The solar home system initiative of BAT Bangladesh installed 198 units of solar home systems in 2016 totalling to 1,864 units in sixteen remote villages of Bandarban and Khagrachari districts, providing about 11,000 rural people their first access to electricity at home. Engaging with local and national level stakeholders, highlighting the fact that BAT Bangladesh supports many other national and local agendas like agricultural advancement, people development, and economic infrastructural progress which impact positively on Nation Building.

The Afforestation Programme contributed to revenue growth, job opportunities and business investment opportunities of the concerned stakeholders while balancing environment and improving ecological balance. The Solar Home System Project provided 100% electricity supply in areas where people had no access to electricity before. This also resulted in better facilities for education and increased standard of living for people living in the areas. Waterborne diseases have reduced significantly since installation of water filtration plants. People have access to safe drinking water and have more knowledge about their health and keeping the water sources clean.

Introduction to the report

Research Question

The research question that is driving the study is – “What are the factors working in building Derby's brand equity in Kushtia Territory? ”

Objective of the research

Derby is known as one of the top performing brands of British American Tobacco Bangladesh's portfolio. As objectives indicate the purpose of the study – in this paper the main objective is to find Derby's brand equity in Kushtia Territory. In addition, by proper analysis – goal will be to figure out how independent variables will affect the dependent variables. This will further help to figure if there is any gap between consumer's expectations and British American Tobacco Bangladesh's offerings.

Significance of the study

The significance of the study is to understand consumer's perception on the brand “Derby” after the Pack Upgrade. However, apart from this – company officials can also have the idea regarding their improvement area if required. Furthermore, the research findings can help having further study on this topic.

Literature Review

As Joo Eon Jeon said in his study that brand equity is considered as an intangible asset that promotes firm performance. Not only that it also makes an impact on brand loyalty and increases the value of the company. However, he also added that brand management is a process of selecting concept through which they want to assure Brand Awareness, Brand Relationship and brand's Acceptability. Also, it says that consumer's emotional connection to the brand can build a positive influence on customer commitment. By that, finally the brand equity is affected.

Moving on, Erfan Severi and Kwek Choon Ling in their study had mentioned that the strength of brand could be understood from consumer's concept and involvement in the brand. They also mentioned that, to evaluate brand performance and its activities in building equity –there should be multiple level of activities to strengthen brand performance in consumers' minds.

Research Methodology

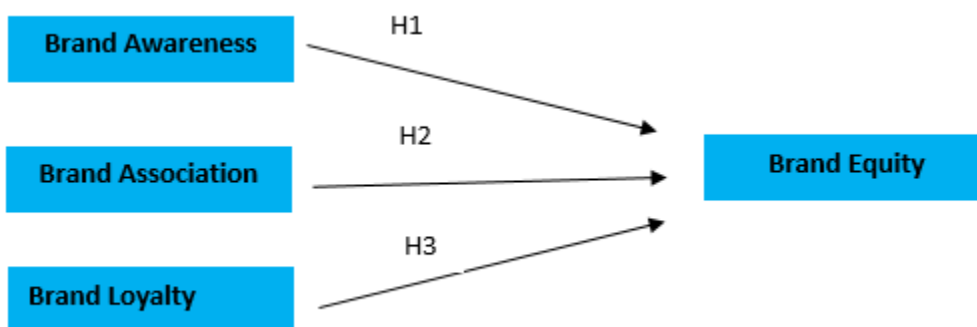
To conduct the research, both primary and secondary research activities were executed to have knowledge and understanding of different variables. This further helped selecting right variables which actually affects. Alongside, a survey was conducted among low economic class people as a part of primary research and the analysis was conducted on SPSS after receiving the responses.

Problem Identification

In the competitive FMCG market, there are multiple brands and companies playing in the same area of products. However, cigarette being significantly fastest moving consumer good – it is very challenging to satisfy and retain customers. The consumers consume cigarette because of the brand and the value that is provided for the money – however it is very important to cope up with the required changes. Derby used to be a go to brand for smokers – however it was getting very challenging for the brand to retain the pride. For that reason, brand awareness was required to get into the consumers' minds again. Also, by making the consumers associated to the brand while assuring brand loyalty was important to keep Derby the desirable brand. For that, different aspects should have been considered by BATB to assure brand equity in the market.

Model Development

Model: Factors influencing Derby's brand equity



The model was formulated to conduct the research. However, please note that smokers were Derby were primarily asked to regarding the factors of why they were smoking Derby. The all answered positively about Brand awareness, pricing and pack upgrade.

As we look into the model – there are 4 variables. Here 3 are independent variables (Brand Awareness, Brand Association, Brand Loyalty) and another 1 is dependent variable (Brand Equity). The relationship between independent variable Brand Awareness and dependent variable Brand Equity can be identified through Hypothesis 1 or H1. In the same manner, the individual relationship of other 3 independent variable with the dependent variable forms H2, H3 and H4. If after the survey, people say that they are satisfied on the 3 independent variable, then it can be said that Derby has successfully built brand equity in its customer's minds. That is why, Brand Equity is dependent and rest 3 are independent variables.

Hypothesis formulation

Brand Awareness

When we talk about any product – knowing about the product is a key factor to ensure brand equity. When the consumers will know about the product, they will have higher chances of trying out the product. If the brand awareness is there, people will definitely move towards having brand equity. Thus, brand awareness is highly connected towards assuring brand equity.

H1: The higher Brand awareness generated the better brand equity.

Brand Association

Customers don't only need to have brand awareness, they also need to feel associated to the brand to feel inclined towards it. For Derby, the consumer class is mostly people of low economic class and they always dream of associating themselves to the brand which resembles their lifestyle. Derby's 'Champion' pack upgrade was initiated to give them a feeling of accomplishment. Thus, brand association is important to generating brand equity.

H2: The higher brand association offered the better brand equity.

Brand Loyalty

Derby, despite being a brand in BATB low segment – it is still very contributing to the portfolio of the company. To make sure of its mark in the competitive market – it is very important to offer value to the consumers so that they feel inclined towards the brand. That will make them loyal to the product and thus, it will build brand equity.

H3: The higher the brand loyalty offered the better the brand loyalty.

Name of the Factors

In order to find the effect of Derby's Pack Upgrade in building Brand Equity, a model based on 3 independent variables has been developed. These are, Brand Awareness, Brand Association and Brand Loyalty. In the research model, the dependent variable is 'Brand Equity' which is related to the independent variables. In the research it will be shown how closely, the independent variables are related to the dependent variable, i.e. if consumers felt associated with the brand. To understand this, it was needed to collect responses of the survey based on these 4 variables. At the end of the study if it is found that the factors had effect on building brand equity of Derby, it will have higher possibility that the Campaign had helped building Brand Equity of Derby.

Data Analysis

Missing Data Analysis

To conduct the analysis, a complete data set is necessary and hence a missing data analysis was conducted. Since the data was collected online and all questions was made mandatory, therefore, there was no missing data in the data collection process.

Frequencies

		Statistics																
		Occupation	Age	Income	Know about Derby?	BAW01	BAW02	BAW03	BAS01	BAS02	BAS03	BL01	BL02	BL03	BE01	BE02	BE03	
N	Valid	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
	Missing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Outlier Test

Afterwards, Mahalanobis distance test was conducted to check if the data set has any outliers. Since the none of the data had a probability of less than .001, therefore, no data was discarded for being an outlier.

15:													Visible: 38 of 38 Variables			
	BL01_1	BL02_1	BL03_1	BE01_1	BE02_1	BE03_1	BAAW	BAAS	BLL	BEE	MAH_1	Probability	var	var	var	var
1	5.0	4.0	4.0	3.0	4.0	3.0	12.00	8.00	13.00	10.00	12.35301	.01				
2	3.0	3.0	4.0	3.0	3.0	3.0	14.00	8.00	10.00	9.00	11.68331	.01				
3	3.0	2.0	2.0	4.0	4.0	4.0	8.00	9.00	7.00	12.00	7.52556	.06				
4	3.0	3.0	2.0	4.0	4.0	3.0	12.00	9.00	8.00	11.00	7.36905	.06				
5	4.0	3.0	2.0	4.0	5.0	5.0	15.00	12.00	9.00	14.00	6.99255	.07				
6	4.0	3.0	5.0	5.0	4.0	5.0	16.00	15.00	12.00	14.00	6.89288	.08				
7	4.0	2.0	4.0	4.0	3.0	2.0	13.00	15.00	10.00	9.00	6.65169	.08				
8	4.0	2.0	1.0	3.0	3.0	3.0	8.00	10.00	7.00	9.00	6.43445	.09				
9	3.0	5.0	4.0	4.0	5.0	4.0	10.00	9.00	12.00	13.00	6.03148	.11				
10	3.0	3.0	2.0	2.0	2.0	2.0	8.00	9.00	8.00	6.00	6.00372	.11				
11	5.0	5.0	5.0	5.0	5.0	5.0	16.00	14.00	15.00	15.00	5.83980	.12				
12	2.0	3.0	4.0	3.0	4.0	3.0	7.00	13.00	9.00	10.00	5.83230	.12				
13	3.0	4.0	3.0	5.0	4.0	4.0	8.00	14.00	10.00	13.00	5.32211	.15				
14	3.0	3.0	3.0	4.0	2.0	4.0	8.00	9.00	9.00	10.00	5.23970	.16				
15	4.0	4.0	4.0	4.0	5.0	4.0	16.00	14.00	12.00	13.00	5.22996	.16				
16	4.0	4.0	2.0	4.0	5.0	1.0	6.00	11.00	10.00	10.00	5.19915	.16				
17	5.0	5.0	4.0	4.0	5.0	3.0	14.00	11.00	14.00	12.00	5.08323	.17				
18	3.0	3.0	3.0	2.0	2.0	3.0	13.00	10.00	9.00	7.00	5.04879	.17				
19	5.0	5.0	5.0	5.0	5.0	5.0	15.00	13.00	15.00	15.00	4.86614	.18				
20	3.0	5.0	4.0	3.0	3.0	4.0	7.00	11.00	12.00	10.00	4.80963	.19				
21	3.0	1.0	4.0	4.0	4.0	3.0	12.00	11.00	8.00	11.00	4.78882	.19				
22	5.0	5.0	4.0	4.0	5.0	4.0	10.00	11.00	14.00	13.00	4.76913	.19				

Factor Analysis

Next, factor analysis was conducted. Initially factor analysis was conducted with both varimax and promax rotation to examine and compare the results. The results of KMO and Bartlett's test, Rotated Component Matrix, Reliability, Validity, and Regression under varimax were more acceptable. Therefore, results from the varimax rotation has been shown in this paper.

At first, KMO and Bartlett's Test showed the model is significant as the test resulted significant as the value is .000.

KMO and Bartlett's Test		
→	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.723
	Bartlett's Test of Sphericity	Approx. Chi-Square
		84.940
		df
		21
		Sig.
		.000

In addition, in the communalities chart we can also see that most of the values are near and more than 0.5 for which it is satisfactory. It should be noted that the extraction method was Principal Axis Factoring.

Communalities

	Initial	Extraction
BAW02	.210	.507
BAW03	.221	.362
BAS01	.243	.528
BAS02	.178	.340
BE01	.180	.491
BE03	.233	.344
BL01	.094	.293

Extraction Method: Principal Axis Factoring.

Next, in the “Total Variance Explained” table, if the cumulative % is 74.792% which is more than the required 60%. So, the result was satisfactory for which the research proceeded towards conducting Rotated Component Matrix.

Total Variance Explained

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.366	33.803	33.803	1.785	25.502	25.502	.909	12.982	12.982
2	1.059	15.130	48.933	.517	7.379	32.881	.826	11.795	24.777
3	.973	13.894	62.826	.387	5.526	38.407	.761	10.869	35.646
4	.838	11.966	74.792	.176	2.517	40.924	.369	5.278	40.924
5	.649	9.274	84.067						
6	.560	7.996	92.062						
7	.556	7.938	100.000						

Extraction Method: Principal Axis Factoring.

Afterwards, the Rotated Component Matrix was conducted and as we can see that most of the values are more than 0.5 for which most of the factors are relevant.

Rotated Factor Matrix^a

	Factor			
	1	2	3	4
BAW02	.676			
BAW03	.519			
BAS01		.650		
BAS02		.539		
BE01			.668	
BE03			.426	
BL01				.493

Extraction Method: Principal Axis Factoring.

Rotation Method: Varimax with Kaiser Normalization. ^a

a. Rotation converged in 5 iterations.

Reliability Analysis

At first, the reliability among BAW02 and BAW03 were checked. As we can see from the result shown in the table below; relationship among BAW02 and BAW03 is barely reliable. Because, according to Hair Et Al, 2007 in an exploratory research, Cronbach Alpha minimum 0.7 is reliable, .6 is also accepted.

Reliability Statistics	
Cronbach's Alpha	N of Items
.544	2

Then, the reliability among BAS01 and BAS02 was checked but the result here is also barely reliable as it is below .6.

Reliability Statistics	
Cronbach's Alpha	N of Items
.552	2

Lastly, the reliability among BE01 and BE03 was tested and it can be counted as reliable since the result is very close to .6

Reliability Statistics	
Cronbach's Alpha	N of Items
.591	2

Validity Test

Afterwards, the validity test was conducted. Here the Convergent validity test was conducted and the result came out satisfactory. The table have been attached below:

	BAW02	BAW03	BAS01	BAS02	BL01	BE01	BE03
BAW02	1	.382**	.302**	0.144	0.170	0.078	.241*
BAW03	.382**	1	.282**	0.159	0.142	.231*	.284**
BAS01	.302**	.282**	1	.381**	0.095	0.159	.272**
BAS02	0.144	0.159	.381**	1	0.152	.206*	.215*
BL01	0.170	0.142	0.095	0.152	1	.210*	.235*
BE01	0.078	.231*	0.159	.206*	.210*	1	.363**
BE03	.241*	.284**	.272**	.215*	.235*	.363**	1

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Here, the relationship between the items of the different variables are statistically significant for which this result is acceptable.

Regression Analysis

Lastly, Regression analysis has been conducted. The tables have been provided below:

Regression

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	BLL, BAAW, BAAS ^b	.	Enter

a. Dependent Variable: BEE

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.625 ^a	.390	.371	1.54559

a. Predictors: (Constant), BLL, BAAW, BAAS

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	146.631	3	48.877	20.461	.000 ^b
	Residual	229.329	96	2.389		
	Total	375.960	99			

a. Dependent Variable: BEE

b. Predictors: (Constant), BLL, BAAW, BAAS

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.595	1.370		1.165	.247
	BAAW	.092	.073	.109	1.264	.209
	BAAS	.411	.111	.328	3.699	.000
	BLL	.374	.096	.357	3.916	.000

a. Dependent Variable: BEE

From the above table we can see that ANOVA is completely significant as the value is less than .005. However, as we move towards the Coefficients table, we see that only BAAS (Brand Association) and BLL (Brand Loyalty) is statistically significant as their level of significance is close to .000. On the other hand, the value of BAAW (Brand Awareness) is way greater than 0.050 for which it is not statistically significant. From here, we can say that only H2 and H3 are true for

this research. Therefore, only two independent variables Brand Association and Brand Loyalty have an influence over Brand Equity.

Findings of Research

In order to test the model for customer satisfaction, multiple regression analysis was used with the three independent variables. The entire model would be significant if the F-statistics ($p < 0.000$). The regression model explained 37.1% of the variation of the dependable variable Brand Equity, which is indicated by the adjusted R square value. From the overall analysis as we came to a conclusion that only two factors are having significant effect on Brand Equity, which are Brand Association and Brand Loyalty. Therefore, the hypothesis 2 & 3 are statistically significant, which explains that from the research conducted, brand association and brand loyalty has a positive impact on brand equity. Further study can be conducted regarding the remaining hypothesis since variable is not statistically significant.

Here, the independent variables are Brand Awareness, Brand Association and Brand Loyalty. Their respective values are: Brand Awareness: $b = .109$, $p = .209$; Brand Association: $b = .328$, $p = .000$; Brand Loyalty: $b = .357$, $p = .000$.

Limitations

For any survey for a research it is mandatory to have a good number of respondents. However, one of the major limitations of the research was sample size as it was only focused on Kushtia District. If the sample size was diverse and more, it might have helped to come up with better results. Also, the biased answers are inevitable and uncontrollable. Yet, I have tried my best to collect most accurate results. The diversity in terms of respondent's occupation, income class were maintained, yet there is a door of improvement for any further study. In addition, one of the major limitations is the matrix of conducting the analysis. If it was possible to allocate some more time in Rotated Component Matrix – the outcome could have been better and would have helped me lead towards having best answers from customer's end.

Recommendation

The four variables chosen for the research purpose are few key factors in terms of understanding the contribution of Derby Pack Upgrade in building Brand Awareness, Brand Association, Brand Loyalty and finally assuring Brand Equity. However, as a part of recommendation we can look into different variables to get a diverse perspective on factors that contributed to building Brand Equity of Derby.

Conclusion

Consumers are the key to making a brand story a success story – however companies should take cautious steps to make the brand a winner in the market. Derby being a Champion brand in the BATB portfolio – it had gone through multiple phases and cycles to take the brand to such stage. However, the goal is to make the brand equity higher in the market which can be assured through focus on multiple variables. According to the research, Brand Association and Brand Loyalty contributed the most on achieving Brand Equity. During my internship period – by working with the Trade Marketing and Distribution I have understood details regarding BATB brands and their performance. Among those, working with Derby's Brand Equity gave me in depth knowledge regarding a brand's performance which is indeed a valuable learning for me.

References

1. Jeon, J. (2017). The impact of brand concept on brand equity. *Asia Pacific Journal of Innovation and Entrepreneurship*, 11(2). doi:10.1108/apjie-08-2017-030
2. Erfan, S., Kwek, C. (2013). *The Mediating Effects of Brand Association, Brand Loyalty, Brand Image and Perceived Quality on Brand Equity* (Vol. 9). Canada: Canadian Center of Science and Education

Research Questions

Derby's brand equity in Kushtia Territory

1. What is your occupation? *

- Worker
- Farmer
- Hawker
- Small businessman
- Service Holder

2. Age *

- 15-24
- 25-34
- 35-44
- 45 and above

3. Monthly Income *

- 3000 and above
- 5000 and above
- 7000 and above
- 10000 and above

4. Do you know about BATB LOW brand "Derby" ? *

- Yes
- No

Brand Awareness

5. I was more aware with the brand "Derby" when I have smoked it by myself *

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

6. My experiences with the brand have made me identify the brand by other features even without seeing the name or logo *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

7. Different consumer engagements and interactions help me know more about brands *

- Strongly disagree

- Disagree
- Neutral
- Agree
- Strongly Agree

Brand Association

8. I feel Derby's message as a brand goes with my lifestyle *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

9. Derby as a brand offers me the value I want from a LOW segment cigarette *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

10. I am more interested in brands that will give me premium experience while considering my limitations *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Brand Loyalty

11. I consider myself loyal to brands I have experienced before and have heard about *

Strongly disagree

- Disagree
- Neutral
- Agree
- Strongly agree

12. I am more interested in brands that are superior to competitor brands of same segment *

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

13. I spread positive words about brands I am loyal to *

- Strongly disagree
- Disagree

- Neutral
- Agree
- Strongly Agree

Brand Equity

14. When I know about any brand and purchase it - I feel more satisfied with my decision *

- Strongly Disagree
- Disagree
- Neutral
- Agree

15. I take pride in using brands that I know about and goes with my lifestyle *

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

16. I feel Pack Upgrade Campaign played a vital role to help me know and interact with the brand

I am loyal to *

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree