



Internship Report on
“A Study on Sales Force Management System (Project Outreach) of Philip Morris Bangladesh Limited”



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Md. Tamzidul Islam

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Subject: Submission of the Internship report on “A study on Sales Force Management System (Project Outreach) of Philip Morris Bangladesh Limited”.

Dear Sir,

I am glad to notify you that I have successfully accomplished my internship at **Philip Morris Bangladesh Limited**. My internship period starts from 2nd October 2017 and extends to 7th January 2018. Now I am submitting my internship report with the title “**A study on Sales Force Management System (Project Outreach) of Philip Morris Bangladesh Limited**”. I have experienced different kind of things as well as involved into various activities throughout my internship program. I tried to portray all those things within limits while preparing the internship report.

I really appreciate all the supports, advices and suggestions from you at the time of preparing this report. I anticipate that you will get to know all of my hard works and efforts during my internship period from the report. I have comprised all of my leanings as well as experiences in this paper which that I achieved from working in this company.

Regards,

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BRAC University

Acknowledgement

I would appreciate all the efforts of the people around me while making this report. I am afraid I could not be able to prepare this without their support and cooperation.

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Finally, I would thank the **Office of Career Services and Alumni Relations (OCSAR)** of BRAC University for delivering updated news and support to complete my internship report.

Executive Summary

The report is made based on my three months internship experiences at Philip Morris Bangladesh Limited as a supervisor of the **DR (Distribution Representative)** project which is called “**Project Outreach**” as well. Philip Morris Bangladesh (PMB) has started their business in Bangladesh since 2008 and they introduced “Project Outreach” in 2016 to increase their sales in terms of volumes and to make sure maximum market coverage/numeric distribution in the projecting territories. The project is targeting challenging area and working as a supporting tool to those areas to increase numeric distribution as well as to ensure product availability along with minimizing Out of Stock. It is a team consisting Distribution Representatives (DR) to support “Akij Corporation Limited” ACL team to boost up the availability of PM brands. The objective of DR project is to boost up the availability of PM brands & minimize Out of Stock (OOS). PMB assign DRs (Distribution Representative) to potential routes to increase numeric distribution. The project is helping PMB to increase its market share as well as to contribute to enhance numeric distribution. During my internship period, I noticed that this DR tool from PMB have accessed to some of the routes where PMB was not able to enter in the previous years. Hence the DR project indicates that the company wants to build and supervise their own sales team in near future rather than using the sales force of Dhaka Tobacco Limited (DTI).

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I. Organization Overview

Philip Morris International (PMI) is one of the Multinational Organizations (MNC) which is working in Bangladesh since 2008 (PMI, 2017). It started operating its business in Bangladesh as Philip Morris Bangladesh Limited. In the Fast Moving Consumer Goods Industry (FMCG) of Bangladesh, Tobacco products are considered to be a vital constituent in case of altering the market as well as the demands of such products is always so high. PMB (Philip Morris Bangladesh Limited) is playing influential part for determining market demands of tobacco. Along with that, it is serving the premium quality of tobacco items in the market. Notwithstanding, Bangladesh government set so much rules, regulations and restrictions to the tobacco companies to discourage tobacco smoking, PMB is trying to spread their market by concentrating on the potential customers who consume premium cigarette brands (Ariful Hoque Rahat, 2017). As The Tobacco Laws of Bangladesh in case of manufacturing, promoting, distributing as well as selling tobacco products are strict. Therefore, the companies have to follow the tobacco control act sensibly. From the beginning, PMB follows all the laws set up by Bangladesh Government with concentrations as well as it has its own set of laws principles and values while doing their operations in over 180 countries. From the very beginning of its journey, Philip Morris International (PMI) is an obedient company which strictly follows the local laws, policies, rules and regulations. In Bangladesh, it is supplying the best quality of premium tobacco products to the Legal Aged Smokers (LAS). The whole marketing approach of PMI in terms of pricing, sales, distribution and promotion is set up in compliance with the law and taxation policy of the local government (Abid Arman, 2017).

I.1 Brands:

PMI produces the world's leading brands in the tobacco industry including Marlboro, world's top selling tobacco brand since 1972. Along with that PMI is holding L&M, the world's third highest selling cigarette brand. It owns Chesterfield, the fifth largest brand of Philip Morris with a volume of 46 billion over the world. It also has some other popular brands like Parliament and Bond Street, world's 11th and 12th best-selling cigarette brands correspondingly. Apart from these brands, PMI has particular widespread local brands for example- Apollo-Soyuz and Optima in Russia; Champion, Fortune, and Hope in the Philippines; Dji Sam Soe, Sampoerna and U Mild in Indonesia; Boston in Colombia; Morven Gold in Pakistan; Belmont, Canadian

Classics and Number 7 in Canada; Delicados in Mexico; f6 in Germany; Assos in Greece; Petra in the Czech Republic and Slovakia (Philip Morris International Management, 2017) .

I.2 Performances:

Philip Morris International is the leading tobacco company in the world. It holds the second position in terms of revenue at the tobacco industry. According to Gemstone Equity Research in 2014, PMI has 16% of market share in the global market (Gemstone Equity Research, 2014). China National Tobacco is holding 37.5% market share in the world tobacco industry till 2014. PMI is struggling to enter Chinese market because of the supremacy of China National Tobacco. However, it has 28.3% market share outside Chinese Market and PMI is expanding its market share every year. In 2013, the total revenue of Philip Morris International was 31.217 billion and the net income was worth of 8.576 billion.

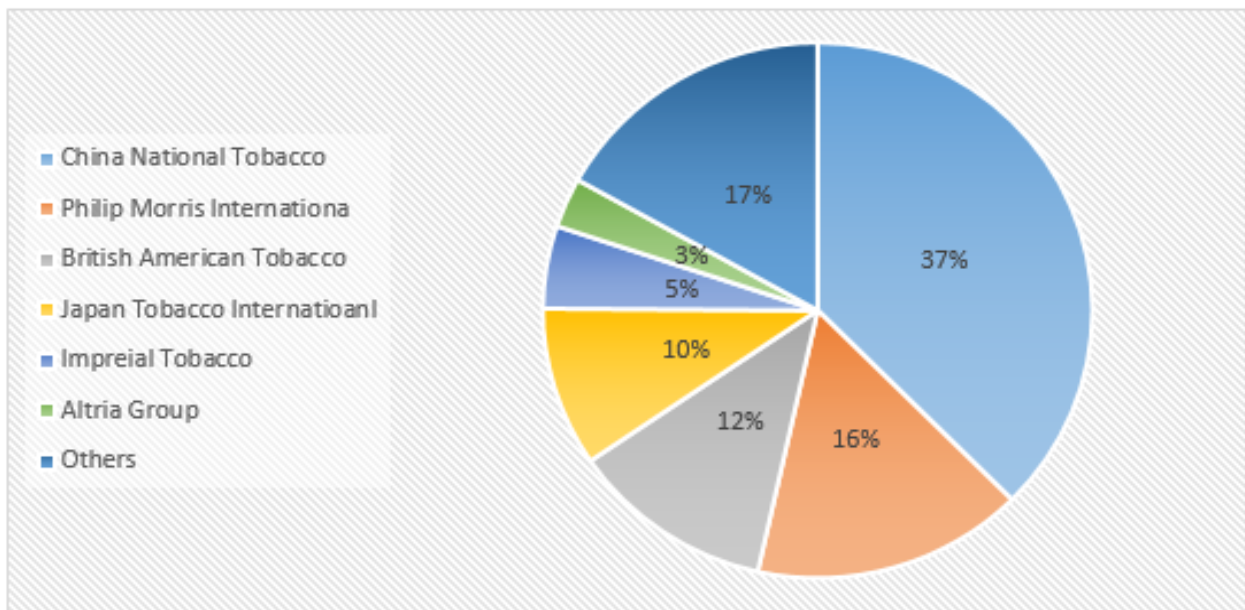


Chart 1: Market Share of different Tobacco Companies around the world

Source: (Gemstone Equity Research, 2014)

PMI launched its new product IQOS in 2015 which is less detrimental to the other conventional cigarettes and the company is expecting of increasing market share in the end of 2017.

IQOS has already been launched in many parts of Asia and Europe and been chosen by over 3.7 million consumers who aim to switch from cigarettes to this product.

I.3 Workforce:

The greatest strength of PMI is its people in case of achieving the market growth in more than 180 countries in the world. More than 91,000 employees are working in PMI from 80 different language speaking groups. Workplace diversification is one of their key sources of success (Philip Morris International, 2017). PMI has expertise talent pool in the workforce assigned for the operational activities of the organization. PMI believes in encouraging its workforce by giving proper training, arranging career development programs, giving proper motivations and finally rewarding the individuals as well as teams for the achievements.

I.4 Investment in Harm Reduction:

Smoking is the prime reason of several kinds of health damages such as cancer, emphysema, cardio-vascular diseases and so forth. All these diseases affect the smokers along with the non-smokers who are called second hand smokers. In this regard, PMI invented less harmful tobacco alternatives as well as it is focusing on minimizing the destructive effects of tobacco smoking (Tribune, 2016).

In addition to that, PMI introduced a new product named IQOS in 2015, which tastes like conventional tobacco, nevertheless, this product is less harmful to health. Numerous research works have been conducted and huge investment has been made to PMI's technological division to produce IQOS which is a less harmful tobacco substitute (Philip Morris International, 2017). PMI is also alarmed of the second hand smokers, people who don't smoke. PMI conducts promotional activities and sets up marketing strategies are based on its standard corporate policy which is highly regulated and compliant of the regulations set by the local government. PMI doesn't advertise its products to the non-smokers and under aged people. All of the promotional activities are scrutinized strictly and its target audience is only the legal aged smokers who consume premium brands cigarettes.

I.5 Commitment to Uprightness and Sustainability:

Philip Morris International leading its business all over the world with integrity and sustainability with their long term vision of designing a Smoke-Free Future (Designing a Smoke-Free Future, 2017). PMI is very much concerned about the raw material used to manufacture cigarettes. In this regard, PMI always ensures good quality of tobacco as well as the filter (Firm Filter) that is used in Marlboro cigarettes causes less harm to health than any other cigarettes in the world (Speccomm, 2016). Furthermore, the company is demonstrating its global standards, policies, regulation throughout the world over years. Along with that, PMI is conscious about environmental impacts on the earth and trying to contribute to social welfare to make the world a better place for living (Philip Morris International, 2017).

I.6 History of Philip Morris International:

I.6.1 The First 100 Years

Philip Morris International Company started in 1847 by Mr. Philip Morris. This person initiated a single sole shop in London's Bond Street, which was supposed to sell ready-made cigarettes and tobacco. The business was occupied by his wife Margaret after the death of Mr. Morris. The Company became public, incorporation of Leopold Morris with Joseph Grunebaum to create Philip Morris & Company the Company first became public, incorporation of Leopold Morris with Joseph Grunebaum to create Philip Morris & Company and Grunebaum, Limited since 1881. Eventually this partnership came to an end in 1885 and the Company changed its name to Philip Morris & Co. Ltd after few years.

The Company ultimately left the founding family's control in 1894, when William Curtis Thomson and his family overtook the rights of the company. The company had been appointed as tobacconist to King Edward VII in 1902 and also expanded their business in New York, by Gustav Eckmeyer, under the ownership of the Thomson (Referenceforbusiness.com, 2017).

This partnership was alienated at 50-50 percentage amid the American shareholders and British founders. Mr. Eckmeyer performed the role of a sole agent for Philip Morris in the United States since 1872, by importing and selling English made tobacco and cigarettes.

1919 was an important year for the Philip Morris International. It introduced the Philip Morris coronet logo. The acquisition of the Philip Morris Company was held in the USA by a new firm owned by American people and its incorporation in Virginia under the name of Philip Morris & Co. Ltd. Inc. The Company started to produce cigarettes in its factory in Richmond, Virginia in 1924. Its most famous brand, Marlboro was introduced at that time period. In the mid-1950, the company became significant part of the American culture (About Philip Morris USA, 2017).

I.6.2 55 Years of PMI

1954

Philip Morris (Australia) becomes the first associate of Philip Morris Companies Inc. outside of the USA.

1955

Philip Morris Overseas was recognized as an international division.

1957

The first Marlboro cigarettes manufactured outside the U.S. The cigarettes are produced following a settlement with Fabriques de Tabac Réunies in Switzerland. This manufacturing facility is afterwards owned by Philip Morris in 1963

1967

Philip Morris Incorporated established Philip Morris International (PMI), Philip Morris Domestic and Philip Morris Industrial, each accountable for three distinguishable operations of its business.

1972

Marlboro becomes the world's number one selling cigarette. Volume reaches 113 billion units as international expansion accelerates. License agreement with Japan Tobacco Limited (JTL) to commence production of Marlboro in Japan.

1973

International cigarette sales exceed 124 billion units, versus 123 billion in the U.S.

1980

PMI opens its chief factory outside the USA in Bergen op Zoom in the Netherlands – till now, this factory is still PMI's largest.

1987

PMI is combined as a functioning company of Philip Morris Companies Inc.

1989

PMI operating income exceeds USD 1 billion for the first time.

1992

PMI developed a popular holding in state-owned Czech Republic Tabak AS for USD 420 million in the biggest single investment by a U.S. company in central Europe. PMI partakes in other state factory denationalizations including in Kazakhstan, Lithuania, and Hungary in the early 1990's.

1995

In Asia at Seremban, Malaysia, PMI opened its first factory.

2001

PMI operations center relocated from Rye Brook, USA, to Lausanne, Switzerland.

2002

PMI's operational income extended to USD 5.7 billion, more than a hundredfold rise over 1970.

2003

PMI established a factory in the Philippines. It was largest investment in Asia by the company. PMI's product sales signify nearly 14% of the global cigarette market outside of the USA. PMI acquired 74.22% of DIN Fabrika Duvana AD Nis in Serbia. This holding was more than 80% by December 2007. Moreover, it attained majority stake in Papastratos Cigarette Manufacturing S.A., the leading cigarette producer and supplier in Greece.

2005

PMI took back its license for Marlboro in Japan from JTI in 2005. In addition, PMI publicized a contract with the China National Tobacco Company (CNTC) for the licensed manufacturing of Marlboro in China in 2005 and the instituting of an international parity joint venture outside of China.

2006

Global market share raised at 15.4%, operating income at USD 8.4 billion, and year-end volume up to 831.4 billion.

2007

PMI acquired a supplementary 50.2% stake in Lakson Tobacco Company, Pakistan, taking its total holding to around 98%. On that year, global market share was at 15.6%, operating income stood at USD 8.9 billion, the year-end volume up to 850 billion.

2009

PMI made an agreement to set up a joint venture company with Swedish Match AB to commercialize smoke-free tobacco products worldwide, outside of Scandinavia and the United States.

2011

PMI developed a cigar business, containing mostly of trademarks in the Australian and New Zealand markets, for USD 20 million in January 2011.

2012

Philip Morris International turn out to be the most money-making publicly traded tobacco company in the world after five years of the spin-off from its parent Company Altria. Market share outside the US and China reached to 28.8% while operating Income reached to USD 13.8 billion.

2013

PMI invested about USD 500 million to establish its first “Reduced-Risk Product” factory in Italy. The factory is devoted to the produce such products that could decrease population harm and individual risk.

2015

PMI first introduced its new product IQOS in the European countries.

2016

In Spain and Israel, PMI introduces a vapor product based on its cross-licensing contract with Altria Group Inc.

PMI joins the United Nations Global Compact, confirming its assurance to the United Nations Sustainable Development Goals (Philip Morris International Management, 2017).

II. Introduction to the Report

Philip Morris International is one of the largest multinational companies in the world. It has market share over 180 countries. PMI has the top six cigarette brands among the first 15 international brands in the tobacco industry (Philip Morris International, 2017). PMI owns one of the highest selling tobacco brands named Marlboro which has its brand value worth up to \$24.1 Billion. According to Forbes, Marlboro 25th most valuable brand in the world (Forbes, 2017).

PMI aims to deliver best quality of tobacco over the world. It produces less harmful products for the adult smokers. PMI offers maximum earnings to its investors by developing sustainable markets in different regions. Moreover, their research on harm reduction contributing to provide concepts for less harmful products like IQOS and other alternatives of cigarettes which gives them sustainable growth to their business as well as competitive advantage (Philip Morris International, 2017).

This study will be analyzing the sales force management system (Project Outreach) of this organization and how this tool is helping the company to increase numeric distribution and minimize out of stock.

II.1 Rationale/Justification of the Study:

For the last three months, I have been working in Philip Morris Bangladesh Limited (PMB) at distribution point of Dhanmondi Distribution House. The house covers Dhanmondi territory according to the Dhanomondi PMI Area map. As an intern, I am supposed to monitor and coordinate the DR Project which is called “Project Outreach” as well. My job responsibilities including setting up sales target from the Area Sales manager of the Dhanmondi Territory and divide the sales to distinguish DR (Distribution representative) according to their designated routes. Currently, I am supervising nine distribution representatives and all of them are supposed to increase numeric distribution as well as ensure availability of products at maximum level to reduce out of stock (OOS). Along with that, I supervise my subordinates to achieve the sales target, maintain the rapport with head-office personnel and keep them updated with monthly, half-monthly reports. Also, I have to disburse the salaries to the salesmen (DR). Moreover, I am supposed to take full responsibilities of entire DR project in Dhanmondi Territory.

Furthermore, Philip Morris Bangladesh wants to make “The Outreach” fruitful with this DR program by ensuring extreme market access with their premium products.

In Tobacco Industry in Bangladesh, all the tobacco companies have to maintain the rules and regulation as well as restrictions set by the Government under the Tobacco Law abiding by all their principles and policies while running their business (Hossain S. A., 2017).

Philip Morris Bangladesh has magnificently been serving to the local market with their premium products to the legal aged smokers with compliance with government rules and regulations.

Moreover, they are planning to extend their business in near future and that is why they have introduced “Project Outreach” as a pilot project to analyze the opportunities and barriers in regard to initiate own distribution channel along with the full sales force.

II.2 Statement of the Problem:

Philip Morris International started its journey in Bangladesh since 2008 in a name of Philip Morris Bangladesh Limited. From the beginning, it is trying to expand its market in local market by competing with British American Tobacco Bangladesh Limited. Being the leader of the tobacco business around the world (Philip Morris International, 2017), they never compromise their quality. According to AC Nelson report, PMB (Philip Morris Bangladesh Limited) expanded its market share from 1.8% to 2.8% from June 2016 to June 2017 in Bangladesh. Another report AC Nelson shows that, PMI segment share is 20.9 percent in Dhanmondi Territory by June 2017.

The purpose of DR program is to ensure and increase numeric distribution. The project helps PMB to increase the sales, increase the availability of products as well as to reduce Out of Stock at maximum level. During my internship period at Philip Morris Bangladesh Limited as a project coordinator since October 2017, I am supervising the entire project in Dhanmondi Territory where I am facing different kinds of challenges and obstacles. In this report, I have discussed those challenges, findings and recommendation from my three months experiences in Philip Morris Bangladesh Limited.

II.3 Scope and Delimitation of the Study:

The purpose of this report is to portray my three months internship experiences in Philip Morris Bangladesh Limited. The objective of the internship program was to gain practical knowledge from workplace as well as to know how things works in distribution.

In Bangladesh, PMB is trying to grow its market share rapidly. The authority is leading the team to generate effective strategic plans, programs and compliance to enhance its operation in mostly Dhaka region.

The entire report will focus on the learnings and findings of the DR project that I experienced throughout my internship period. Since PMB operating in the tobacco industry worldwide as well as it is a compliant company, there were some confidential issues due to legal restrictions regarding using necessary information in the report. Hence it was challenging to make the report resourceful.

Moreover, most of the information regarding the operations and strategies of PMB in Bangladesh are new and difficult to disclose because the company is operating in this country only for past nine years. For the time being, PMB is operating its business in Dhaka City area, Narayangonj, Chittagong, Cox's Bazar, Narsingdi, Savar and Jessore. Currently the company is thinking of building up the better workforce, compliance and availability of products in the business area rather than expanding the business in more areas. This report is picturized in the context of PMB business inside Dhaka City.

II.4 Objectives of the Study:

Broad Objective:

The broad objective of this study is to sort out the challenges of supervising a sales team in tobacco industry in Bangladesh through analyzing sales force management system of Philip Morris Bangladesh.

Specific Objectives:

- Challenges to assign sales target and set up the route plan.
- To know the challenges of hiring employees for the sales team.
- Challenges to achieve the sales target in monthly basis.
- To satisfy the sales team with their pay scale
- To distribute trade marketing offers.
- To sort out the difficulties to make successful numeric distribution
- To control and nurture new retail stores/numeric points.

III. Methodology of the Study

This is an explorative research aims analyze the sales force management system of Philip Morris Bangladesh Limited. Primary data of this research is collected through taking experts interviews, group discussion with the territory sales executives and the area sales manager of Dhanmondi Territory. Secondary information have been collected from different sources including journal papers, conference proceedings, company's internal database and various web portals.

i. Respondents and Sampling:

The research follows judgement/purposive sampling method under non-probability sampling. In judgment sampling, the researcher chooses the sample based on who they think would be suitable for the study. A researcher may intend to draw the entire sample from one "representative" city, even though the population includes all cities (Simple Random Sampling and Other Sampling Methods, 2017).

The study collects necessary information about "Project Outreach" as well as the company overview from all the Territory Sales Executives and the Area Sales Manager from Dhanmondi Territory. Also, relevant information are collected from all Distribution Representatives from the distribution house. Expert opinion have been collected from industry specialists and a number of academicians based on accessibility.

A focus group discussion has been conducted with five Territory Sales Executives from Philip Morris Bangladesh Limited and they depicted their view, experiences, suggestions as well as recommendations in the discussion session. The information collected from personal interviews have been cited with proper references in the report.

ii. Measurement Instruments:

The instrument to analyze the sales force management system of Philip Morris Bangladesh Limited is taken from previous research studies based on tobacco industry practices in Bangladesh.

Along with that, the study refers various survey information in different countries as well as discusses different case studies from various institutions.

IV. Analysis and Discussion

IV.1 Challenges to set up the route plan among the sales team

To deliver the products to the consumers, companies need to focus more on creating effective distribution channels. To ensure product availability as per customers' demand, distribution channels perform a vital role (Mulky, 2013). Most of the big companies around the world use effective and proficient distribution channels to deliver the products to their customers. Organization should invest their money, time and considerable efforts for creating the distribution pathways (Babar A. Khan, 2017).

There are more than nine and half million retail outlets in Bangladesh which comprises traditional tea stalls, grocery stores and general stores (Syed Masud Ahmed, 2017). Distribution channels work to connect the manufacturers with the retailers as well as wholesalers, the people/forces who are supposed to deliver the products to the customers. In Tobacco Industry in Bangladesh, any kind of tobacco advertisements, promotion activities are prohibited. Therefore, the only channel the tobacco companies have is to promote their products through retailers and wholesalers.

The first thing to design "DR Plan" is to set up the routes according to Dhanmondi PMI area map. To set up the routes, the number of premium segments cigarettes are selling in an area and the number of Marlboro selling outlets are come to consideration. PMB uses some specialized to measure the opportunities and lacking of different routes. DR Project follows specified "4 Box Matrix tool" to compare one route to another and select the appropriate route to assign DR's in those routes. The panning process is really very interesting, however, it's not possible to include the entire process because of confidentiality and regulations of the company.

I will try to depict the scenario within the boundary. In our previous route plan, three of the DRs got 2 routes for selling cigarettes and rest of the sales people got only one route among nine DR. The DRs who got 2 routes respectively, have to cover each of the routes 3 days in a week. It's called 3W route Plan which means they are supposed to cover route "A" on Saturday, Monday and Wednesday. And route "B" shall be covered on the other remaining working days. Other seven DRs will involve in 6W route plan means they will go to the same route every working to increase numeric distribution.

There are some routes which are consistently poor in terms of volume sales compared to the other routes. The responsibility of the sales team is to ensure the availability of products in each outlets of these routes. I am supposed to visit the routes to examine product availability and depending on that I have to deploy/discontinue the DRs to the different routes.

IV.2 Challenges to set and achieve the sales target within all the DR

Another challenge of “Project Outreach” is to set the monthly sales target according to the geographic position and the number of outlets in a route. During my internship period, I had to set the sales target for the DRs on the basis of previous months’ sales data as well as I had to visit several routes inside Dhanmondi PMI area map to have an idea on the sales performance of the routes. TSEs are supposed to monitor the DR’s in the market. Therefore, we sit for a meeting in the end of every month to set the set target according to analysis and market data. After putting up all the information in “4 box matrix”, routes and sales target of the next month of individual routes are set. Eventually the plan is sent to Area Sales Manager of the territory for approval. The plan is executed after the approval of Area Sales Manager.

Philip Morris Bangladesh has no distribution channel right now. They use DTI’s (Dhaka Tobacco Industry) distribution channel which is owned by Akij Corporation Limited. DR Project is basically introduced as a pilot project to analyze the market proximity and visualize future possibilities of initiating own distribution channel. Distribution Representatives are only sales tool working under PMB umbrella.

The sales force of DTI is called Sales Representatives (SR) and they are in charge of selling three different companys’ cigarettes including: Philip Morris Bangladesh Limited (PMB), Japan Tobacco International (JTI) and Dhaka Tobacco Limited (DTI). PMB sells three categories of premium segment cigarettes including Marlboro Red, Marlboro Advance and Marlboro Gold.

The majority of PMB sales comes from DTI’s sales team. PMI has launched this DR project where the SR and DR will generate sells instantaneously and the DRs are supposed to cover those routes which are not covered by the SR. Furthermore, the DRs are not allowed to sell products in a SR’s route until the SR is done with his job in that route according to his time period. The most of the sales is achieved by the SR or Sales Representatives.

The monthly target of a DR is split up after setting up the sales target of SRs. According to the policy, SRs are mainly responsible for achieving sales targets. After setting up the sales target of the Sales Representatives, TSE's along with Project Coordinator of "DR Project" sit together to analyze previous months' data and forecast the sales target of DRs. Not every time it is the easy job to do. Sometimes there are difficulties to set up the sales target because of various kinds of uncertainties. For instance, all the workplaces and universities are closed during the Eid Festivals and by that time the demand of the cigarette might fall. Therefore, it seems hard to forecast and meet up the sales target sometimes.

The main challenge starts the month starts. A DR is always kept pushed up to attain monthly sales target. The project coordinate has to motivate and nurture the DRs, visit all the routes regularly as well as to arrange for DR briefing in the middle of the month to let them know the individual performance. Eventually the overall performance is evaluated at the end of the month through different application tools.

IV.3 Recruiting employees for the sales team

Hiring effective salesforce has significant role for ensuring maximum profitability. Sales teams play a vital role to increase the market share of a company. Every company tries to hire the best sales persons who have greater convincing power, good communication and interpersonal skills, good bargaining skill and ability to achieve the sales targets (Resource People Inc, 2013).

Phillip Morris Bangladesh set some instructions and key principles in case of hiring a Distribution Representative. First of all, the Candidate must have the ability to read and write both English and Bengali. He must know how to ride a bi-cycle. The person should have proper knowledge about sales works. The candidate must have a guarantor who is a government job holder or is permanent resident in Dhaka city. Finally, the candidate should have the ability to operate a smartphone since the DR are given to Smartphone devices from this November and all the sales data are imputed to the system directly through smartphone application software.

Recruiting the right sales representative is always challenging. When there is a vacancy and it is time to select right candidate for DR position, as a Project Coordinator, I have to announce the

vacancies in different channels, review the resumes and screen out the candidates to call up for interview. After final selection, there is an on boarding session arranged for new DR and he is sent to the routes with another DR for training. Finally a TSE (Territory Sales Executive) visit the designated route with the DR to brief him the assigned work. Afterwards, the DR starts his daily activities according to the designated route and sales target. Another important task a DR must follow is to ensure five numeric retail store everyday working day.

While hiring a new DR, experienced person always get preference than a noob. The responsibilities of a DR include selling the products and make better rapport with the retailers. They are discouraged to sell products to wholesalers. As mentioned above, the DR has to ensure product availability, minimize Out of Stock (OOS) and increase numeric distribution.

Being a DR, the person need to have that kind of personality to cope up with the pressure and he has to handle different situations and take quick actions. He should have the confidence to do whatever the task given to them. The job of a salesperson is not only selling the given products but also to compliance with any situation comes overhead.

As a DR is supposed to provide the product only to the retailers, he needs to have bargaining skills, convincing power to deal with the retailers. Interpersonal skill is needed to maintain the rapport with retailers with different mindsets. DRs are supposed to maintain good relationship with retailers to ensure the continuation of regular sales.

The equipment, automated devices and the products carried by the DRs are expensive. Hence a guarantor is required to confirm the job. The guarantor must be someone doing government job or is a permanent resident living inside Dhaka City so that the responsibility in case of any occurrences.

Though recruiting perfect employee is always challenging, PMB always tries to recruit suitable person for the job in accordance with its policies and regulations. Also, the company follows all the restrictions crucially to avoid possible conflicts. Also, the company is conscious about age restriction in case of recruitment. According to the Labor Law of Bangladesh 2006, the minimum legal age for employment is 14 (fourteen) (Siddique, 2017). Therefore, PMB is always a law abiding company working with the compliance with local law set by the Government.

IV.4 Satisfying the Sales Team with Basic Pay Scale

A DR has to go through a lot of work during the month to get expected salary. They employee compensation includes both fixed pay and variable pay. Variable pay is set by the number of different variant sold, the number of Cash memo and the allowances for daily attendance. Along with that, the DRs get several kind of incentives in both monetary and fringe benefits as an appreciation of their performance. The pay scale of a salesman is not that much satisfactory all the time, nevertheless, because of saturated job market in our country, they have to be satisfied with what they can earn.

The sales team of PMI gets 8 thousand TK as a basic amount individually and 2 thousand+ TK based on their performances. To motivate the salesforce for increasing sales, some incentives are given to them as well such as festival bonus, “Salesman of The Month” reward and so forth. Also, there are other incentives based to three months performance (i.e., Buffet Coupon for best three performers.) These kind of incentives are very much fruitful to boost up their energy to perform better, increase the sales as well as numeric outlets, to give their utmost effort and so on.

There was no such rewarding program from the beginning of the DR project. As a Project Coordinator, I had the deal with the author and to convince them to set target/performance based bonuses and incentive so that the sale steam is always motivated. As mentioned before, the sales team does not get satisfactory salary and there was nothing to motivate them to do better, the motivation level was below the expected level. When the incentives are given to them, they started feeling motivated as well as their performances increased.

It is said that, when someone is motivated, the person shall do more than what is expected. Therefore, it is always important to boost up the sales team anyhow to fulfill the target. In an interview, one of the Terittory from Dhanmondi Territory (Hossain M. F., 2017) said that, “If sales team falls, eventually the company falls”. Therefore, the sales team must be motivated against all the odds.

IV.5 Difficulties in generating successful numeric distribution

Numeric distribution is depend on the number of outlets that carry a product. The outlet must have at least one of the products SKU's (Stock Keeping Unit) to ensure numeric distribution (MBA Skool, 2017). Distribution metrics reveal a brand's percentage of market access for the marketers who sell through retailers (Paul Farris, 2010).

One of the crucial task of "Project Outreach" is to make successful numeric distribution where the Marlboro cigarette is not available and there is OOS (Out of Stock) in at least in SKU. The DRs are assigned to the routes where average daily sales (ADS) of premium brand is quite right, however, Marlboro selling outlet is at minimal level. All the Distribution Representatives work to ensure the product availability in those routes.

For the time being, there is a big change in tobacco industry. PMI (Philip Morris International) is working with diversified product line. It shows the tendency to invest more on less harmful tobacco substitute such as IQOS, 'Heat-not-burn' cigarettes (Rapaport, 2017). Though the company is earning most of its revenue by selling existing portfolio of the cigarettes, 'Heat-not-burn' cigarettes (OQOS) has been hit in many places in Asia and Europe (Speccom, 2016). Along with that, PMI is focusing on the quality of existing product portfolio and delivering the products with optimum quality. PMI is using its brand value to capture the new market. As mentioned before, PMI owns one of the highest selling tobacco brands named Marlboro which has its brand value worth up to \$24.1 Billion. According to Forbes, Marlboro 25th most valuable brand in the world (Forbes, 2017).

Philip Morris International doing business in Bangladesh since 2008. It has achieved the market share by 2.8%, where British American Tobacco has the 57.52% of the total market share. In Bangladesh, PMI is selling only premium segment of cigarettes. In Dhanmondi territory, PMB has 20.9% market share of premium segment cigarettes where BATB has 70% market share of premium segment cigarettes and their numeric distribution is 58.7% (Nielsen, Annual Survey Report 2016, 2016).

BATB has its business over Bangladesh for more than 67 years since 1949 (BATB, 2017). Therefore, it is very much challenging for PMB to increase numeric distribution in BATB's existing market. Hence they introduced project "OUTREACH".

To increase market share as well as numeric distribution, Phillip Morris Bangladesh introduced DR Project so that this DR tool can work for increasing the product availability to more retail outlets and reduce Out of Stock. The DRs are supposed to make successful numeric distribution as well as monitor and nurture the numeric outlets for at least one month. The task is very much challenging to enhance numeric distribution because BAT Bangladesh is already established in the market and their bargaining power with retailers is quite high compared to the other tobacco companies doing business in Bangladesh.

V. Findings of the Study

V.1 Circumstances while dividing the routes among the Distribution Representatives

- The routes are selected based on the ADS (Average Daily Sales) of the product in that particular route and the total Marlboro selling outlets.
- Routes are assigned to the DRs by analyzing their ability of selling products.
- Weighted distribution sometimes comes to consideration while making route plan.
- There are some “Super Outlets” in some routes where availability product is a must, DRs are assigned to such places to reduce Out of Stock.
- To the routes where BATB premium segment selling is right and Marlboro selling is quite low, DR are deployed to increase product availability and to make successful numeric distribution.
- It is more important to monitor and nurture the routes for at least one month than just making the numeric distribution.
- Short-term Trade marketing offers are created based on the clusters, size and availability of the products in particle route.
- Visiting new outlets and numeric outlets is a must job.
- After getting satisfactory level of numeric distribution in a route, the DR is discontinued from that route and deployed to a new route.

V.2 Setting Sales target and achieving the target

- Previous months’ sales information, route information, average daily sales, route capacity are required to forecast the sales target of DRs for the following month.
- Consulting with Territory Sales Executive is a must to investigate and forecast the area of opportunities.
- The approval of Area Sales Manager is required before assigning a route to a DR.

- The rationale and presentation are presented to the ASM (Area Sales Manager) to get authentication from him.
- In appropriate targets can generate troubles and difficulties in terms of achieving monthly sales target.
- Realistic sales target helps DRs to achieve the target within a month.
- Sometimes the sales team fails to achieve the sales target. Several analysis and investigation are conducted to figure out the rationale of failing
- Achieving sales target is much challenging is mostly in Public Holidays, Festival Vacations, Rainy Seasons, and Political unstable periods.

V.3 Challenges in recruiting new DR (Distribution Representative)

- The company offers poor salary for the salesperson. Therefore, sometimes it is tough the recruit eligible person in the sales team.
- Job turnover rate is quite high. There was a time when four representatives left the job in the middle of the month. Therefore, it was challenging to achieve monthly sales target as well as hire new people in the middle of the month.
- New candidates are supposed to sit for interviews with the Project Coordinator and the Territory Sales Executive. During the interview session, it is sometimes tough to select the right person for the job since most of the companies do not issue experience certificates the salesmen. Therefore, it is tough to verify their on job experience just in an interview session.
- Sometimes the right candidate is chosen, however, the problem arises when that person cannot manage a guarantor. The company does not allow any salesperson without guarantor since several equipment and large volume of products are given to the salesman on a daily basis. Without guarantor, it is uncertain to recover any damage.
- The candidates is required to ride a bi-cycle. It is tough to carry large volume of products and equipment just in a bag. Therefore, a DR has to know how to ride by-cycle.

- Experienced person always get preference in case of recruitment so that the person can get easy market accessibility and know how things work in a retail market. Noobs are discouraged to apply for this job.

V.4 Satisfying sales force with their pay scale

- It is really tough to satisfy the salesmen with limited salary.
- Variable pay is not much satisfactory.
- Self-motivation is absent for the poor salary.
- It is hard to motivate and encourage the sales team with limited pay scale.
- Uncertainty in case of career growth is another obstacle.
- Commitment to the job responsibilities is less because of absence of good amount of money and uncertainty in career growth.
- Less motivation drives to give less efforts such as some DRs were terminated from the job for selling cigarettes to the wholesalers, working in different routes rather than assigned route, conflicting with SRs of DTI and there are some other issues.
- Monthly incentives worked very well to boost up the performance.
- The best three DR are rewarded with free buffet coupon for their last three months performance and they seemed motivated.
- Monthly increment for the best performer improved sales performance.

V.5 Generating successful numeric distribution

- PMB numeric distribution is 58.7% and the segment share is almost 21% in Dhanmondi territory by 2017 (Nielsen, 2017) compared to other PMB territories. Though the expected numeric distribution is more than 62%, the situation is getting better after introducing DR Project.
- Still 40% outlets are needed to be convinced to take the product.
- In Dhanmondi territory, PMB has good opportunities to evolve because most of the private universities are located inside Dhanmondi PMI area Map.

- Designing effective Trade Marketing offers work good in case of convince the retailer as well as make successful numeric distribution.
- Short term trade program are offered for numeric distributions.

- The main challenge is convincing the retailers to stock PMB products. Currently BATB is holding good position in market. Product availability of BATB products in the market is quite high. Hence it is always tough to make successful numeric distribution. Also, the demand for BATB premium segment product is quite high. Furthermore, most of the retailers have not enough money to stock large volume of products. That is why the large portion of the retailers only stock BATB premium segment products because of high market demand.

- Lucrative and exciting trade marketing offers help to make successful numeric distribution. Distribution Representatives are supposed to convince the retailers to take PMB products so that they can get benefitted by various trade marketing offers.

Chapter VI: Recommendations

VI.1 To divide the routes amongst the sales team:

- Previous months' sales information, average daily sales, route capacity are needed to be taken and updated to set new route plane
- Enough training should be given to each of the DR for better performance.
- DR must be aware of the route location.
- DRs are needed to be educated about the equipment and handhelds given to them to input the sales data to the network system.
- DRs should be educated about regular Trade Marketing Offers to deliver the message properly to their retailers as well as to convince them to make successful numeric distribution.

VI.2 To set up sales target and achieve the target:

- Previous months' sales information, average daily sales, route capacity are required to be collected and updated properly for forecasting.
- Adequate sales target is needed to be set to avoid conflicts and difficulties. There are cases of DR conflicts with SRs (Sales Representatives) of Dhaka Tobacco Limited due to inadequate sales target given to the DRs.
- Unavoidable circumstances such as Public Holidays, Festival Vacations, Rainy Seasons, and Political unstable periods should be in consideration while setting sales target. In those periods, it is better to lessen the monthly sales target in a little portion.
- Sales target should be set according to the route capacity as well as the route location. The location should be accessible to the DR
- Sales target should be realistic and achievable for DRs so that they can sell the products within the time limit.

VI3 To hire a new DR:

- Applicants should be sorted out by a simple background check. Along with that, previous work place confirmation is needed to be confirmed to know where the candidate is really suitable for the job or not.
- Work experience should get more preference rather than bi-cycle riding capability. Also, having minimum level of academic and technological is a must since DRs are supposed to input the sales data to the online system through smartphones and handhelds.
- Criminal background should be checked before assigning to the job.
- Necessary documents such as Educational background, certificates, National ID card, and Parental details should be verified before confirmation of the job.
- The guarantor should be verified to diminish the risk of possible damages as well as occurrences.

VI.5 To generate successful numeric distribution:

- The core objective of DR Project is to increase numeric distribution and reduce Out of Stock. In this regard, more focus should be on numeric distribution rather than daily sales.
- Regular incentive programs should be initiated and provided to the DRs to make them motivated to ensure five numeric distribution on a daily basis.
- Necessary information about Trade Marketing Offers and Programs should be given to the DRs to make them able to convince the retailers since Trade Marketing Offer is an effective tool to convince the retailers to take PMB products.
- Proper route plan is required to ensure successful numeric distribution. Route plan should be set according to “4 box matrix” tool.
- DRs should be allowed to offer certain amount of discount to the retailers as well.

VII Conclusions

Philip Morris International officially started their operation in Bangladesh since 2008. Though they are new in the market if we compare PMB with BATB, nevertheless, PMB has been able to become one of the most remarkable names in the tobacco industry in Bangladesh during such short period of time. The legal aged premium segment cigarette consumers in the country seem very much welcoming to the Marlboro cigarette. Because of its premium product quality and less harmful “Firm Filtered” cigarettes, PMB achieved good market share in this short time duration. Also, the company has got good reputation in the market by maintaining all the rules, regulations, restrictions by the local government as well as by announcing their vision “Designing a Smoke-Free Future”. However, the journey was not that easy from the very beginning. The company needed to struggle a lot to beat BATB in the market where BATB has more than fifty years of its business. Thoughts, Philip Morris International operating its business in more than 180 countries in the world with different category of products and brands, they are only focusing in premium segment Marlboro cigarettes in Bangladesh. The geographical area PMB focusing in is basically the prominent city areas of Bangladesh.

Philip Morris Bangladesh (PMB) initiated “Project Outreach” in 2016 to increase their sales in terms of volumes and to make sure maximum market coverage/numeric distribution in the projecting territories. The project is targeting challenging area and working as a supporting tool to increase numeric distribution as well as to ensure product availability along with minimizing Out of Stock. It is a team consisting Distribution Representatives (DR) to support “Akij Corporation Limited” ACL team to boost up the availability of PM brands. The core objective of DR project is to boost up the availability of PM brands & minimize Out of Stock (OOS). PMB assign DRs (Distribution Representative) to potential routes to increase numeric distribution. The project is helping PMB to increase its market share as well contribute to enhance numeric distribution. As a result, DR tool from PMB have accessed to some of the routes where PMB was not able to enter in the previous years. Hence the DR project indicates that the company wants to build and supervise their own sales team in near future rather than using the sales force of Dhaka Tobacco Limited (DTI) and that is why they are operating “Project Outreach” as a pilot project to build up their own sales force in future.

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