

Report On  
Supply Chain Management in the Digital Advertising Industry of  
Bangladesh: A Case Study of Spade Digital

By

Mohammad Newaz Osman  
21282031

An internship report submitted to the BRAC Institute of Governance and Development (BIGD), BRAC University in partial fulfillment of the requirements for the degree of 'Masters in Procurement and Supply Management'

BRAC Institute of Governance and Development (BIGD)  
Brac University  
July'2023

© 2023. Brac University  
All rights reserved.

## **Declaration**

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

**Student's Full Name & Signature:**



---

**Mohammad Newaz Osman**

21282031

**Supervisor's Full Name & Signature:**

---

**Dr. Md Rashed Bhuyan**

Associate Professor,  
Architecture Department, BRAC University

## Letter of Transmittal

Dr. Md Rashed Bhuyan  
Associate Professor,  
Architecture Department, BRAC University  
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report for the course PSM 665: Supply Chain Management in Practice Report/ Practicum.

Dear Sir,

I, Mohammad Newaz Osman, would like to inform you submit my internship report on "Supply Chain Management in the Digital Advertising Industry of Bangladesh." I completed my internship with Spade Digital, a 360-degree marketing agency, and had the honor of working as their top operations management, particularly directly under the CEO. In this study, I observed the supply chain culture and operational procedures of the firm and the industry and accordingly, provided my analysis and feedback.

I have attempted my best to finish the report with the essential information and recommended proposition in a significant compact and comprehensive manner as possible and believe the report will meet the desires.

Sincerely yours,



---

Mohammad Newaz Osman

ID: 21282031

BRAC Institute for Governance and Development (BIGD)

BRAC University

Date: July 30<sup>th</sup>, 2023

## **Non-Disclosure Agreement**

This agreement has made and entered into by and between Spade Digital as the First Party and the undersigned student at BRAC Institute of Governance and Development, BRAC University as the Second Party. The First Party has allowed the Second Party to prepare a report on their Supply Chain Management in partial fulfillment of the requirements for the degree of Masters of Procurement and Supply Management. The Second Party will have the opportunity to work closely with the officials of the organization and have access to official data and information. Based on work experience, and information collected the Second Party will prepare a report. The Second Party will use all sorts of information for academic purposes and will not disclose to any party against the interests of the First Party.

**Student's Full Name & Signature:**



---

**Mohammad Newaz Osman**

21280231

**Organizational Supervisor's Full Name & Signature:**

---

**Azwaad Mobin Rayed**

Chief Executive Officer (CEO), Spade Digital

## **Executive Summary**

In this report, I shared my past experience as the Head of Operations at Spade Digital and designed a study on the Supply Chain Management of the Digital Advertising Industry of Bangladesh. This experience enabled me to put the theories I have learned in the past 2 years of the MPSM Program into practice myself in a professional environment. In addition to implementing the knowledge that I have garnered so far; I discussed the day-to-day operations of a digital agency. Furthermore, I have also included a concise introduction of Spade Digital with a clear overview of the Supply Chain Management culture of Spade Digital, in comparison with the current digital advertising industry of Bangladesh. Moreover, I have also tried to identify the problems that are being caused due to the supply chain disruption in current times, such as the dollar crisis in Bangladesh and the termination of direct services by HTTPPOOL Bangladesh, Facebook's authorized distributor in Bangladesh. Finally, I shared my input on how a better Supply Chain Management, for example, with risk mitigation plan, data sharing, increasing dependency on local media etc. can help in diminishing this disruption in the industry.

**Keywords:** Supply Chain Management; Digital Advertising; Spade Digital; Bangladesh.

# Table of Contents

<b>Declaration.....</b>	<b>ii</b>
<b>Letter of Transmittal .....</b>	<b>iii</b>
<b>Non-Disclosure Agreement .....</b>	<b>iv</b>
<b>Executive Summary .....</b>	<b>v</b>
<b>Table of Contents .....</b>	<b>vi</b>
<b>List of Tables .....</b>	<b>vii</b>
<b>List of Figures.....</b>	<b>vii</b>
<b>Chapter 1 Overview of Spade Digital and Practicum Objectives .....</b>	<b>1</b>
1.1 Prelude: Spade Digital .....	1
1.1.1 History of Spade Digital .....	1
1.1.2 Vision of Spade Digital.....	1
1.1.3 Organogram of Spade Digital .....	2
<b>1.2 Practicum Objectives.....</b>	<b>2</b>
<b>1.3 Methodology .....</b>	<b>2</b>
1.4 Practicum Timeline .....	3
<b>Chapter 2 Supply Chain Management in the Digital Advertising Industry of Bangladesh .....</b>	<b>4</b>
2.1 Preface.....	4
2.2 Supply Chain Management of Spade Digital.....	5
2.2.1 Departments of Spade Digital Business Development: .....	5
2.2.2 SCM Network of Spade Digital.....	7

2.2.3 SCM Network of a Product (Content Creation) of Spade Digital .....	8
2.3 Supplier Network of Spade Digital.....	9
<b>Chapter 3 Findings and Observations Regarding the SCM of Spade Digital.....</b>	<b>10</b>
3.1 Findings.....	10
3.1.1 Problems due to the supply chain disruptions.....	10
3.1.2 Outcomes of the supply chain disruptions .....	10
3.2 Recommendations.....	11
3.3 Conclusion .....	13
<b>References.....</b>	<b>14</b>

## List of Tables

Table 1: Practicum Timeline.....	3
----------------------------------	---

## List of Figures

Figure 1: Logo of Spade Digital .....	1
Figure 2: Organogram of Spade Digital (Spade Digital Report) .....	2
Figure 3: Basic supply chain diagram for a service company .....	4
Figure 4: Supply Chain Network of Spade Digital.....	7
Figure 5: Supply chain diagram of a product of Spade Digital .....	8

# Chapter 1

## Overview of Spade Digital and Practicum Objectives

### 1.1 Prelude: Spade Digital

#### 1.1.1 History of Spade Digital

With the total digital advertising amount crossing 348.11 million USD in the year 2022 and almost a 10% year on year growth,



(“*Digital Advertising - Bangladesh / Statista Market Forecast, Figure 1: Logo of Spade Digital Mar.2023.*”), it can be clearly inferred that it is a burgeoning industry in Bangladesh. To cater to this thriving space Spade Digital, a creative digital firm focused on digital platforms providing services such social media management, content creation, branding, media buying, and online promotions, was established back in 2015. In the course of the past 8 years, Spade Digital have had the privilege of working with some of the major conglomerates in the country, such as BRAC, BEXIMCO, Rangs Properties Ltd., Aamra Group, and over 150 clients. Over the course of time, Spade Digital stands out from other advertising firms because it develops distinctive campaigns that include Bangladeshi culture and cultural values.

#### 1.1.2 Vision of Spade Digital

Spade Digital has a long-term vision of establishing itself as a market leader in the advertising industry of Bangladesh, by providing an amalgamation of innovative ideas that add value to both its clients and their customers.



### 1.1.3 Organogram of Spade Digital

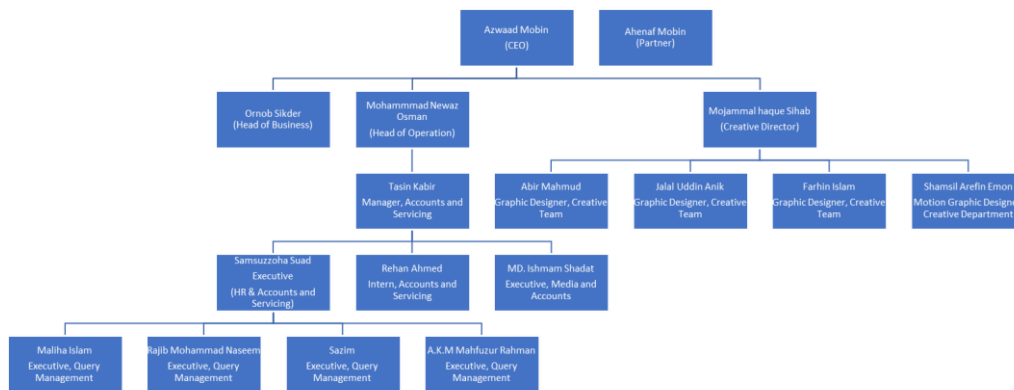


Figure 2: Organogram of Spade Digital (Spade Digital Report)

## 1.2 Practicum Objectives

The objective of the practicum is to analyze the Supply Chain Management in the digital advertising industry of Bangladesh and look deep into what is currently followed and how it can be improved. This practicum focuses on the current operations and supply chain structure, and also points out some problems the organization faces on their regular activities due to the supply chain disruption and finally goes on to provide feasible solutions on how these issues can be resolved, by evaluating the aforementioned details of an organization named Spade Digital. Henceforth, the principal objective of this report is to find the resolutions for the following questions:

- What is the current Supply Chain Management Culture in the industry?
- What are the problems being faced due to supply chain disruption in current times?
- How can a stronger and well-structured Supply Chain Management aid on diminishing the disruption in the industry?

## 1.3 Methodology

This report is primarily curated with qualitative information collected from Spade Digital by interviewing the concerned stakeholders, firsthand observing the overall supply chain, along

with some proprietary data of the organization. Furthermore, information and data from relevant sources, such as statista depicting the current scenario, has been shared and analyzed as well.

## 1.4 Practicum Timeline

The detailed timeline of my practicum is shared below:

April	Started my internship under my supervisor Mr. Azwaad Mobin, CEO, Spade Digital. We discussed regarding the objectives of the report, sorted down the specific issues we will be working with and finalized the questions this report is going to answer.
May	During this entire month, we looked deep into the Supply chain model being followed among the leading advertising agencies in Bangladesh and how we can improve both the Supply Chain Management practices and culture of Spade Digital.
June	I met my academic supervisor who helped me curate an outline on how I can structure my practicum, shared his insight on the topic and guided me how I can improve my report.
July	By the end of my internship period, my workplace supervisor helped me to come up with few resolutions regarding the topic and along with the help and feedback from my academic supervisor, I curated my finalized report.

*Table 1: Practicum Timeline*

## Chapter 2

# Supply Chain Management in the Digital Advertising Industry of Bangladesh

### 2.1 Preface

In the early 1980s, two logistics consultant R.K. Oliver and M.D. Weber introduced the concept of supply chain management and defined it as the process of planning, implementing, and controlling supply chain operations in order to meet customer requirements as efficiently as possible (Oliver and Weber, 1982). This was during the 3<sup>rd</sup> industrial revolution when the entire supply chain model was being revolved around the manufacturing industry. Today during the 4<sup>th</sup> industrial revolution, the definition of Supply Chain Management skewed to the management of the flow of goods and services, which encompasses all processes that turn raw materials into finished products or services. It entails actively simplifying a company's supply-side operations in order to increase customer value and obtain a competitive edge in the market (Fernando, 2022).

For a heavily service oriented industry like Digital Advertising, which operates on a more complex scenario, we can narrow down Supply Chain Management as the flow of service initiating from its informational end in the form of a brief by the client to the final output shared with the client as the communication material. Every process in between falls under the Supply Chain Network. A basic supply chain diagram for an advertising company (Poveda-Bautista & Baptista, 2011) is shared below:



Figure 3: Basic supply chain diagram for a service company

## **2.2 Supply Chain Management of Spade Digital**

Considering the upsurge in the digital activities and burgeoning globalization, it has become a sheer necessity for organizations to have its own digital presence. Due to a scarcity of professionals in the industry, it is difficult for organizations to both manage and run these activities by its own and hence, the need for advertising companies is always on demand. To understand the Supply Chain Management of Spade Digital, we need to first understand the departments that work under this network and how does the entire operation of both the company and the industry work.

### **2.2.1 Departments of Spade Digital**

#### **Business Development:**

This department's primary duty is to expand the company. They have the responsibility of seeking out probable business opportunities, retaining new clients, and offering and selling more services to current customers. Maintaining strong relationships with current clients is another crucial responsibility of this division in order to encourage them to spread positive word about the organization and recommend to others.

#### **Strategic and Content Planning:**

This department functions as the nucleus of the organization. They are in charge of creating campaigns and coming up with fresh and creative concepts that complement the clients' brands and the campaigns' goals and, as a result, provide the clients the most exposure possible. Each member of this team must be extremely knowledgeable regarding the clients' goods and services, the intended market, and the consumer behavior of the intended market.

**Creative/ Visualizer:**

This department is the organization's most creative and inventive one, as the name would imply. According to the strategies provided by the strategy and content planning department, they are entrusted with developing and producing visual material for the clients. According to the specifications and in accordance with the brand identity and guidelines, they create static and dynamic contents. They basically work with different type of designing platforms, and their main goal is to turn the planning department's concepts into attractive digital forms.

**Client Service:**

This department acts as a liaison between the company and the client. They oversee all forms of communication with the client's team and the firm, while their core responsibility is to guarantee the greatest level of client satisfaction. This department also manages clients' different social media and digital handles to ensure that information is uploaded and queries are being attended timely.

**Operations**

At Spade Digital, the operations division serves as both the HR and the operations departments. It is the responsibility of this department to ensure that the entire operation throughout the supply chain is running efficiently. They manage the workflow of each and every department and try to enhance the organization's workflow. Since this department handles extremely sensitive and important information, the CEO and COO have direct control over its employees.

**Finance**

The finance department of Spade Digital is run by the head of finance, who works directly under and reports to the CEO. Considering the operational scale of this department is very small, it does not comprise of any other member apart from the head of finance

## 2.2.2 SCM Network of Spade Digital

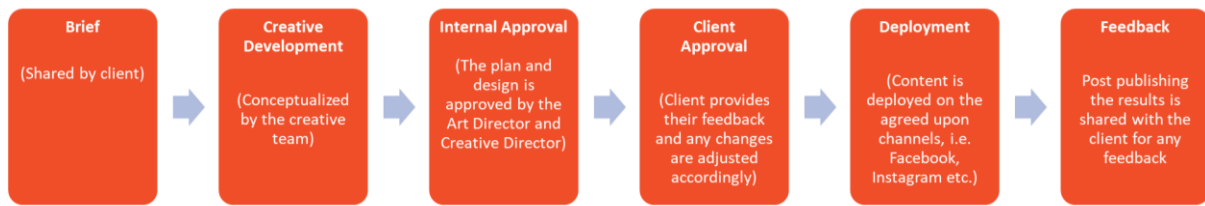


Figure 4: Supply Chain Network of Spade Digital

With reference to Figure 6, the business development team and the client service team of Spade Digital communicates with their clients to understand their needs and requirements and accordingly plan out the campaigns or projects. In this stage they try to garner as much information as possible from their clients so that they can plan smoothly. Once the information collected from the client is garnered, the planning team starts off with the planning process and researches and sketches out a draft ideation regarding the related campaign/project, that can be done for the client. Once they are done with the entire plan of the campaign/project, the plan is shared with the clients to get their approval or feedbacks. If the client has any feedbacks, it is shared back again with the planning team and they make the amendments accordingly; if not, the plan then goes forward to the design team and they make the final outputs for the communication materials accordingly.

As soon as the campaign plan is approved and relevant contents are prepared by the design team, the final version is shared with the client to get a final approval and goes forward to be shared or communicated on their required channels such as online (Facebook, Instagram, or any other media agencies) or offline (Newspaper, Billboard, TV etc.). Finally, when the entire campaign is completed Spade Digital provides a comprehensive report on the results of the campaign/project and shares feedback back and forth with the client.

### 2.2.3 SCM Network of a Product (Content Creation) of Spade Digital



*Figure 5: Supply chain diagram of a product of Spade Digital*

In the initial stage, the client shares a marketing communication brief, which outlines the core objective, the line of communication and the final goal they are planning to achieve through this content. Once this detail is shared with the business development team or client servicing team, their work starts of by debriefing the other concerned departments regarding the work, which in this case is the creative team and strategic and content planning team. After receiving the brief, both the aforementioned teams along with the client servicing team brainstorm for the ideas and make sure that the concept is aligned with the objective and goals set by the client in supervision of the creative director.

Once the idea is finalized, it is shared with both the creative director and art director for internal approval and accordingly as soon as it is internally approved, it is sent to the client for any feedback or final approval from their end. When the content is finalized and approved from all ends, it is sent for deployment in channels that is preapproved by the stakeholders, i.e., facebook, Instagram, tiktok etc. Lastly, the content is monitored on how it is performing and the results are shared with the client for further feedback and suggestions are discussed from both ends on the scopes of improvements.

## **2.3 Supplier Network of Spade Digital**

The digital advertising sector of Bangladesh operates in a fast-paced environment, and supply chain management is essential for tying together platforms, suppliers, and advertising agencies. Facebook and Google are two big companies in the field of digital advertising and both have a substantial presence in Bangladesh. These industry leaders in technology act as suppliers for digital agencies, giving them access to the platforms and resources they need to efficiently reach their target audiences. On the other hand, local news and media organizations, such as The Business Standard, Prothom Alo, The Daily Star, Somoy TV, Jamuna TV etc. act as suppliers in the local markets renting out spaces on their digital platforms.

Digital agencies, such as Spade Digital, serves as a bridge between organizations wishing to advertise their goods or services on various digital platforms. To create and carry out advertising campaigns that support the marketing goals of their customers, these firms collaborate closely with these agencies. Digital firms may build, manage, and optimize advertising with Facebook's advertising Manager and Google's AdWords, ensuring they reach the appropriate audience at the right time. Mutual dependency is the foundation of the relationship between the platforms and the digital agencies. Organizations like Spade Digital, significantly rely on the user bases and sophisticated targeting capabilities of the platforms to provide good results for their customers, while both global giants like Facebook and Google and the local media houses like Prothom alo, Somoy TV and others, depend on these firms to draw advertisements. Henceforth, considering this interconnectedness, both the advertisement platforms and digital agencies have a strong relation.



## **Chapter 3**

### **Findings and Observations Regarding the SCM of Spade Digital**

#### **3.1 Findings**

##### **3.1.1 Problems due to the supply chain disruptions**

During the period of my practicum, I came across few issues that is creates a disruption within the entire supply chain of the advertising industry and accordingly heavily impacting the overall industry. Particularly those associated with Bangladesh's currency crisis, have posed serious problems for the country's digital advertising market. Considering a major portion of the digital advertising is being run on international platforms such as Facebook and Google, the dollar crisis has made it challenging for local enterprises to efficiently run advertisements on digital media. Furthermore, the termination of direct services by HTTPPOOL Bangladesh, Facebook's authorized distributor in Bangladesh, is one of the noteworthy effects of this crisis.

On the other hand, the interruption of the supply chain has not only caused financial difficulties, but it has also impacted the accessibility of several products and services for digital advertising. For example, some advertisers might not have access to beta capabilities or the most recent upgrades, which could improve the effectiveness of their advertisements. Businesses that extensively rely on cutting-edge advertising technology may be at a competitive disadvantage as a result of this access discrepancy.

##### **3.1.2 Outcomes of the supply chain disruptions**

Advertisers have been forced to look through alternate strategies for running advertisements on Facebook due to HTTPPOOL Bangladesh's direct services being unavailable, frequently turning to third-party channels and other more costly methods. Henceforth, issues such as

fraud, overcharging, and poor campaign performance due to these third-party channels' tendency to fall short of the official distributor's standards of dependability, transparency, and customer service became a common thing. Moreover, budgeting and cost estimation for digital advertising campaigns are further complicated by the fluctuating exchange rates brought on due to the dollar crisis. Advertisers frequently struggle to forecast the true costs of their campaigns, which has an influence on their whole marketing strategy and ROI calculations.

Furthermore, due to the current global recession, the entire advertising as a whole all around the world is facing a severe crisis. Considering organizations universally is facing burgeoning crisis due to various reasons like the on-going Russia-Ukraine war, post pandemic crisis etc. the overall costs of running business has spiked up exorbitantly. According to a survey done by Statista within 42 top organizations around the world, they have agreed that speculation of a 2023 recession influences their media expenditure selections. When preparing their marketing and advertising budgets for 2023, over 75% of the corporations questioned agreed or strongly agreed that an economic catastrophe is taken into account. (*Impact of 2023 Recession on Media Budgets Worldwide | Statista, Jan.2023.*)

### **3.2 Recommendations**

A strong and well-structured supply chain management may play a critical role in mitigating the disruptions that the digital advertising business in Bangladesh is experiencing. To diminish these disruptions, advertising agencies in Bangladesh may consider following these following recommendations:

- **Risk Mitigation Plan:** To anticipate possible interruptions and provide backup plans, a well-structured supply chain management system with proper risk mitigation methods can aid in a safeguard against these disruptions. Advertisers should

proactively evaluate the risks brought on by changes in distributor policy, geopolitical unrest, or currency fluctuations and communicate with their clients accordingly. Businesses can swiftly adjust to changing circumstances and lessen the effects of supply chain interruptions by putting contingency plans in place.

- **Data Sharing:** Collaboration and data exchange between platforms, agencies, and advertisers can foster effective supply chain management. A greater understanding of market trends, consumer patterns, and performance insights is made possible for stakeholders as a result. Businesses can make educated judgments, optimize their ad spend, and target their audience more precisely even during disruptions by having access to extensive data.
- **Increasing Dependency on Local Media:** Building local networks and fortifying intra-national alliances might be the main objectives of a well-organized supply chain management system. This strategy can enable local companies, organizations, and distributors to collaborate in order to address difficulties unique to their industry and lessen dependency on foreign giants. Though it is going to be substantially difficult considering the dependency of the mass audience on the international platforms, this can be considered as a long-term goal.
- **Creating Alliance within the Industry:** In times of crisis, a well-designed supply chain management system may also push for industry backing and legislative improvements. The digital advertising sector may address issues collaboratively and look for solutions to enhance the ecosystem by working with pertinent government agencies, industry groups, and other stakeholders.
- **Diversifying Clients to Global Markets:** To avoid disruption due to crisis in local markets, agencies should diversify their portfolio to clients in the global market,

considering Bangladesh has been able to build a positive reputation in the advertising sector globally, they could also start expanding their reach into developing territories where they would be able to gain more exposure given the dearth of digital agencies in such areas.

### **3.3 Conclusion**

To summarize, the digital advertising sector in Bangladesh is highly reliant on a well-connected supplier network, with Facebook and Google playing critical roles as suppliers to local agencies. However, the current supply chain interruptions brought on by the currency crisis have posed serious difficulties, affecting the purchase of media and access to crucial services. To mitigate these interruptions, a more robust and well-structured supply chain management strategy is required. The digital advertising industry can navigate disruptions more effectively and ensure sustained growth even in challenging times by diversifying suppliers, implementing risk mitigation plans, fostering collaboration by data sharing, strengthening local support, adapting to emerging technologies, and diversifying to newer untapped territories. I believe, integrating these principles throughout the organization and also throughout the industry, they will be able to achieve a greater degree of efficiency and safeguard themselves from imminent disruptions and obtain better results in the future.

## References

1. Digital Advertising - Bangladesh | Statista Market Forecast. (Mar. 2023). Statista.  
<https://www.statista.com/outlook/dmo/digital-advertising/bangladesh>
2. Salmela, E., & Happonen, A. (2008). Demand and Supply Chain Management in Small Advertising Agency. Proceedings of EurOMA08 15th International Annual EurOMA Conference. <https://doi.org/10.5281/zenodo.3370248>
3. Osman, M. N. (2021). Operations culture in the digital agencies of Bangladesh.  
<https://dspace.bracu.ac.bd/xmlui/handle/10361/15106>
4. Hussain, R. (2015). The Emerging Digital Culture of Bangladesh: Problems and Prospects. ResearchGate.  
[https://www.researchgate.net/publication/330400697\\_The\\_Emerging\\_Digital\\_Culture\\_of\\_Bangladesh\\_Problems\\_and\\_Prospects](https://www.researchgate.net/publication/330400697_The_Emerging_Digital_Culture_of_Bangladesh_Problems_and_Prospects)
5. Impact of 2023 recession on media budgets worldwide | Statista. (Jan. 2023). Statista.  
<https://www.statista.com/statistics/1338992/recession-impact-media-budget-worldwide/>
6. Poveda-Bautista, R., & Baptista, D. C. (2011). An Anp Approach for Competitiveness Analysis in Business Sectors. The Case of Venezuela. ResearchGate.  
[https://www.researchgate.net/publication/228836537\\_an\\_anp\\_approach\\_for\\_competitiveness\\_analysis\\_in\\_business\\_sectors\\_the\\_case\\_of\\_venezuela](https://www.researchgate.net/publication/228836537_an_anp_approach_for_competitiveness_analysis_in_business_sectors_the_case_of_venezuela)