

Internship Report
On
“History of Fanta in Bangladesh”

Submitted To
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Subject: Submission of Internship Report.

Dear Sir,

I have completed this report as part of my internship program. The report has been compiled as per your requirements and those set by the host organization. It gives me immense pleasure to tell you that working on this internship report has given me a wide range of exposure. The report is based on the knowledge, experiences and the skills that I have acquired during my period of internship in Abdul Monen Limited.

I am thus submitting this report with the hope that it lives up to your satisfaction.

However I would be glad if you enlighten me with your thoughts and views regarding the report. In addition, if you wish to enquire about any of the aspects of the report, I would be glad to answer your queries.

Sincerely

MD. WALIULLAH

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Acknowledgement

First of all, I would like to thank the Almighty Allah for blessing me with the strength, aptitude and patience for successfully completing my internship and this report.

I would like to thank my Faculty Advisor, Shawkat Kamal for giving me the opportunity to work with her during my period of internship. I have been able to compile and complete this report in a comprehensive manner due to the guidance, support and counseling that she has provided me with during this period. I have tried my best to implement her constructive suggestions while doing my report.

I would also like to take this opportunity to acknowledge the help provided to me by some personals of the company. My sincere gratitude goes to Kazi Nazmul Hassan, Senior Manager (F&A); Md. Akmol Hossain Khan, Manager (F&A), Senior Officer Md. Rokan uddin Ahmed (MIS), officer Md. Elias Ahmed (Admin) for giving me time from their busy schedule, providing me with information that was required to complete the report, and for guiding me properly throughout the period of my internship. I would also like to thank all the employees of Abdul Monem Limited who has supported me and co-operated with me during my internship period.

Finally my sincere thanks go to each and everyone who has helped and supported me significantly in different stages during the period of my internship.

Executive Summary

Abdul Monem Ltd. is one of the leading business enterprises in context of Bangladesh. Incepted back in 1956, Abdul Monem Ltd. has evolved today as one of the biggest group of industries and is a major player in many industries including beverage industry. Abdul Monem Ltd. acquired the license from Coca Cola Company, USA in 1982 and started their operation in the same year. The turn over of this company is 600 crore.

For many years, Abdul Monem Ltd. enjoyed the privilege of being the lead player of a monopolistic industry since new enterprises begun to join in during the early 90s. The enterprise adopted couple of serious strategic measures to maintain the market leadership and in many cases they succeeded. Abdul Monem Ltd. has successfully created a efficient and loyal distribution channel throughout the nation and has managed to integrate its value chain process both in forward and backward direction. The marketing policy of Abdul Monem Ltd. has always been its weakness which the rivals have always capitalized, but yet, from time to time, Abdul Momen Ltd. showed good level of aggressive moves. Though at current scenario, it is loosing its market shares in many fronts to its rivals, it is showing great commitment to its clients and the retailers. Due to the narrow product line in Bangladesh, Fanta unit is having a hard time to maintain its share in the market.

As the oldest enterprise in the beverage industry of the country, the only cost AML can consider is the variable cost of the product and can forget about the establishment cost as it should have been recovered after all these days. Thus, AML can consider a serious price cut to rule out the smaller player from the market and gain more share.

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Chapter 1

General Introduction

1.1 Introduction:

After independence the food habit of Bangladeshi people has been changed a lot. Besides our traditional food consumer of Bangladesh like to take western food also after 1980s. As a result of global marketing this was not too hard for the consumers. Different foreign food companies were established in Bangladesh. Beverage industry is one of them. But more interestingly we don't know beverage is also our cultural food because beverage doesn't mean only carbonated drinks. Yoghurt, soup and lacchi are also beverage of our own tradition which consumed for the last 100 years in Bangladesh. But carbonated beverage is new in Bangladesh and my report is on Abdul Monem and its beverage specially Fanta in Bangladesh.

Carbonated beverage entered into our market in the later part of 1980. At that time there were only few companies in Bangladesh. But by the change of time and western culture influences it's become very popular in Bangladesh. By year 2000 more than 12 Beverage Company operating business in Bangladesh.

1.2 Objectives:

The major purpose of this report is to focus light on one of the oldest and key player of the Abdul Monem and their Beverage unit specially Fanta. The underlying objectives of the report are:

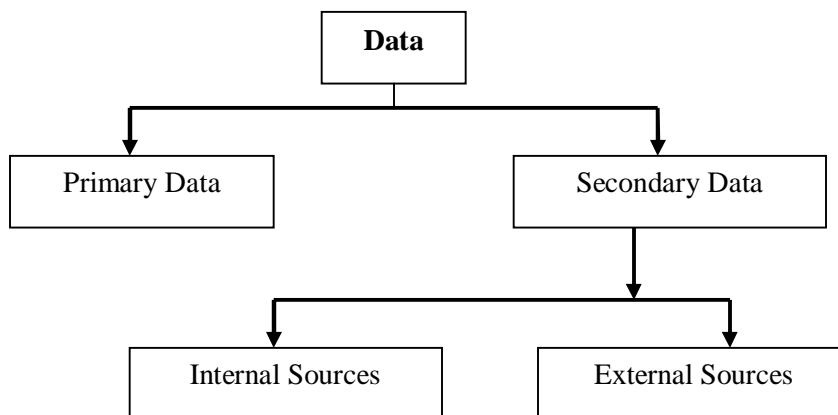
- To know about the inception of the enterprise, as a whole and of its beverage unit as well.
- To know the operations and the management structure of AML.
- Put light on the production, distribution and promotion of the beverage products of AML.
- To get an overview of food and beverage of Abdul Monem Group.
- To know about the nature of Abdul Monem Beverages in the market.

1.3 Methodology:

The mode of methodology selected for this report is known as Multi-methodology. Also known as Mixed Methods Research, Multi-methodology is an approach to professional research that combines the collection and analysis of both quantitative and qualitative data.

At first we have collected the necessary data and information that are needed to produce this report. Then we have conducted an analysis on the data and information collected and tried to analyze those data.

Sources of Information:



Different data and information are required to meet the goal of this report. Those data and information were collected from various sources, such as, primary and secondary which is showed below:

Primary Sources:

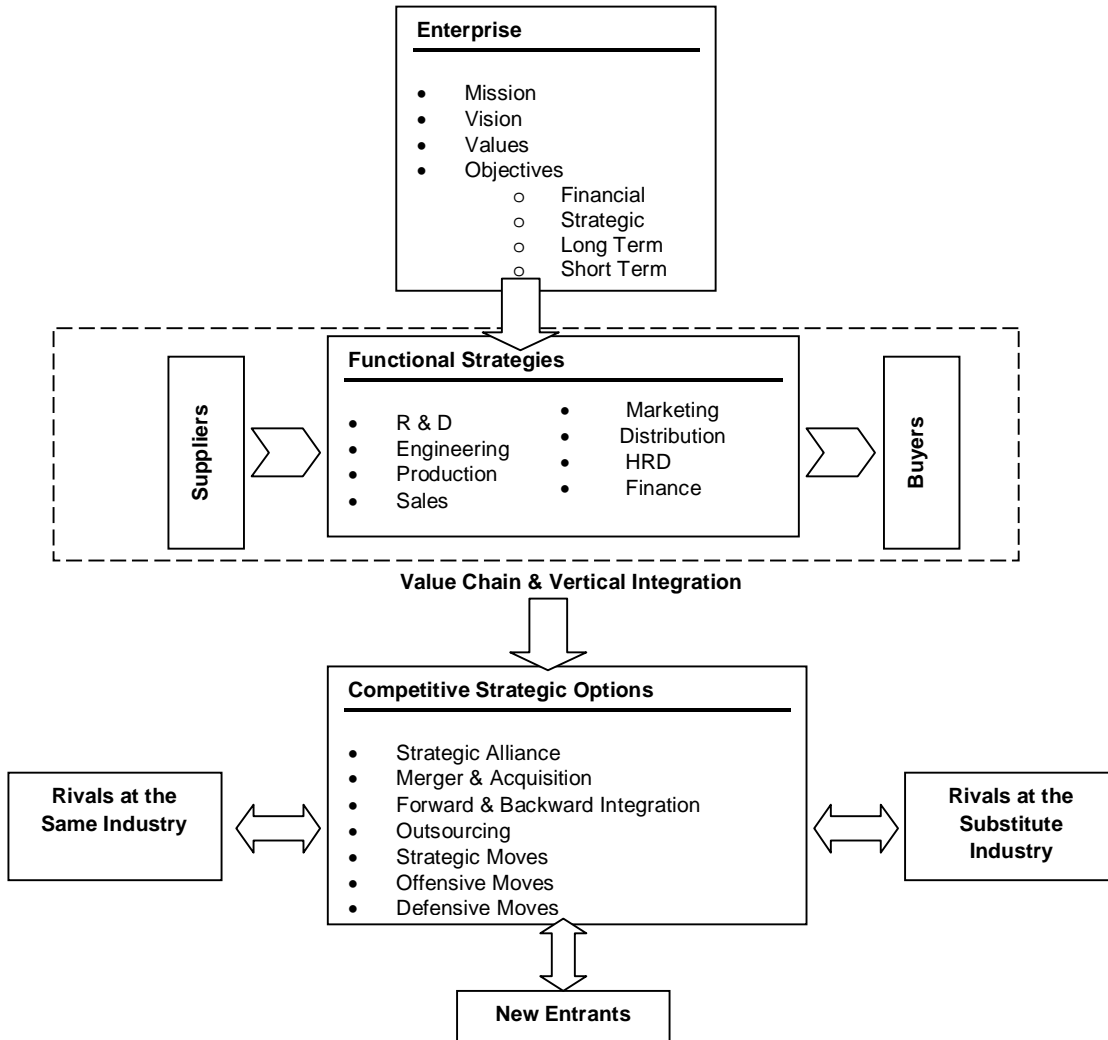
I have had face-to-face conversation with D.G.M, Marketing Manager, Head of Sales and employees of this company. We've also used official documents of this company.

Secondary Sources:

Necessary information was received from the Web Site.

But all after that I have tried my best to ensure clear and perfect information on the report.

1.4 Conceptual Framework:



1.5 Scope:

Due to several unavoidable situation and reality, the extent of this report has been compromised up to certain limit. The boundaries of this report are thus:

- This report focuses on Abdul Monem and the beverage unit specially Fanta and facilities of AML, the other business fronts of AML.

- This report will focus on the value chain activity of the beverage production unit of AML, from production to promotion, and the key factors affecting those activities.
- The report will also focus on the strong logistic fleet and manpower to ensure the distribution of its beverage product to each corner of the market place.

1.6 Limitations:

The extent and limit of the report were constricted due to some of the following considerations:

- The time allocated for the report was limited which constricted the extent of this report.
- AML doesn't agree to provide me their official papers & documents as they are one of the renown in Bangladesh and they are competing with their competitors.
- They don't provide their financial report for some obligations, for which I had to collect it only by personal interview.
- I got the information after a little bit late than I expected. For that, I have to make the report in a very short time.
- Employees of AML were very busy when we made our report.
- Finally, as this organization is a large company. They were not interested to help me by giving information.

An Overview of Abdul Monem Limited

2.1 Introduction:

Abdul Monem Ltd. is one of the luckiest few to experience change over the Millennium. Today, in the constantly growing and ever changing world of trade and technology, Abdul Monem Ltd. has a new challenge, the challenge to keep it competitive in the Millennium with the leading edge technologies as well as products and services. The company has long experience of more than 50 years in accomplishing that in the past and is sure to be able to meet this challenge in the future as well. Started as a Construction Contractor in 1956 and later diversified to food sector. Abdul Monem Ltd. proudly represents brands like Coca-cola, Igloo, AmoMilk and Danone that are the milestones to the company's quest to provide the best and quality products to its millions of consumers.

2.2 Corporate Profile:

Name of the Company	:	Abdul Monem Limited
Year of Establishment	:	1956
Status of the Company	:	Private Limited Company
Country of Registration	:	Registered under Registrar of joint Stock Companies, Dhaka, Bangladesh
Number of Employee	:	5000
Corporate Head Quarters	:	Monem Business District 111, Bir Uttam C.R. Datta Road Sonargoan Road, Dhaka-1205
Telephone	:	880-2-9676301-3, 9669570, 8618079, 8631786, and 8611043
Fax	:	880-2-9664913
E-mail	:	aml@bangla.net and amlinfo@sparkbd.com
Website	:	www.amlbd.com

2.3 Inception and Expansion:

AML started its operation back in 1956 as a construction firm and was engaged in major government construction work. Within a few decades, the organization diversified its operation in other industries, especially in food and beverage industry. AML started its Ice Cream Plant in Chittagong in 1964 with a brand name IGLOO followed by the bottling license and distributorship of Coca Cola in 1982. Today, AML has twelve different business lines running with a yearly turnover of over US\$ 85.7 million dollar or BDT 6 billion.

2.4 Abdul Monem Business Line:

The group of business of AML is consisting of:



Fig: AML Business Unit

2.5 Logistics support for the Beverage Unit:

The Company has strong logistic fleet and manpower to ensure the distribution of its beverage product to each corner of the market place. Even the unit has its own Cargo Vessels to service the Southern part of the country where waterways is holding a major part of the land. The satellite warehouses established at different logistic locations help to facilitate keeping the sufficient stocks in the remote areas.

The bottling plants of AML for bottling Coca Cola are located in Dhaka, Comilla and Chittagong. However, at present, the operation of Dhaka plant is suspended and the total bottling operation is constricted to the other two plants. The details of the Chittagong and Comilla plant are given below:

	Chittagong	Comilla
Site Area	10 Acres	6 Acres
Year of operation	1997	1987
Line	KHS-Germany (FullyAutomated)	H&K / KHS - Germany
Capacity	600 BPM 6.5 Mill. cases/Year	450 BPM 4.5 Mill. cases/Year
Packages	175 ml, 250 ml, & 1000 ml	175 ml, 250 ml, & 1000 ml
Capability	Plastic cases EBI, Fill height detector	200 BPM Pet (1 & 1.5 liter) 300 BPM can (250ml)

2.6 Mission Statement

The mission of Abdul Monem Limited is to build a business venture committed to achieve the highest quality of products and services for the betterment of the society. This includes dedication to enhancing the existing operation, exploration and creation of newer profitable ventures with full respect for the wisdom and ethics of true and transparent business practice as well as development of personal and institutional professional leadership. AML aims at providing the society, significant new capabilities for successful careers to all.

2.7 Vision Statement

Optimum use of valuable resources including human to create value-added products and services aimed at contributing to the economic, social and environmental progress and prosperity of Bangladesh.

2.8 Objectives of AML:

AML strives to set up well defined and obtainable strategic and financial objectives while keeping in mind the long range and short range goals. To maintain an organizational profile that is trustworthy to all its stakeholders, AML gives more priority to provide a uniform balance on all objective fronts.

Financial Objective

Abdul Monem Limited aims at generating appropriate financial results through sustainable growth and constant renewal of balanced business structure.

Strategic Objective

Abdul Monem Limited is open and trustworthy to all its business partners and consumers. Through devoted business activities, it wishes to make worthwhile contribution to the progress of the country.

Short Term Goals

AML aims to be one of the top market leaders, if not the supreme, while maintaining its profit and goodwill assuring maximum benefit to its clients and employees. To achieve the company's short term goals, the senior executives exhibit behavior based on the

principles of leadership and teamwork in general and situational leadership model in particular. They are result oriented, accountable, open and humane.

Long Term Goals

Guided by the vision, AML believes in ensuring long term existence by being profitable, successful and sustainable. This is achieved by the company's commitments in providing value-adding products and services demonstrate the company's commitment to use resources optimally.

2.9 Strategy Making Hierarchy:

The beverage unit of Abdul Monem Limited works under two different managements. The production and quality control of the beverage is maintained and strictly monitored by the international Coca Cola authority headquartered at Atlanta, USA, whereas the local operations are maintained under the supervision of Abdul Monem Limited Beverage Unit Management Board.

International Management of Coca Cola

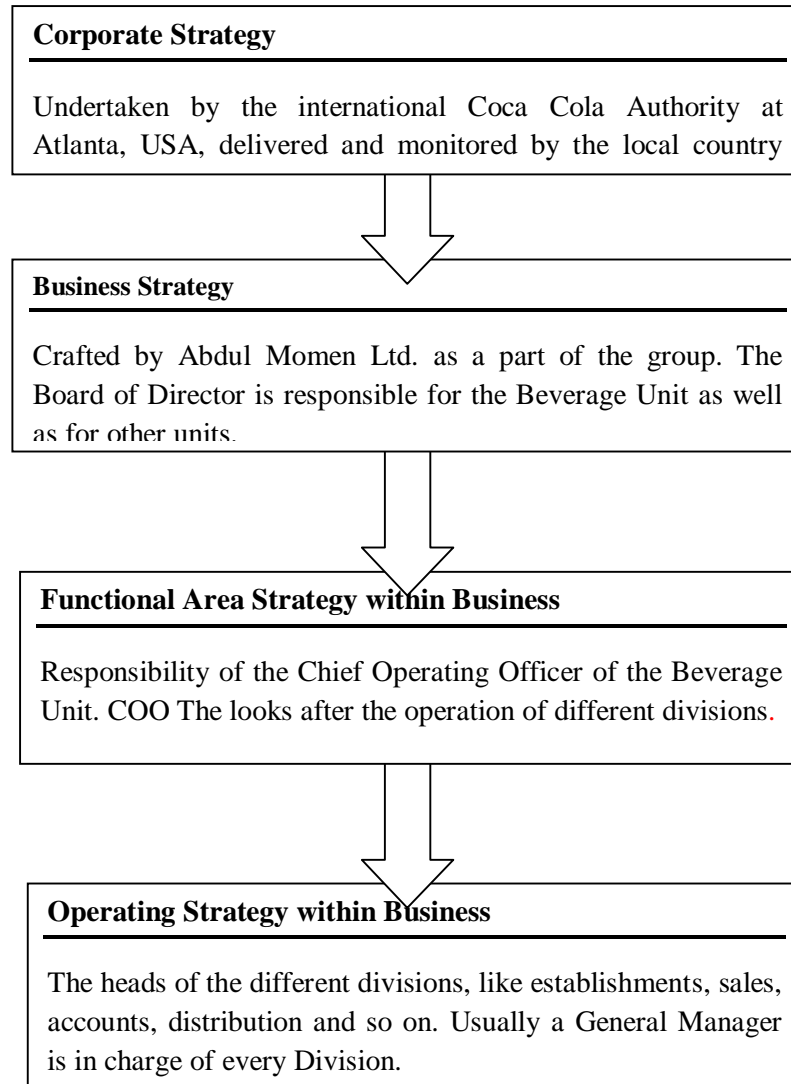
At the lowest level of the International Coca Cola management team is the local authorized bottler, Abdul Monem Limited. AML is accountable to the Country Manager of Coca Cola Far East Limited (CCFL) office located in Bangladesh. The hierarchy then goes up to the Vice President of South West Asia Regional Office to the President of Coca Cola India to President of Coca Cola EURESIA Group which is directly responsible to the highest authority for the operation of Coca Cola all over the work, the President of Board of Director of Coca Cola at Atlanta, USA.

Local Management for Beverage Operation

The strategies and operations of the beverage unit of AML are maintained under the control of the General Managers of corresponding divisions. The General Managers are supervised by the Chief Operating Officer of the Coca Cola Operations, who is accountable to the Board of Directors composed of The Managing Director and Deputy Managing Directors. The operation and performance of the Coca Cola operations of

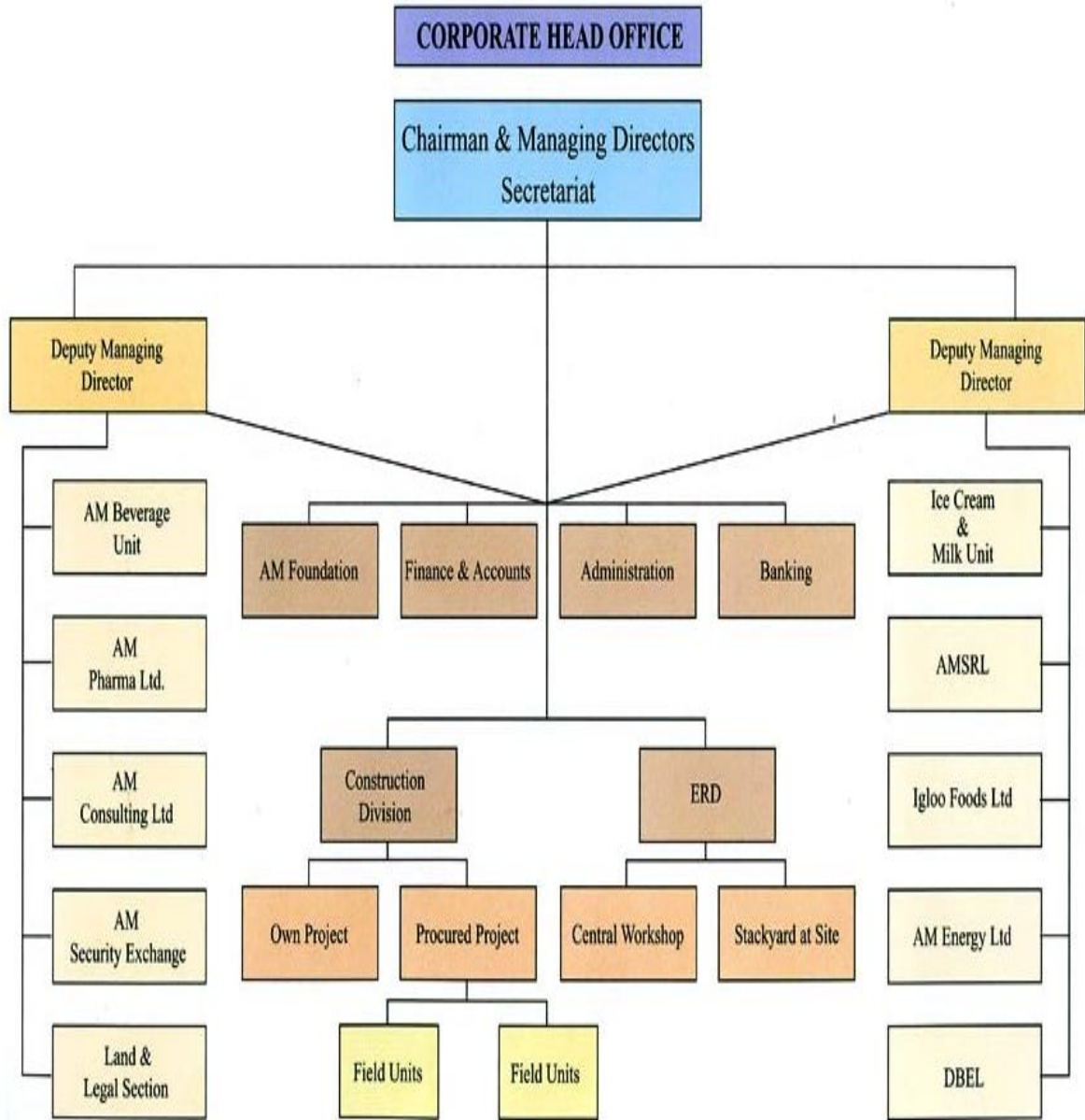
AML are closely monitored by the International Coca Cola Authority through its regional stations.

A conceptual flow diagram of the strategy making hierarchy of Abdul Monem Limited is given below:



2.10 Organogram of Abdul Monem Limited:

ABDUL MONEM LIMITED ORGANOGRAM



2.11 Product of Abdul Monem Limited:

Abdul Monem Beverage Ltd. has different product. It has one type of mineral item.



Ingredients of Abdul Monem Beverage Products:

Coca Cola	Sprite	Fanta	Sunfill Mango Juice	Cocacola Diet	Kinley Drinking Water
Carbonated Water	Carbonated Water	Carbonated Water	Juice	Carbonated Water	TDS - <250 mg/l
Granulated Sugar / Corn Syrup	Granulated Sugar / Corn Syrup	Granulated Sugar / Corn Syrup	Granulated Sugar	Non-nutritive caramel color	Arsenic (AS) - Nil
Caramel Color (E/150)	Gum Acacia	Gum Acacia	Natural & Artificial Flavor	Natural Flavor	Cadmium (CD) - <0.003 mg/l
Citric Acid	Citric Acid	Citric Acid	Citric Acid	Citric Acid	Lead (PB) - <0.01 mg/l
Natural Cola Flavor	Natural Flavor	Sodium Benzoate	Glycerin Abietate	Sweetener	Chloride (CL) - < 250 mg/l
Phosphoric Acid	Glycerin Abietate	Sodium Citrate	Sodium Benzoate	Phosphoric Acid	Nitrate (NO3) - < 4.5 mg/l
Caffeine	Sodium Benzoate	Natural Flavor	Gum Acacia	Potassium citrate	Nitrate (NO2) - Nil
	Ed Coconut Oil		Yellow 6 (e110)	Sucralose (splenda brand)	Cyanide (CN) - Nil
	Quinoline Yellow		Hy sucrose-corn syrup	Potassium Benzoate (preservative)	PH - 6.4 to 7.4

2.12 Major Rivals in Beverage Industry:

The rivals for the beverage unit of AML range from the rivals producing other carbonated beverages as well as from the producers of other beverages such as Fruit Juices, Flavored Milk, Synthetic Drinks and Pure Drinking Water. Notably, the major rivals of AML are:

Rival Carbonated Beverage Producers

- Transcom Beverage (Pepsi Cola, 7up, Mirinda)
- Pertex Group (RC Cola, RC Lemon)
- AMCL – PRAN (Pran Cola, Pran Up)
- Globe Beverage (Uro Cola, Uro Lemon)
- Akij Food and Beverage Limited, AFBL (Lemu, Mojo, Spa)

Rival Fruit Juice Producers

- AMCL – Pran (Pran Fruit Juice, Fruto)
- Acme Pharmaceuticals (Acme Juice)
- Akij Food and Beverage Limited, (Frutica)

Rival Other Beverage Producers

- AMCL – Pran (Synthetic Lychi Drink)
- Milk Vita (Flavored Milk)
- Arong (Flavored Milk)

2.13 Recognition:

In 1991 the Company was awarded with the President's Turtle Award by the President of The Coca-Cola Company for recognition of its contribution for positioning the brand. This is the most prestigious reward to the Bottlers from The Coca-Cola Company (TCCC) AML was awarded gold medal in 2009 by the International Federation of Asian & Western Pacific Contractors' Association.

Abdul Monem Limited: An Overview of Fanta

3.1 History of Fanta:

Fanta is manufactured by the Coca Cola Company; Fanta is one of the world's most popular carbonated soft drinks.

Fanta actually originated in Germany in approximately 1942 when Coca-Cola GmbH found themselves with a rather tricky problem. As a trading ban had been placed by the Allies on Nazi Germany during World War II Coca-Cola GmbH quickly became unable to source the syrup needed to produce Coca-Cola in Germany. As a consequence, Max Keith, the CEO of Coca-Cola's operations in Germany during the Second World War, in needing to do something to keep the plant in operation, decided to get around this problem by creating a brand new product exclusively for the German market. After much research and testing he came up with the idea of a fruit flavored drink made using only ingredients available in Germany at the time. These ingredients included apple fiber left over from cider presses and whey, a byproduct from cheese manufacture both of which is reputed to have been labeled by Keith as the 'leftovers of leftovers'. To his undoubted delight however the new drink created, which had a yellowish color and a completely different flavor from that of the Fanta Orange we know today, soon became an instant hit. The name Fanta itself was decided upon after a brief brainstorming session, when salesman Joe Knipp responded to Keith's request to 'use their imagination' ('Fantasie' in German) by immediately replying 'Fanta!'

After WWII Fanta was introduced to the United States by Coca Cola who eventually bought the trade mark in 1960. Today there are currently around 90 flavors of Fanta sold in over 180 countries world wide although many of them are only available in specific regions. For example, in Romania there is 'Fanta Shokata' which is made from elderflower and based on the national drink of Socata. Brazil is the largest consumer of Fanta in the world and orange is the most popular flavor.

In Australia Orange, Zero Orange and Raspberry flavored Fanta are widely available in supermarkets and corner stores, although specialist confectionery stores like Moo-Lolly-Bar also offer Fanta Grape, Fanta Pineapple and Fanta Strawberry to buy online.

3.2 Fanta in Bangladesh:

In Bangladesh Fanta start its journey in 1987. After the establishment of coca-cola AML decided to introduce it's another famous flavor called Fanta. During that time people became habituate on cola but some people created a issue about its strong flavor. Some woman and children didn't like coca-cola because of this heavy and strong taste. That time AML thing about the people who actually like little bit light and juice flavor. That time Fanta was launch first time in Bangladesh. Now a day's Fanta also offering different flavor like lemon but it specially recognize for orange flavor. In the beginning Fanta was offer in glass bottle and from 2004 it was offered through pet bottle.

3.3 Product line of AM Beverage Unit:

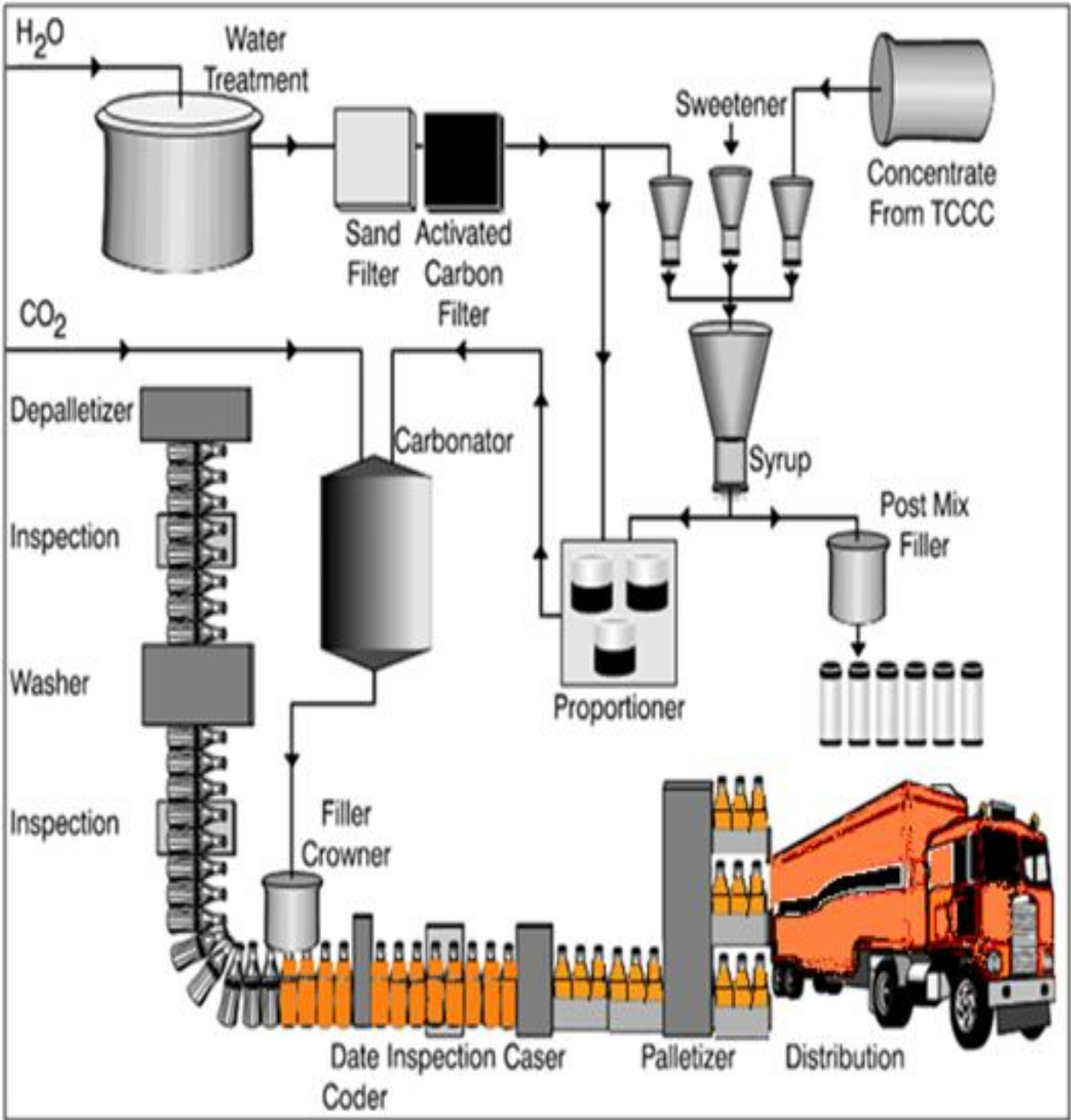
During 1956 AM Beverage Unit serve us by different drinks

- Coca-Cola
- Fanta
- Sprite
- Sunfill Mango Juice
- Kinley Drinking Water

These product lines have different soft drinks:

Coca-cola	Sprite	Fanta
Glass Bottle 175ML	Glass Bottle 175ML	Glass Bottle 175ML
Glass Bottle 200ML	Glass Bottle 200ML	Glass Bottle 200ML
Glass Bottle 250ML	Glass Bottle 250ML	Glass Bottle 250ML
Pet 500ML	Pet 500ML	Pet 500ML
CAN- 250 ML	CAN- 250 ML	CAN- 250 ML
Pet 1 Liters	Pet 1 Liters	Pet 1 Liters
Pet 2 Liters	Pet 2 Liters	
Diet Can 250ML		

3.4 Manufacturing Process of Fanta:



3.5 Target market selection of Fanta:

Market can be segmented in four ways, Geographic, Demographic, Psychographic, and Behavioral segmentation. They follow **Differentiated (segmented) Target marketing Strategy** because they segment their market at different level.

Here we have described in which way Fanta BEVERAGE has segmented their total market and targeted which group of peoples as their target consumers or target market.

Geographic segmentation –AM BEVERAGE has segmented their market in one category which is –

Domestic market – They have divided their domestic market on the basis of urban – rural identification. The company selected both urban and rural people as their target consumers. People from cities, towns, villages; in one word AM BEVERAGE targeted maximum people from maximum regions of the country.

Demographic segmentation – AM BEVERAGE has different demographic areas to segment their market. Like – age, family life cycle, gender, income, occupation, education etc.

Age – AM BEVERAGE targets ages from all groups of people. Children, teenagers, young people, middle age group, and the older people, all likes Fanta as well, but they exclude children under three years. Because Fanta is a little bit different and every body likes it.

Family life cycle – AM BEVERAGE targets the extended family as their target consumers. In cities and towns it is not rare but in villages small towns it is rare. Because family members are in towns usually drink Fanta together.

Gender – AM BEVERAGE targets both male and female as their target customers. It can be taken with fried rice or snacks or some other foods. People take it while chatting, gossiping, entertaining guests, and sometimes in leisure.

Income – There are a lot of income groups in the market. AM BEVERAGE targets almost all income groups as their target customers. The price of Fanta is not very high, so a huge amount of people from different income groups has the ability to buy Fanta. That's why AM BEVERAGE targets all income groups.

Occupation – AM BEVERAGE targets peoples from different occupations. Maximum people have the ability to buy Fanta so from high class posh people to the wage earners in the lower level can afford to buy it.

Religion – AM BEVERAGE targets peoples from all religion groups. The ingredients used to make Fanta are not any such things, which are forbidden in any religion. So people from all the religion can avail the Fanta from AM BEVERAGE

Education – AM BEVERAGE don't target only educated persons as their target consumers. They consider both the educated and non-educated persons.

Psychographic segmentation – The total market can be segmented and targeted by different psychographic elements, such as life style, personality and values. AM BEVERAGE targets all the people, whatever their life style and values are.

Behavioral segmentation – AM BEVERAGE segments the buyers into groups on the basis of their knowledge of, attitude toward, use of, or response to a product. Occasions, benefit sought, user status, usage rate and loyalty status are the best starting points for constructing market segments.

Occasion – Occasion segmentation helps the company to expand product usage. AM BEVERAGE considers different occasion to sell their product in a large volume.

Benefit sought – Buyers can be classified according to the benefits they seek. AM BEVERAGE segments the consumers on the basis of the wants or needs they are seeking for.

User status – Markets can be segmented into nonusers, ex-users, potential users, first-time users and regular users of the Fanta.

Usage rate – Markets can be segmented into light, medium and heavy users. The consumers of AM BEVERAGE are heavy users maximum in number.

3.6 Pricing Strategy OF Abdul Monem Beverage:

Every company has its separate pricing policy or strategy for its products. When it has a diversified and rather large product line it opts for individual pricing strategy for each particular segment of the product line. AM BEVERAGE is no exception. It also goes for a total pricing strategy as well as separate pricing strategy for individual products. As it is different from other products it needs separate attention.

Its pricing is done on the basis of the existing competitive products. It depends somewhat wholly on the existing price. Its pricing should meet the competition. There is no scope for market penetration or market skimming as it is already available through other companies.

Penetration is when the company tries to capture the market with a low price at the starting level. But it is not possible with this product as the cost of production is somewhat same for all the other companies producing it. It cannot ask a high price at the starting level which is the characteristics of market skimming strategy.

AM BEVERAGE pricing procedure is comprised of several steps. The procedure starts with estimating the total cost incurred by the company.

If it's not close or even equal to the cost incurred by other companies then the management seeks the problem and fixes it to reduce production cost. Then the company sets a price for the distributors, keeping reasonable profit margin for the company. They then fix a price for the retailers preserve a margin for the distributors and the last step is establishing a price for the ultimate customers securing an attractive profit margin for the retailers. This procedure is called the "Inject system".

The price does not affect their sales volume as they assure certain qualities and ensure a bit higher the expectation. These specific conditions are-

- Excellent Quality
- Better Taste
- Proper Hygiene
- Fresh Ingredients
- Attractive Packaging
- Adequate Labeling
- Goodwill
- Brand Image

The consumers are willing to pay an extra amount of money when they are assured of these qualities in the product. Nowadays people are more health conscious rather than being financially conscious. They don't want the good product; they search for the better or the best. They are more aware of the quality not the quantity. As AM BEVERAGE ensures the superior quality than any other brand it enjoys a healthy sales volume as well as huge profit margin though they are charging a bit above the going rate price in the market. The pricing strategy is thus put to an effective implementation.

3.7 Price List of Fanta:

Sizes Are Available	Price (Tk.)
GLASS BOTTLE 175ML(Orange)	13
GLASS BOTTLE 200ML(Orange)	15
GLASS BOTTLE 250ML(Orange)	18
Pet 500ML(Orange)	30
CAN- 250 ML(Orange)	35
Pet 1 Liter (Orange)	55
Pet 1 Liter (Lemon)	55

3.8 Pricing with the competitors:

Competitors price Vs Fanta price

Pet Bottle

Brand Name	Size		
	1000ML	500ML	250ML
Fanta Orange	55	30	18
Mirinda	55	30	18
RC Orange	55	30	18

Most of the competitor offer same price level, that's why competition is high here.

3.9 Distribution channels:

AM Beverage Ltd ensures a supply chain worthy and fulfilling the current market situation. It supplies its products through a series of marketing intermediaries who play vital roles in reaching the final consumer. These intermediaries vary with the domestic and international market. The supply chain also changes side by side.

AM Beverage inputs emphasis much more on the domestic market rather than the international market. It is a nation oriented organization. It is engaged in reaching the consumers on the farthest corners of the country through effective supply chain. For that reason they have a strong distribution facility which ensures timely and effectively reaching the final consumer.

The supply chain of AM Beverage in the domestic regions comprise of certain layers of market intermediaries. The following chart reveals the total domestic supply chain.

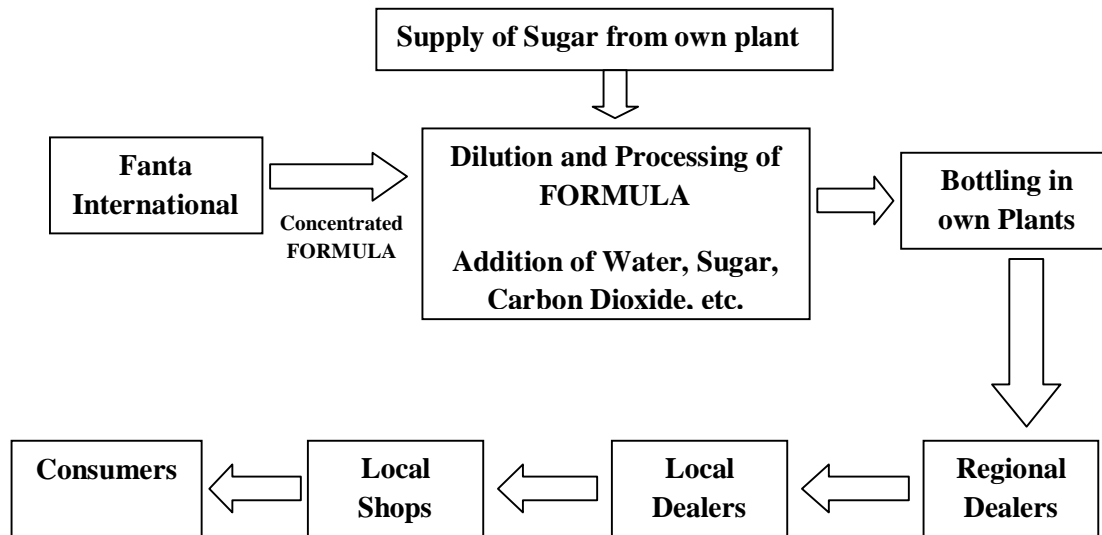


Fig: Supply Chain and distribution Chanel of Fanta

The product is developed and produced in the factory. Judging from the market needs the product is produced in a certain quantity per day. It's called the PPD or Production per Day.

The products are then delivered to the dealers all over the country. The dealers are mostly located in the District headquarters or Thanas. The wholesalers and retailers buy products from the dealers. The wholesalers are the people who sell the product at a bulk to the final consumer. Sometimes they reach the final consumer through direct selling process. But most of the times the retailers collect or buy the products from the wholesalers and sell those to the final consumers. Sometimes the retailers don't go to the wholesalers; they collect the product from their nearest dealer.

There is another kind of supply chain which involves only the factory and the institution willing to purchase. This is called Institutional Sales. This includes an ISO (Institutional Sales Officer). He works as the middleman in this process. He collects information from the institutions about

their needs of the product and the due delivery time. The quantity needed is also very important as these institutional sales are generally of high volume. He collects this information and provides them to the factory management. The factory management then produces and delivers to the specific orders from the institutions. They usually order at bulk.

The institutions include various types of organizations. Such as

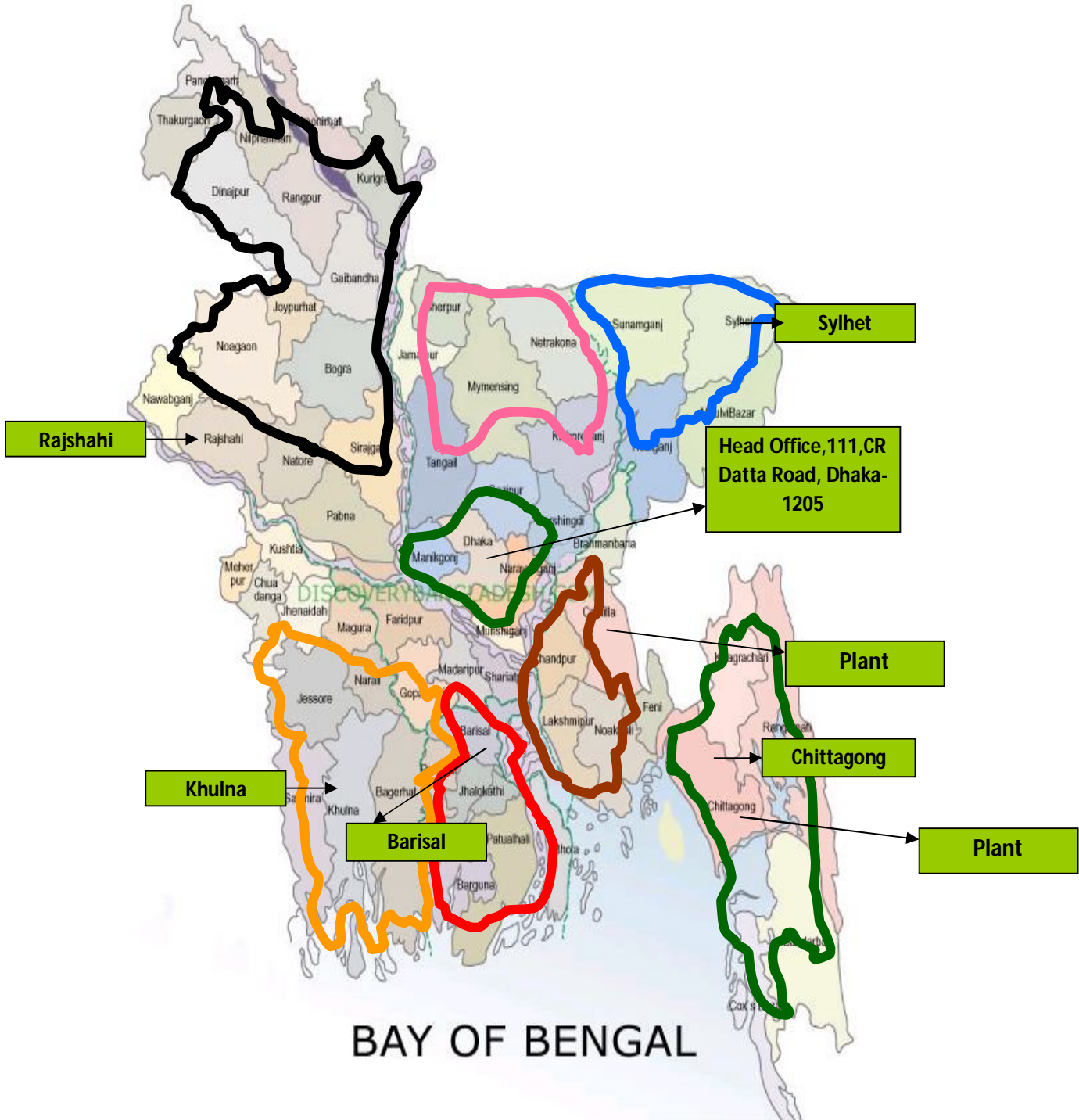
- Super Store
- CSD
- Hotels
- Restaurants
- Canteen
- Hostels

In Bangladesh there are superstores like AGORA, NANDAN, BIG BAZAR, PQS, PACIFIC, MEENA BAZAR, SAPNO etc. There are lots of other superstores blooming in the country. In the hotels and restaurant category there are lots of names which due to time constraint cannot be mentioned here. This is also true in the case of canteen, hostels, CSD.

International Beverage Private Limited (IBPL):

International Beverage Private Limited (IBPL) is an individual organization who also produce Fanta in Pran Dairy Factory. They offer Fanta 600 ML and 1250 ML price Tk.35 and Tk.60 consistently. IBPL is the only legal authority of AML who buy the raw material and bottling from Pran Dairy. IBPL distribute their manufacturing products only in Dhaka and Rajshahi. To make difference they change their bottle shape and quantity from AML.

3.10 Sales and Distribution In different districts:



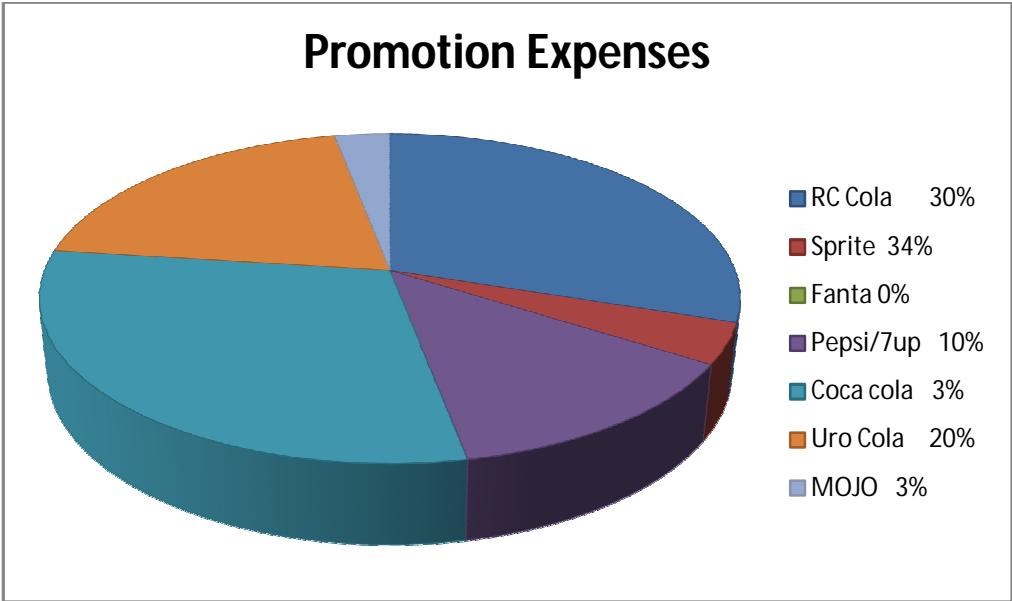
3.11 Promotional Activities of Fanta:

Fanta	Sizes	Free
Glass Bottle 1 case	175ML	2 Bottle
Glass Bottle 1 Case	250ML	2 Bottle
Can 1 case	250 ML	1 Bottle

AML don't Use TV or other newspaper activity for promotion of Fanta but they promote their product to sale by offering extra to different level of distributors. But sometime they use billboard to promote Fanta although it's very rare. They also influence the retailer to keep Fanta in their shop.

3.12 Advertising Expenses of soft drinks in 2012

In 2012 Taka 31 crore was spent on electronic media. But Fanta doesn't promote in TV or electric media. That why the ratio was 0% in last year. Where others use this strategy highly.



3.13 Why People Choose Fanta:

When people gossip or take some food, they want to drink for the refreshment Fanta is one of the drinks that gives the people to refresh. In both urban and rural area, people choose Fanta very much than others. The demand of Fanta in our country is increasing day by day to us because of its taste, reasonable price, one time use bottles, packaging etc. It is made by AM BEVERAGE which is very famous and popular company in our country. There are various types of Fanta flavors such as Fanta Orange, Fanta Lemon. The using materials for making Fanta are not harmful for our body. That's why it is very tasty. From children to the adult, everyone can drink it. Because of its various classes of people can buy it for drinking. The company sales Fanta in one time use bottles, glass bottle and can. For this reason, people choose it very much. As a result, it can move at any place with the people. People's demands are changing frequently.

3.14 Competitive Environment:

AM Beverage is a relatively large company in the Bangladeshi market. It is the first company who offer soft drinks in Bangladesh. The main players except AM Beverage of the beverage product listed below:

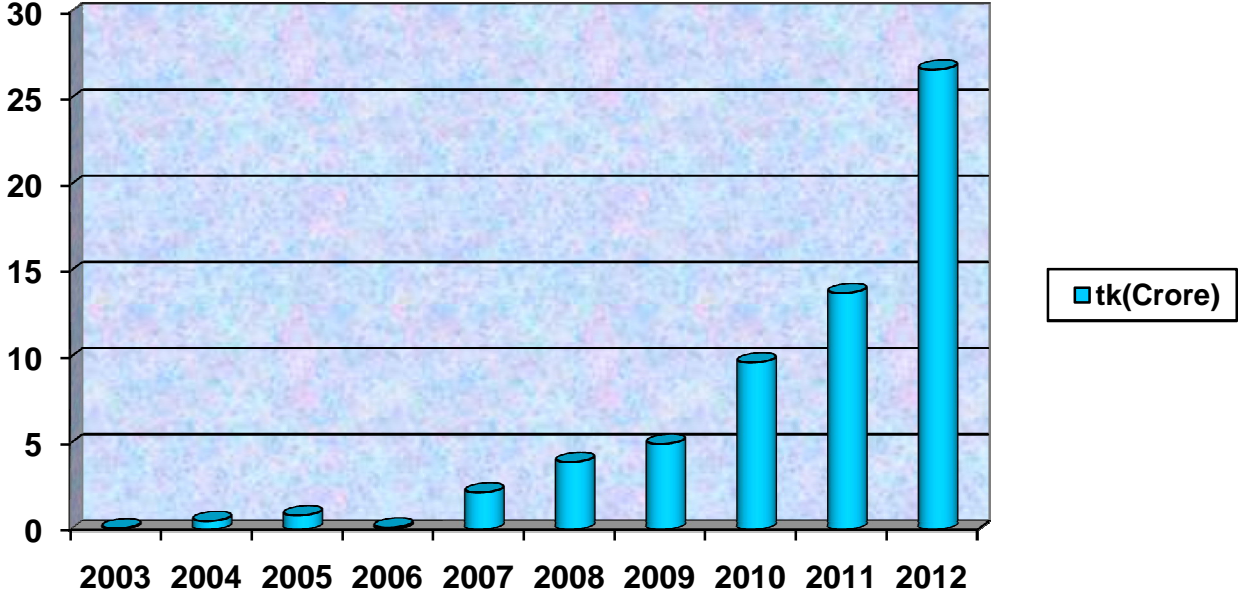
1. Trnascom Beverage-----Marinda
2. Partex Beverage-----RC Orange
3. Globe Beverage-----Uro Oranga
4. Pran Beverage-----Pran Orange

Though the competitors are falling in slightly or low competence level AM beverage doesn't care less about them. They put equal or slightly less equal emphasis on their policies. They (AM beverage) tend to learn new things from them. Useful information can be brought about in that way.

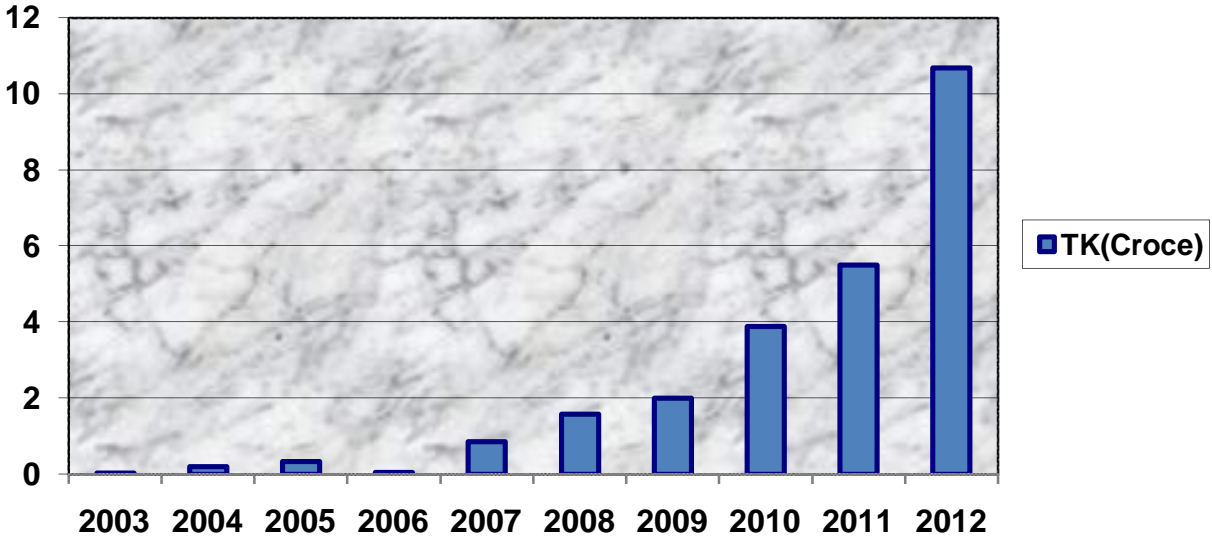
As I have mentioned above AM beverage is also aware of the future competitor in the domestic and international market. Those policies and strategies are developed by a separate team of experts specialized in that field.

The competitor's strengths are considered as the weaknesses of the company concerned.

3.15 Total Sale of FANTA Last 10 Years:



3.16 Total profit of FANTA last 10 year:



3.17 SWOT Analysis:

Strengths of the company

1. Good quality:

Fanta having the best quality product in the market. As it is a relatively product it tends to put much more emphasis on the quality so as to sustain in the competitive market. There are other various brands competing in this particular product segment. Through highly developed research and production facility and also being hygienic it creates a quality product for the entire market.

2. Strong marketing network:

AM Beverage is a sister concern of AM Group. It has a large marketing network almost all over Bangladesh. It has affiliation with the major companies in the country. It can gather information regarding the current market situation from them and act according to that.

3. Strong monitoring system:

Through strong management system it monitors the production as well as the distribution of its products. It also ensures proper management and effective utilization of scarce resources and maintaining a good working environment.

4. Sales plan and implementation:

Proper sales plan ensures a hefty amount of product sale. AM Beverage ensures a market wise sales plan and implements the plan through effective marketing policies and strategies.

5. Proper distribution system:

AM Beverage has a wide array of distribution channels all over Bangladesh. It maintains good working relationship with various dealers to have a proper distribution of its

products. It engages dealers in the main districts and towns in the domestic region and also local dealers in foreign countries.

6. Good marketing information system:

AM Beverage engages a highly skilled research team to gather the latest marketing information in order to change their own plan according to the current marketing needs. It arranges a research team to build a marketing information system which fully satisfies the market and the company.

Weaknesses of the company

1. Insufficient media promotion:

As is AM Beverage large in the consumer goods production it emphasizes its budget on ensuring the product quality. It has a relatively low budget on the media promotion and other promotional activities.

2. Insufficient product penetration:

As there are lots of consumer item manufacturing companies prevailing in the market there is no scope for market penetration. There is a huge competition in the market and the strategy in this case cannot be market penetration.

3. Insufficient product delivery as per market demand:

The market is huge in Bangladesh for the FMCG (Fast Moving Consumer Goods). The market demand is also very high. The company alone can't satisfy the whole market demand by delivering their products to the consumers.

4. Packaging materials bought from other company:

As an FMCG producer the AM Beverage Company engages in the particular production. It puts emphasis on the production of FMCG only. It doesn't have a different segment for packaging materials. It has to bring in the packaging materials from other companies. So as to it depends on other companies in the packaging aspect.

5. High price of the raw materials:

The prices of raw materials are on the rise. Its constant rise creates havoc in the production of the goods. It decreases the total production rate and it affects the supply.

6. No rise in MRP:

Though the prices of raw materials are sky rocketing, the Maximum Retail Price (MRP) doesn't go up in the same manner. It affects the companies' profitability or total profit margin.

Opportunities of the company

1. Huge scope in Bangladesh:

Bangladesh is a country full of opportunities. There is a huge market for snacks and other consumer food items. AML Beverage wants to seize the opportunities by producing various new products and modifying the present products.

2. Huge promotional activities in various satellite channel:

Satellite channels are mushrooming in our country. The scope of advertisement in those channels and improving, accelerating the promotional activities also rise with the increase of the satellite channel.

3. Market penetration opportunity:

AM Beverage is constantly engaged in developing new and unique products for the future. Unique products hold the prospect for market penetration.

4. Market share gain able:

Through effective penetration, huge market share can be gained. Larger the market share higher the opportunity for the company to flourish.

5. Brand loyalty:

People in this country are exposed to a few known brands for the product beverage. By improving the quality and holding a suitable price for that particular product brand loyalty can be obtained easily.

6. Reference group influence:

AM Beverage is associated with lots of CSDs, super stores, hotels, restaurants and other companies. It can use the reference from them in order to improve their company image and improve its goodwill also.

Threats of the Company:

1. Presence of competitors:

There are a number of both local and foreign competitors of Fanta in the beverage market. These companies; especially the multinational companies such as Transcom Beverage, Pertex Group, PRAN, Globe Beverage, Akij Food and Beverage Limited, pose a huge threat to AML.

2. Increase of raw materials in the international market

The price increase in the international market is another matter of concern for AML. This would also create a situation for the AML to increase their price as well, which in turn may decrease their sales because of the prevailing purchasing power parity of most people of our country which is much lesser than that compared to most other countries abroad.

3. Political instability:

There is a lot of political instability in the country. This may anytime bring interruptions in the proper flow of the operation of Fanta and other beverage companies of the country as well.

4. Threat of new Entry:

Market is free for all. If any new company enter in the market that will effect the establish company like AML and its product.

4.1 Findings

- The carbonated beverage industry of Bangladesh is visibly a matured and declining industry.
- The existing market of carbonated beverage is seriously threatened by the emergence of other substitute beverage products.
- Due to the narrow product line in Bangladesh, Fanta unit is having a hard time to maintain its share in the market.
- Over the last decade, numerous numbers of new enterprises has entered the industry and eventually have swamped the industry for its volume.
- The policy and technology determined by the Coca Cola Company, USA are not always suitable for the case of Bangladesh.
- The consumers' major influencing factors for soft drinks brand preference are flavor& taste of the soft drinks.
- The customers of Fanta are not fully satisfied about their expectation to the brand. So it is clear that the brand cannot fulfill their customers demand perfectly.

4.2 Recommendations:

- To introduce other well anticipated products of Fanta in local market. Fanta should introduce more flavors like strawberry, mango, apple etc.
- As the oldest enterprise in the beverage industry of the country, the only cost AML can consider is the variable cost of the product and can forget about the establishment cost as it should have been recovered after all these days. Thus, AML can consider a serious price cut to rule out the smaller player from the market and gain more share.
- They should Practice more commercial advertisement to promote the Fanta.
- Psychologically, a reward becomes more excitement when it is within reach. Publicize gift for consumer by advertisement and conversations so that salespeople and consumer know not only that these are exist but also that they are attainable.
- Excellent customer service is the key to increasing sales. Listen to the customer to understand their needs and wants. Then educate him/her about the products. Finally, offer value-added services and products. Create a mailing list by asking for contact information from each customer.

Conclusion

AM BEVERAGE is one of the leading company in Bangladesh. By Adding new products, maintaining the quality, applying modern machineries, improving worker's skill, they are serving peoples in the whole country. People are being satisfied by consuming these products such as Fanta Orange, Fanta Lemon, etc. than others companies beverage products.

AM BEVERAGE holds product concept as their marketing philosophy. According to product concept, consumers will favor those who are always announcing that they will ensure better quality at a minimum and affordable price. So AM BEVERAGE strongly focuses on the quality of their products.

It is selling their goods to the consumers of both rural & urban areas. It is trying to keep their quality intact & satisfy the customers through various promotional efforts. It is also trying hard to gain the first position among the competitors. To perform these activities this company gives appointment to the highly qualified, efficient & experienced employees. It is ready to face any challenge.

So AM BEVERAGE is trying to perform well like other companies in Bangladesh. Because of these reasons, people prefer these products very much.

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AGORA Departmental Store, Wari

BIG BAZAR Super shop, Wari

SHAPNA Super shop

Bhulu bakery and Departmental Store