

Report On

**Assessing the Product Quality, Price, and Customer Preferences of
Bangladesh's Ceramic Industry: A Comparative Analysis**

By

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ID - 23164052

An internship report submitted to BRAC Business School in partial fulfillment of the
requirements for the degree of Master of Business Administration

BRAC Business School
BRAC University
August, 2025

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Declaration

It is hereby declared that

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

Student's Full Name & Signature:

Md. Abdullah Al Achib

ID 23164052

Supervisor's Full Name & Signature:

Mohammad Rabiul Basher Rubel

Professor, BRAC Business School

BRAC University

Letter of Transmittal

Dr. Mohammad Rabiul Basher Rubel

Professor

BRAC Business School,

BRAC University, Dhaka.

Subject: Assessing the Product Quality, Pricing, and Customer Preferences of Ceramic Industry:
A Comparative Analysis

Dear Sir,

I am delighted to present this report, “**Assessing the Product Quality, Pricing, and Customer Preferences of Ceramic Industry: A Comparative Analysis,**” to you, which is a requirement for completing the BUS680 course.

I have given my best effort to complete the report with the essential information and data related to the Ceramic Industry. I am truly grateful to the R.A.K Ceramics (Bangladesh) Limited, where I have been allowed to work. Analysis of those that were relevant has been incorporated in the report, which greatly helps me to explore how several factors impact the overall performance of the company.

I believe the report will meet the requirements.

Sincerely yours,

Name: Md. Abdullah Al Achib

ID: 23164052

BRAC Business School,

BRAC University.

Date: August 2025

Non-Disclosure Agreement

This agreement is made and entered into by and between Sterling Styles Limited and the undersigned student at Brac University

.....Md. Abdullah Al Achib.....

Acknowledgement

First of all, I am grateful to the Almighty Allah for giving me the opportunity to work as an intern at RAK Ceramics (Bangladesh) Limited. I am grateful to my supervisor, Dr. Mohammad Rabiul Basher Rubel, who provided me with valuable guidance in preparing this report. It was an amazing experience for me to prepare this report under his excellent guidance. Moreover, I am grateful to my colleagues in my organization who provided me with information in preparing this report.

Executive Summary

This study examines how quality and pricing aspects form consumer choices in Bangladesh's ceramic tiles and sanitary ware industry. Utilizing a qualitative, descriptive research approach, data were collected through in-depth interviews with recent purchasers and focus group discussion with showroom representatives in major tiles and sanitary ware selling points in Dhaka such as Hatirpool, Uttara, Mirpur.

Analysis of customer responses reveals that among various decision-making variables, product quality comes out as the most vital factor with consumers' concerns on features like long-term endurance, aesthetic appeal, efficient water management, and low upkeeping. Besides, pricing has a crucial role, particularly in terms of value for money. Customers mostly demand a feasibility between affordability with perceived quality and are ready to pay extra for products that demonstrate greater durability and effectiveness.

To maximize market reach, brands have to line up best quality with classed pricing structures that fit in with both budget-conscious and premium purchasers. Key strategic recommendations include investment in research and innovation, diversifying product lines by price, enhanced communication of value propositions, focusing on urban retail markets, and accumulating regular customer feedback for further improvements. These measures will enable manufacturers and retailers to meet the evolving demands of Bangladeshi consumers more efficiently.

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Chapter 1

Overview of Internship

1.1 Student Information

Name: Md. Abdullah Al Achib

ID: 23164052

Program: Master of Business Administration

Major: Marketing

1.2 Internship Information

1.2.1 Company Information

Company Name: RAK Ceramics (Bangladesh) Limited

Department: Brand & Marketing

Tenure: 16th March, 2025 to 15th June, 2025

Address: RAK Tower, Plot # 1/A , Jasimuddin Avenue, Sector #3, Uttara, Dhaka-1230.

Logo:



1.2.2 Company Supervisor's Information:

Name: Md. Mahmudur Rahman

Designation: Manager - Brand & Product Development

1.2.3 Job Scope - Job Description/Duties/Responsibilities:

I consider myself privileged that I could work with the Brand & Marketing department during my internship. The period of the internship was three months. I joined the company on the 16th of March 2025. As a marketing intern, my main responsibility was keeping updated on the market.

All my responsibilities are listed below:

- ☐ Monitoring the market
- ☐ Keeping updates about competitors
- ☐ Analyzing the market
- ☐ Visiting Market
- ☐ Assessing the functions of digital scan

Monitoring the Market:

It includes persistent observation of the overall market (ceramic) trends, pricing, consumer behavior, technical facts, and economic factors impacting demand and supply.

Key Responsibilities:

- Look after emerging materials or innovations
- Follow seasonal trends
- Consider macroeconomic factors
- Observe client preferences for tiles and sanitary ware.

Keeping Updates About the Competitors:

Gather information on a regular basis regarding the direct and indirect competitors about every aspect of their operations and moves.

Key Responsibilities:

- Stay updated on product launching activities
- Follow-up pricing strategy
- Analyze marketing campaigns
- Monitor distribution channel

Analyzing the Market:

Convert data into actionable insights to identify market opportunities, and potential threats, and project market trends or competitive dynamics.

Key Responsibilities:

- Assess features, pricing, and market outcomes
- Divide the market based on geographic area, customer category, and purchasing behavior.

Visiting Market:

Conduct the on-site visit to the showrooms, and retailers to observe the actual condition of the market.

Key Responsibilities:

- Gain insights on location-specific needs and pain points
- Track purchasing patterns and volume of in-store traffic
- Compare theoretical assumptions with actual customer actions

Assessing the Functions of Digital Scan:

Digital scan is a newly launched feature of the organization that helps customers get required information digitally. Since it is a recent addition, there are areas for improvement and further rectification. Using the technology, I am responsible for assessing its overall functionality

1.3 Internship Outcomes

1.3.1 Student's Contribution to the Company

RAK Ceramics is a worldwide renowned ceramic brand. With the combination of quality, services, and offerings this organization cemented its position globally. It has been a pleasure working at this company. I worked in the brand and marketing department. Analyzing the market and competitors were my duties. After visiting the market, gathering primary, and secondary information, competitors' websites, and other related sources, I prepared a consolidated version of the data I accumulated, used my cognition, and subsequently shared my insights/views with the relevant management. They asked for an unbiased view from my side. This information will be helpful to shape their further actions. Likewise, the company would be able to understand its position in the current market. Moreover, I used the digital scan the Bangladeshi unit launched recently which helps the customer to get the necessary information about the products digitally, and helps customers to perceive the required knowledge on the products. A few things were suggested by me. They can adjust if they think they should. The cumulative effect of these might be helpful for the company to revise its actions to strengthen its presence in the market.

1.3.2 Benefits Gained by the Student

The duration of the internship was three months. It sounds very short but the memory that was created would last forever. The highlights include:

- Hands-on experience of corporate culture
- Building up connections with different individuals across departments
- Enhancement of communication skills
- Strengthening self-confidence and multitasking abilities
- Professional skills and opportunities development
- Acquired adaptability
- Gained regulatory knowledge
- Enrichment of my resume

1.3.3 Problems and Difficulties

In my department, I joined as the only intern in my time. As everyone was an experienced employee, they remained busy in their activities. Initially when I faced confusion or problems, reaching out to someone made me feel awkward. Also, to develop my knowledge, I had to invest my own efforts as no one voluntarily guided me in the first month of my internship. On the other hand, I joined the company on the 15th of Ramadan. The office time was curtailed due to the holy month and I got less time before the Eid vacation ended. My on-site supervisor was truly supportive but because of his engagements in multiple projects and activities, he also got less time to guide me. In a nutshell, I have not undergone any rigorous training or structured guidelines which made me feel obfuscated frequently.

Except for these facts, the office did not have any arrangements for lunch. Hence, I had to allocate a huge amount of money to have lunch outside. Taking foods from outside regularly increased the propensity of being affected by food poisoning and other unhygienic factors.

In addition, the office did not provide me with a computer to work. I had to carry my own laptop which was to some extent problematic. Also, the operations are controlled and monitored by the company centrally. I did not have any access to the official folders or functions which made the working conditions unhelpful for me sometimes.

Lastly, a few times, it was inconvenient to communicate with some of my colleagues because of generational gaps, though it never felt a significant hindrance to me.

These were some challenges I faced during my internship which I feel made me more mature. Such experiences helped me to be more adaptable to various conditions. I consider these as my life lessons.

Chapter 2

Organization Overview

2.1 Company Overview

RAK Ceramics PJSC is one of the world's reputed and biggest ceramics manufacturers. The headquarters of this company is located in the United Arab Emirates (UAE) and it was established in 1989. Over the years, the company has expanded its reach and become a major international name in the ceramics and Sanitary Ware sector. This organization currently operates in 150 countries all over the world with manufacturing facilities in the UAE, India, Bangladesh, and Iran. RAK Ceramics focuses on tiles, sanitary ware, and faucets offering an extensive collection of over 10,000 designs across functional needs and finishes.

RAK Ceramics (Bangladesh) Limited is the subsidiary of its parent company RAK Ceramics PJSC and was established in 2003 as a strategic move of the international expansion of the parent company. The entity operates as a joint venture between Bangladesh and UAE.

Initially, it started functioning as a private limited company and subsequently converted into a public limited company on 10th June 2008 and was listed in the stock exchanges of Bangladesh on 13th June 2010. Though there are several other competitors in the market, this company is the leading ceramic brand in Bangladesh and focuses on manufacturing tiles and sanitary ware for the local market. A diverse range of products is offered by this company based on the needs and demands of Bangladeshi clients. Products are exported by RAK Ceramics (Bangladesh) Limited after meeting the local demands. The company achieved various prestigious certificates and complies with the regulatory bodies and stakeholders.

2.1.1 Company Profile

	
Name of the Company	RAK Ceramics (Bangladesh) Limited
Legal Form	Public Limited Company
Industry	Manufacturing
Date of Incorporation	26 th November, 1998
Founder	H.H. Sheikh Saud bin Saqr Al Qasimi
Head Office	RAK Tower, Plot # 1/A, Jasimuddin Avenue, Sector # 3, Uttara, Dhaka - 1230.
Concerns	RAK Power Pvt. Ltd. RAK Securities and Services (Pvt.) Ltd.
Key People	Mr. Abdallah Massaad – Chairman Mr. S.A.K. Ekramuzzaman – Managing Director
Products	Tiles, Sanitary Ware
Slogan	“Imagine Your Space”
Website	rakceramics.com

2.1.2 History of RAK Ceramics (Bangladesh) Limited

Under the Companies Act, of 1994, this organization was incorporated on November 26, 1998 as a private limited company, though it started commercial production on November 12, 2000, signifying the inauguration of RAK Ceramics’ overseas manufacturing facility.

Momentous achievements of the company’s history include:

- 2004: Production at a new sanitary ware plant commenced on January 10, broadening the product portfolio.
- 2007: Opening of a new tiles plant on September 1 that technically boosted the capacity to align with the growing market.
- 2008: Transition from a private limited company to a public one on June 10.
- 2010: With its listing on both the Dhaka and Chittagong Stock Exchanges on June 13, the company expanded equity access for the investors.
- 2015: The launch of commercial production at the new sanitary ware plant on April 1, broadened the product portfolio.

2.2 Overview of the Company

RAK Ceramics (Bangladesh) Limited conducts its operation as a major manufacturing unit under the shed of its parent company RAK Ceramics PJSC. Bangladeshi unit works on a wide range of tiles and sanitary ware at present time to satisfy the demand of the local market.

The company has advanced equipment with European technology to facilitate the production process, powering large-scale and accurate manufacturing solutions. Its operational strategy integrates mass production with product customization, reinforced by a reliable distribution system and proficient teams. However, quality control, sustainability, and uninterrupted innovation are emphasized by the company which separates it from its competitors.

2.2.1 Vision and Mission

2.2.1 Vision

The vision of RAK Ceramics (Bd) Ltd. is to be the world's leading ceramics lifestyle solutions provider.

2.2.2 Mission

The mission of this company is to foster an internal culture that is aligned with the vision of this company of becoming the world's leading ceramics lifestyle solutions provider. The company believes its utilization of a rich culture, diversified product range, innovative approach, and persistent emphasis on delivering quality will help to accomplish this. It aspires to build a world-class organization. This company already applied its expertise in some of the most iconic and innovative projects, and as it moves forward, this organization targets to continue to push the boundaries in new and existing projects.

2.2.3 Principles

To align with its goal, RAK Ceramics (Bangladesh) Limited applies the following principles:

- Pledged to uphold the utmost integrity in their business operations.
- Demonstrate their intent persistently to dominate the marketplace
- Encourage diversity in the workplace
- Teamwork is prioritized
- Utilizing the power of technology to ensure exceptional customer experience

2.2.4 Core Values

The company's long-term prosperity is intrinsically connected to the well-being of its clients, and its ability to engage them with the products and experiences they expect. We focus on delivering exceptional home interior solutions, including ceramic tiles and sanitary ware, that elevate the experience of our clients with beauty, comfort, and fulfillment. The core values of the company include:

- Customer relations
- Guiding principles
- Compliance with statutory norms and regulations
- Corporate commitment
- Environmental governance and compliance

2.2.5 Leadership

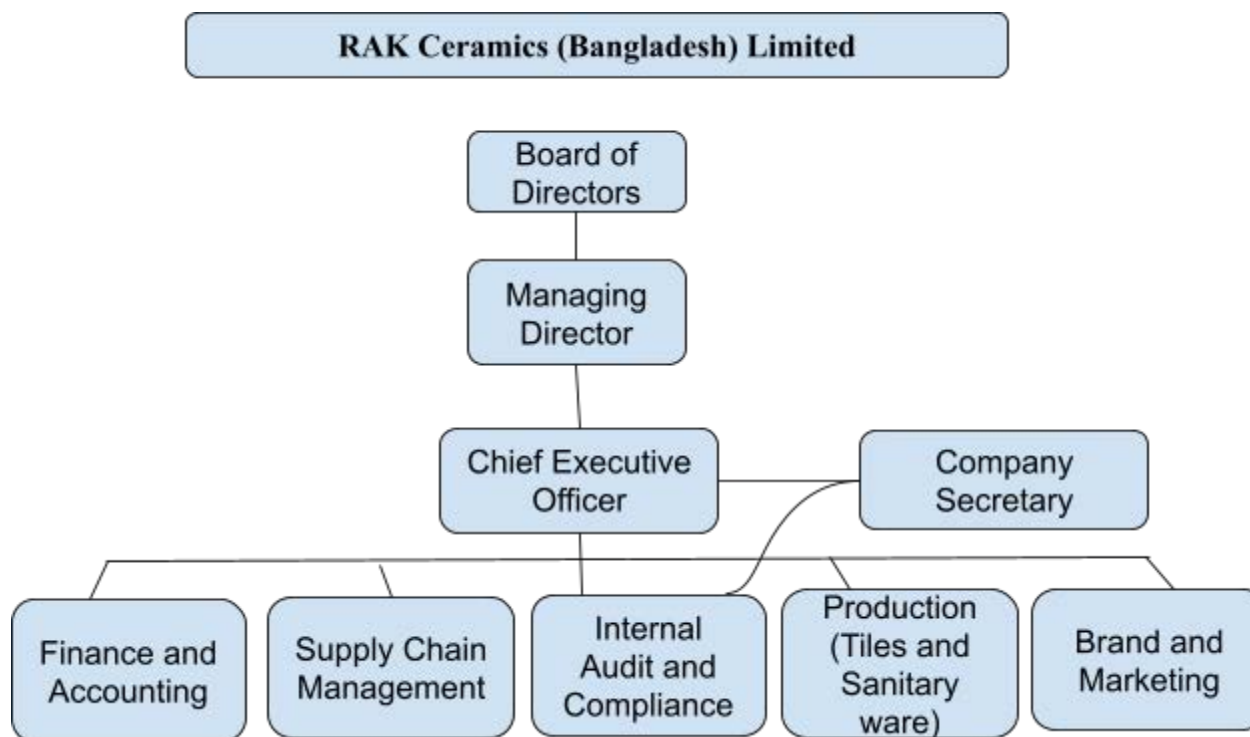
At RAK Ceramics, the key to its enduring existence in the industry has been dynamic leadership and sensible decision-making. With a clear vision and profound industry insights, it has met adversity with resilience and agility. This organization consistently strives to fulfill the demands of the stakeholders by promoting a culture of accountability and integrity. The leadership of RAK Ceramics is divided into the Board of Directors and several other corporate branches following the corporate governance and structure. Overall strategies are designed and set by the Board of Directors. They also approve internal policies and guidelines, review and approve business strategies, and look after budgetary issues. The Board of Directors (notable members) include:

- **Md Abdallah Massaad** - *Chairman* (Group CEO of RAK Ceramics PJSC)
- **Mr. Pramod Kumar Chand** - *Director* (Group CFO of RAK Ceramics PJSC)
- **Mr. Wassim Moukahhal** - *Director* (Director of RAK Ceramics (Bangladesh) Limited and RAK Security Services (Pvt.) Limited.)

Executive Management Team (Bangladesh):

- **Mr. SAK Ekramuzzaman** - *Managing Director*
- **Mr. Sadhan Kumar Dey** - *Chief Executive Officer*
- **Mr. Muhammad Shahidul Islam FCS** - *Company Secretary*
- **Mr. Mohammad Samsul Arefin** - *General Manager - Finance & Accounting*
- **Mr. Md. Mahbubul Haque** - *General Manager - Supply Chain Management*
- **Mr. Md. Shariful Islam** - *Head of Internal Audit and Compliance*
- **Mr. Nageswara Rao Ranga** - *Deputy General Manager - Production*
- **Mr. Adireddy Pasunoori** - *Senior Production Manager - Sanitary Ware Division*

2.2.6 Organogram



2.2.7 Shareholders

Since RAK Ceramics is a multinational Ceramic brand, it has a significant percentage of share in RAK Ceramics (Bangladesh) Limited. The shareholding breakdown is:

Shareholder	Percentage
RAK Ceramics Co.	68.13%
SAK Ekramuzzaman	3.95%
General	27.92%
Total	100.00%

2.2.8 Product Offerings of RAK Ceramics (Bangladesh) Limited

Though the parent company offers all sorts of ceramic products, the Bangladeshi unit currently works on tiles and Sanitary Ware. The local unit manufactures numerous designs of tiles covering the common sizes demanded by the customers as well as some unique ones that attract the customers unthinkably. Additionally, they are producing premium Sanitary Ware products that cover every essential item, required by the clients. As an international brand, it never compromises with quality and offers diverse products, establishing the brand as one of the premium (perhaps no. 1) brands in this region. Moreover, this company consistently innovates products (both tiles and sanitary ware) considering the perspectives and needs of the customers which fulfill the unclaimed gaps in the market.

2.2.9 Our Certifications

Tiles

TILES CERTIFICATIONS

RAK Ceramics tiles are crafted with precision and excellence, achieving the highest quality certifications. Our commitment to excellence guarantees products that blend innovation and durability seamlessly, setting industry benchmarks.

 CCC – Certificate for China Compulsory Product This certification confirms that RAK Ceramics tiles have been tested and meet the national safety and quality standards of China. DOWNLOAD CERTIFICATE	 FloorScore® This certificate confirms that RAK Ceramics' tiles comply with indoor air quality standards after undergoing Volatile Organic Compound (VOC) analysis. DOWNLOAD CERTIFICATE	 SASO RAK Ceramics products have been certified and successfully inspected and tested to meet the safety and quality standards of Saudi Arabia. DOWNLOAD CERTIFICATE	 SIRIM This certification confirms that RAK Ceramics tiles have undergone assessment and supervision, meeting the required standards in Malaysia. DOWNLOAD CERTIFICATE	 ISO 9001 An internationally recognised standard for quality management, awarded to RAK Ceramics for its effective Quality Management System (QMS), delivering unparalleled quality and ensuring customer satisfaction. DOWNLOAD CERTIFICATE
 ISO 14001 An internationally recognised standard for environmental management systems (EMS) awarded to RAK Ceramics in acknowledgment of its incorporation of best practices to reduce environmental footprint. DOWNLOAD CERTIFICATE	 CSTB This certifies that RAK Ceramics products have passed the quality and strength requirements in France, to be safely applied according to their intended usage. DOWNLOAD CERTIFICATE	 EPD – Environmental product declaration A documentation providing the environmental performance and impact of RAK Ceramics products over their lifetime. DOWNLOAD CERTIFICATE		

Sanitary Ware:

SANITARYWARE CERTIFICATIONS

RAK Ceramics sanitaryware products are crafted with the utmost quality, meticulously manufactured using premium materials and state-of-the-art craftsmanship. Our commitment to excellence ensures that each product not only meets but also exceeds stringent industry standards.



IAPMO

This certifies that RAK Ceramics sanitaryware have passed the jurisdictions and standards set by the USA and Canada and are in compliance with the regulations for safe and quality usage in both countries.

[DOWNLOAD CERTIFICATE](#)



SASO

RAK Ceramics products have been certified and successfully inspected and tested to meet the safety and quality standards of Saudi Arabia.

[DOWNLOAD CERTIFICATE](#)



SAI global watermark for water closet

An Australian certification confirms that RAK Ceramics water closets have passed the standards and are fit for use in the country.

[DOWNLOAD CERTIFICATE](#)



SINTEF

A Norwegian certification that confirms RAK Ceramics products are deemed suitable for use and comply with the regulations on technical requirements for construction work.

[DOWNLOAD CERTIFICATE](#)



ISO 14001

An internationally recognised standard for environmental management systems (EMS) awarded to RAK Ceramics in acknowledgment of its incorporation of best practices to reduce environmental footprint.

[DOWNLOAD CERTIFICATE](#)



ISO 9001

An internationally recognised standard for quality management, awarded to RAK Ceramics for its effective Quality Management System (QMS), delivering unparalleled quality and ensuring customer satisfaction.

[DOWNLOAD CERTIFICATE](#)



CSTB

This certifies that RAK Ceramics products have passed the quality and strength requirements in France, to be safely applied according to their intended usage.

[DOWNLOAD CERTIFICATE](#)



EPD - Environmental product declaration

A documentation providing the environmental performance and impact of RAK Ceramics products over their lifetime.

[DOWNLOAD CERTIFICATE](#)

2.2.10 Corporate Social Responsibility

RAK Ceramics (Bangladesh) Limited is actively engaged in the activities that are associated with the welfare of its stakeholders. Some key activities are mentioned below:

1. Environmental Sustainability Initiatives:

- a. Tree Plantation: To celebrate Earth Day and promote environmental awareness, this organization took the initiative of planting over 5000 trees around its industrial infrastructure facility.
- b. Energy Efficiency Measures: From the point of minimizing energy consumption for the betterment of the environment, RAK Ceramics (Bangladesh) Limited has set up energy-saving systems over its operations. Highly efficient burners and energy-efficient office equipment are some examples.
- c. Waste Management and Recycling: This organization prioritizes robust waste management facilities by recycling and reusing materials to enhance resource efficiency and decrease the usage of landfills.

2. Social Contributions and Community Engagement:

- a. Healthcare Support: To feel and be with the distressed people, the RAK Bangladesh unit endowed 5 million taka to the Dhaka Ahsania Mission Cancer Hospital which resonates with its pledge to support healthcare initiatives.
- b. Employee Welfare Programs: RAK Bangladesh employees enjoy free medical insurance and the company conducts several healthcare initiatives over the year to secure employee well-being.
- c. Educational and Social Support: The organization arranges financial assistance for NGOs and sponsors some educational institutions, showing its dedication to social development.

Chapter 3 (Project Part)

Product Quality, Pricing, and Customer Preferences

3.1 Introduction

The ceramic industry in Bangladesh has developed into a promising sector, with strong potential for growth in both local and global markets. Compared to global traditions, Bangladesh's ceramic industry does not have deep historical roots but this industry witnessed rapid development over the last few decades. From an initial start in the late 1950s, this industry in Bangladesh has evolved remarkably and currently exports to more than 50 countries worldwide (Export Promotion Bureau, 2023). The sector includes a diverse range of products such as tableware, tiles, and sanitary ware, and plays a vital role in the economy through employment, reducing imports, and earning foreign exchange.

Ceramics are valued for their strength, aesthetic flexibility, and affordability. With rapid urban growth, rising per capita income, and booming infrastructure expansion, the demand for ceramic products has notably boosted. Besides, local manufacturers improved the quality, designs, and variety in so many ways that they currently compete equally with imported ones (BCMEA, 2022).

The geographic location, affordable workforce, and preferential access to a range of international markets enabled the country to emerge as an enduring competitor in the global ceramic manufacturing industry. Over the past few years, foreign buyers have progressively begun sourcing tableware and tiles from Bangladeshi manufacturers. Consequently, the sector has witnessed an unperturbed rise in international investment (Hasan, 2023). Renowned domestic companies including RAK, Monno, Shinepukur, Mir Ceramics have played a crucial role in this transformation, introducing Bangladesh as a reliable source of top quality ceramic products.

While the industry in Bangladesh has witnessed promising growth, it continues to strive with various challenges. Increasing energy costs along with the dependence of imported raw materials like feldspar and kaolin have raised production expenses and production stability. Additionally, market pressures are further intensified from the competition of dominant players like China and India in the region. Environmental issues are also a major concern nowadays, as to maintain sustainable and scalable business, manufacturers need to follow and comply with the local global standards related to waste management and emissions (Zahan & Sultan, 2020). Nevertheless, with the proper blend of policy support, innovation in technology, infrastructural development, and supportive government policies, the industry holds dynamic potential for further growth.

3.2 Background of the Study

During the post-independence era, the history of the ceramic industry started to take shape though pottery-making has been there in Bangladesh's culture and artisanal heritage for centuries. The industrialization of this sector began with the establishment of Tajma Ceramic industries in Bogura in the 1950s. Despite the journey beginning earlier, until the late 20th century, the industry remained unimproved comparatively. With the emergence of prominent private companies like Monno Ceramic and Shinepukur Ceramic, the scenario started to change gradually. They acted like vanguards that moment with the introduction of advanced manufacturing technologies and altering the attention towards premium quality and export-oriented ceramic products, setting the base for the sector's impetuous advancement in the following decades (BCMEA, 2022).

Bangladesh once imported the majority of its ceramic products in the early stages to meet the local demand, especially tiles and sanitary ware. The development and gradual setup of modern

plants played a vital role in decreasing its dependency on imported products. Local manufacturers currently fulfill supply over 80% of the domestic demand for tiles and sanitary ware, indicating the significant growth in capacity and competence of the industry (Hasan, 2023). Countries like the United States, United Kingdom, Germany, Italy, and many in the middle east are now importing Bangladeshi ceramic products. These products are valued and appreciated for their cost-effectiveness and improved international quality standards.

Bangladeshi ceramic industry is basically segmented into three major categories: tableware, tiles, and sanitary ware. While tiles and sanitary ware are dominating the local market and gradually capturing the foreign markets, tableware is the leading one among these in terms of export earnings. Leading manufacturers have upgraded their operations with heavy investments by incorporating European machinery, modern quality control systems, and efficient design teams. Over 50,000 individuals are currently employed directly by the industry while supporting substantial indirect employment across its value chain (Export Promotion Bureau, 2023).

Although the sector has developed a lot and come a long way, it is still heavily dependent on countries like India, China, New Zealand, and Turkey to import raw materials which is a structural weakness. Consequently, the dependency increases susceptibility to the volatility of global price and logistical disruptions. A considerable amount of ceramic production costs is impacted by energy consumption, significantly in the kiln-fire process. While the industry is benefitted from subsidized gas prices, potential shifts in policy could change the dynamic, leading to increased operational costs.

Acknowledging the economic importance, the government has included the industry in its export diversification policies to emphasize its presence in foreign market. To accelerate the growth, organizations like the Bangladesh Investment Development Authority (BIDA) and Export

Promotion Bureau (EPB) are encouraging the promotion of industry clusters and investing in fundamental infrastructure within industrial zones to escalate the production capacity and export potential. Furthermore, to develop a pipeline of efficient workers and promote research based innovation, collaborations are made with technical universities and design institutes (Zahan & Sultana, 2020). Bangladesh's ceramic industry is playing a pivotal role and with strategic deposition in sustainability, upgrading energy efficiency, and exploration of local raw materials, the country can uncover its potential to become a dominant ceramic manufacturing hub in the region.

3.3 Objective of the Study

The broad objective of the current study is to observe the influence of the product quality and pricing on customers' preferences for ceramic products. On the other hand, the specific objectives of the current study are as follows

1. To see the effect of product quality on customer preferences for ceramics products.
2. To see the effect of pricing on customer preferences for ceramic products.

3.4 Significance of the Study:

Over the last few years, the tiles and sanitary ware segments of Bangladesh's ceramic sector have experienced outstanding growth, accelerated by rapid urbanization, increased purchasing power of consumers, and continuous investment in infrastructure (BCMEA, 2022). Given the momentum of transformation, a deep apprehension of what impacts customer preferences has become a strategic point for both manufacturers and retailers targeting to sustain in such a challenging landscape.

By assessing the influence of product quality in customer preferences, this study traces a fundamental dimension of consumer behavior which has direct indications for competitiveness and customer satisfaction. Factors such as durability, aesthetic design variety, tile finish type, water efficiency of sanitary ware, and structural strength have important roles to shape the purchasing decisions of consumers (Ahmed & Islam, 2021). Since the ceramic industry in Bangladesh becomes mature, consumers are now aware of product features and quality standards. This consciousness has resulted in upward demand for ceramics that provide better performance, aesthetic appeal, and value for money (Rahman, 2020). Identifying the particular product features that matter most to consumers allows ceramic manufacturers to adjust production practices and marketing strategies to more effectively fulfill customer expectations.

Additionally, this study explores the sensitivity of pricing on consumer decisions, particularly in the context of Bangladesh where affordability often leads alongside quality in determining consumer choices (Kabir & Hossain, 2020). Local manufacturers must mark out the weight of the pricing pressures by less costly imported items from countries like India and China while ascertaining sustainable business activities. A clear realization of the influence of pricing on customer choices permits manufacturers to maintain a balance between combative pricing and trustworthy brand image.

To summarize, the findings of this research will generate meaningful insights for key stakeholders targeting to maximize product offerings and strategies of pricing in Bangladesh's ceramic industry. Also, the study contributes to academic understanding of consumer behavior in developing market settings.

3.5 Literature Review

3.5.1 Customer Preferences

Customer preference are the personal tastes and priorities that lead what customers decide to purchase. These preferences are strongly controlled by personal experiences, cultural background, way of life, and social influences (Kolter & Keller, 2016). In consumer markets, especially for goods like tiles and sanitary ware which are semi-durable, preferences frequently fluctuate upon latest trends in design, utility, and comfort. For instance, customers in the home improvement domain commonly prefer alternatives that are aesthetically updated, effortless to maintain, and environment friendly (Chaudhuri & Holbrook, 2001).

Several researches indicate that customer preferences vary noticeably considering factors like age, income status, and geographic regions. In growing economies like Bangladesh, middle class consumers generally value endurance and cost-effectiveness, while wealthier consumers search for premium quality, design variety, and renowned brands (Hasan & Parveen, 2021). These subtle variations illustrate the complexity of the nature of consumer preferences and the strategic value of providing tailored solutions.

3.5.2 Determinants of Customer Preferences

There are multiple factors that influence consumer preferences which include attributes of the product, brand image, prior user experience, and marketing strategies. Schiffman and Wisenblit (2019) identify that consumer decision formation is predominantly accompanied by judgemental indicators comprising design appeal, quality, price, user-friendliness. When it comes to the home

fixture, consumers often focus on performance measures such as structural integrity, water efficiency, visual aesthetic, and the after-sales customer support (Ahmed & Islam, 2021).

Theories of consumer behavior like Theory of Planned Behavior and the Expectancy-Value Model, preferences and purchasing behavior are to a large extent determined by attitudes shaped through individual beliefs and evaluative judgments (Ajzen, 1991; Fishbein & Ajzen, 1975). For ceramic items, visibly evident features, specifically resistance to stains or durability, plays a vital role in influencing customer evaluation of the products and reliability (Kabir & Hossain, 2020).

3.5.3 Product Quality

Product quality is a key factor to serve as a primary determinant of consumer satisfaction and building a long-term trust in the brand. As theorized by Garvin (1984), quality is a complicated concept including performance, visual appeal, longevity, and adherence to standards. For tiles and sanitary ware, decisive indicators of quality incorporate scratch resistance, water saving, uniform color and glazing, and overall strength of material (Chowdhury & Hossain, 2019).

When a product is recognized as premium quality, it is generally thought it would provide worthier value, resulting in increased customer satisfaction and encourage repeat buying behavior. According to Parasuraman et al. (1988), customers habitually put greater weight on quality perception than on technical specifications, particularly when decisions are led by visual appeal and recommendations. In intensely competitive markets like tiles and sanitary ware, offering superior product quality is a key differentiator that shapes customer choice and brand loyalty.

3.5.4 Pricing

Pricing is a significant component that affects preferences and purchasing decisions of consumers. Not only price defines affordability but also acts as a perceived indicator of quality, especially in the lack of complete technical knowledge (Zeithaml, 1988). For tiles and sanitary ware products, consumers often rely on pricing as a yardstick to determine product category, expected durability, and brand rank.

In highly elastic markets, well-crafted pricing strategies frequently inspire budget-conscious customers and first-time homeowners pursue value-oriented brands (Hasan & Parveen, 2021). In contrast, consumers who do not have issues with budget, prioritize exclusivity, and consider brand image are mostly attracted by premium pricing. Kotler and Armstrong (2018) highlight that successful pricing techniques consider both consumer philosophy and cost structure to influence purchasing behavior. So, pricing and quality perception are tightly connected; when a consumer thinks a product delivers high quality at a fair price, typically influences preferences and repeat purchases (Chaudhuri & Holbrook, 2001).

3.6 Relationship among Product Quality, Price, and Customer Preferences

3.6.1 Relationship between Product Quality and Customer Preference

Product quality emerges as a fundamental indicator of customer preferences, particularly in industries where factors like durability and aesthetic appeal play a pivotal role in consumer purchasing behavior (Kotler & Keller, 2016). For ceramic products, quality is considered across various metrics such as color uniformity, finish, durability, design variety, glaze and water

resistance, and water efficiency features (Rahman, 2020). Research indicates that perceived product quality elevates brand trust, motivating customers to spend more for premium tiles and sanitary ware products (Ahmed & Islam, 2021). In a growing market like Bangladesh, purchasing decisions are gradually influenced by value-for-money evaluations, where quality serves as a key deciding factor (Chowdhury & Hossain, 2019).

There is strong correlation between perceived value and quality of product, both of which conspicuously control consumers' buying intentions. Superior design, longevity, and functional advantages strengthen brand preferences in case of ceramic products (Parasuraman et al., 1988). In the Bangladeshi scenario, this is absolutely relevant where infrastructural development and interior design trends progressively systematize long-term investment in enduring and aesthetic materials (Kabir & Hossain, 2020).

3.6.2 Relationship between Price and Customer Preference

In price sensitive markets like Bangladesh, price forcibly dominates what consumers choose to purchase. Bangladesh's ceramic sector serves a wide spectrum of consumers, offering products customized for both budget-conscious buyers and high-end clients. Hence, price has a decisive role in making purchasing behavior. According to Zeithaml (1988), consumers often consider price as a measure of both product value and quality. While lower prices captivate budget-conscious buyers, higher prices may control the perceived quality of durable products like tiles and sanitary ware in the ceramic industry. Based on the findings of Kabir and Hossain (2020), while affordability is the initial factor for mid- and low-income consumers, when products offer superior quality and durability, many consumers are ready to pay a premium. This suggests that effective pricing approaches should incorporate affordability with perceived quality to influence and retain customers. Besides, price sensitivity differs based on demographic

elements like income, occupation, whether the product is for commercial use or household use, which firms definitely reckon during market segmentation strategies (Hasan & Parveen, 2021).

3.6.3 Interplay Between Price and Quality

The interplay between price and quality overtly influence perceived value, which in turn guides customer choices as a central factor. The perception of receiving high quality at a justifiable price is closely connected to greater customer satisfaction and increased brand loyalty (Kotler & Armstrong, 2018). On the other hand, a mismatch between pricing and quality results in dissatisfaction among customers with the intensified propensity to switch brands. This balance is tremendously strategic in ceramics, where purchasers prioritize both refined visual standards and utilitarian effectuality. Companies in Bangladesh's ceramic sector, notably in tiles and sanitary ware, achieved competitive advantage by integrating quality refinement with justified pricing. According to BCMEA (2022), the market effectiveness of this approach is reflected by the prosperity of brands that have established both mid- and premium-range product categories, serving diversified consumer demands and income categories.

3.7 Methodology

3.7.1 Research Approach

A qualitative research approach is used in this study to evaluate the influence of product quality and pricing on customer choices in Bangladesh's ceramic industry. Qualitative research enables exploring complicated human behavior, underlying perceptions, and motivations in natural environments (Creswell & Poth, 2018). Considering that customer preferences are heavily controlled by personal perceptions of product value and pricing, qualitative study provides a

strong framework for investigating complex consumer behaviors that often remain unrevealed in quantitative analysis.

3.7.2 Research Design

The study follows a descriptive research design, directed at offering a detailed understanding of how the perceived effect of product quality and pricing on customer preferences concerning ceramic products, including tiles and sanitary ware. Descriptive research is suitable for observing the phenomenon as it naturally happens, without reordering variables, making it suitable to apprehend consumers' understanding and real market scenario within the ceramic industry.

3.7.3 Data Collection Method

The study collected initial data through semi-structured interviews conducted with consumers who recently have purchased tiles or sanitary ware products, providing thorough perspectives on their preferences and experiences. This process allowed open-ended discussion, yet maintained concentration on fundamental themes such as perception of product quality and the influence of pricing in decision-making. The format lets respondents speak frankly to share their experiences, yielding detailed and thoughtful narratives. Furthermore, Focus Group Discussions (FGDs) were organized with sales representatives and retailers working in ceramic outlets in Dhaka to collect industry-standard insights. Their viewpoints added depth to the findings from customer interviews, particularly in accentuating emerging inclinations and evolving customer demands.

3.7.4 Sampling Technique and Respondents

To ensure data coherence, a purposive sampling technique was selected to target people with considerable exposure and relevant experience in buying and using ceramic products. The sample comprised:

- 5 customers from various sociological backgrounds who have purchased ceramic products (tiles or sanitary ware or both) in recent times.
- 32 retail professionals from well-known outlets, selling different brands including RAK Ceramics, Akji Ceramics, DBL Ceramics, and local substitutes.

Respondents were drawn from prominent urban ceramic markets where the demand of housing and interior products is at the top.

3.7.5 Data Analysis Technique

Descriptive thematic analysis was adopted to examine the data collected from interviews and focus groups discussions. A manual coding technique was adopted to the interview transcripts to extract recurrent themes in consumer behavior, pointing to patterns of preference formation, perception of quality, and price sensitivity. Common factors like “durability of tiles”, “aesthetic/design variation”, and “price sensitivity in sanitary ware” were categorized and analyzed to capture the central concerns of the research. The research explored how consumers conceptualize and rate product quality, and the extent to which pricing shapes consumers’ brand or product range selections within the tiles and sanitary ware brands.

3.7.6 Ethical Considerations

All respondents were notified about the intention of the study and their informed consent was secured prior to data collection. Every participant was guaranteed confidentiality and anonymity

and could withdraw at any point without any negative outcomes. The data collected were exclusively used for academic research and not revealed to any external group.

3.7.7 Limitations of the Methodology

Although the qualitative study facilitates rich understanding of consumer perception, its findings are drawn from a limited sample size and therefore cannot be generalized to the broader sense. Furthermore, the research's focus on urban markets limits the dimension to which its identifications can reflect the choices of customers in rural or underserved areas in Bangladesh.

3.8 Findings

This section summarizes findings from the interviews with the customers and showroom representatives in major ceramic market areas in Dhaka on tiles and sanitary ware products. The thematic examination of the collected data revealed several complex insights into the manners in which product quality and price influence customer preferences.

3.8.1 Influence of Product Quality on Customer Preferences

The majority of the participants marked product quality as a main driver in their selection of tiles and sanitary ware products, with common emphasis on features such as:

- **Durability:** Customers expect their tiles that will not crack or pale under regular use and for sanitary ware, leak- and stain-free.
- **Finishing and design:** Participants emphasized glossy finishes, uniformity in color and shades, and classy designs, particularly in highly visible areas like floors of living room and bathroom spaces.

- Water efficiency and hygiene: In case of sanitary ware, consumer prioritized products that offer dual flush mechanism, anti-bacterial coatings, and user-friendly cleaning surfaces.

Quotes like “I chose the product based on how long it would last and how it looked in my bathroom” demonstrate that consumers consider quality as a package of performance, visual appeal, and ease of maintenance.

3.8.2 Influence of Price on Customer Preferences

Respondents recognized pricing as a vital player though not as much as quality, it rises several common points which include:

- Budget constraints: Middle class consumers expressed that finite budgets forced them to go for less-preferred brands or plain designs though they were informed about premium quality alternatives.
- Perceived value for money: Several participants showed willingness to pay higher while they perceived the product demonstrated superior quality or design.
- Brand pricing tiers: Respondents highlighted that the Tiered pricing range for brands like RAK Ceramics, Star Ceramics, and a few renowned brands made it tenable to choose products that are aligned with their quality expectations and budget.

One of the showroom representatives stated, “Customers often ask for the best option within a specific budget. They don’t always want the cheapest, but the most value within their price range.”

3.9 Discussion

This part explains the findings taking into consideration the literature and research context.

3.9.1 Product Quality as a Primary Driver

The records from the research substantiate prior study that premium product quality plays a pivotal role in influencing consumer preferences (Kotler & Keller, 2016; Garvin, 1984). As per the findings of Ahmed and Islam (2021) and Chowdhury and Hossain (2019), purchasers in Bangladesh's ceramic market are becoming more aware of both technical features and design. This growing concern for durable and modern design products reflects shifting towards an evolving market inclination supporting long-term value, especially in urban areas.

3.9.2 Price as a Conditional Factor

Consumers are predominantly influenced by quality but the final decisions are derived mostly based on pricing considerations. According to Zeithaml (1988), this research found that customers value a logical price-quality mix over just selecting the low price options. As tiles and sanitary ware are durable products generally fitted for long-lasting use and mostly purchased in bulk, customers care a lot about perceived value.

Moreover, a tiered pricing structure helps to retain purchasers' trust by offering choices that match changing budgets, reinforcing the belief that pricing resilience enhances brand commitment (Kotler & Armstrong, 2018).

3.10 Conclusion

This study aimed to investigate how product quality and price affect consumer preferences in Bangladesh's ceramic tiles and sanitary ware market applying a qualitative descriptive method.

The findings disclose that:

- Customers place the utmost worth on product quality, specifically in cases like durability, aesthetic appeal, and functional performance.
- While price matters, consumers often weigh it with perceived quality and are usually interested to pay a higher price when the product satisfies or exceeds their expectations.
- Urban customers in Bangladesh, particularly developers and renovators, manifest increasing awareness and emphasis on products that maintain a balance between quality and price.

These findings indicate that ceramic brands should pair competitive pricing techniques with powerful messaging around quality specifications.

3.11 Recommendation

Drawing from the research results, the following actionable recommendations are proposed for ceramic manufacturers and distributors in Bangladesh:

Invest in Product Quality Innovation

Producers are encouraged to invest in continuous improvement in the endurance, visual appeal, and functional efficiency of tiles and sanitary ware, lined up with progressive customer expectations. Integration technical innovations like anti-stain technology, water-saving mechanisms, and germ-resistant surfaces are becoming standard in local and international markets and should be implemented extensively in the local ceramic industry.

Offer Tiered Product Lines

To adequately address the requirements of various customer segments, ceramic brands should introduce assorted product categories that offer modified price points from budget-friendly to premium, while maintaining the quality benchmarks across every category.

Communicate Value Clearly

Retailers have to ensure their staff are properly trained to explicitly explain what makes a product premium quality, aiding purchasers perceive the value behind the pricing. For budget-conscious consumers, highlighting durability, resource saving, and minimum maintenance helps describe why extra payment can provide greater value in the long run.

Focus on Urban Retail Strategy

Since urban demand for tiles and sanitary ware products continues to grow, companies should prioritize strategies that cement brand appearance and promote deeper consumer involvement in large markets like Dhaka, Chattogram, and Sylhet.

Conduct Ongoing Market Feedback

Due to the expansion of the middle-class segment and demand for more premium experiences, companies should collect customer feedback on a regular basis and analyze the gathered data to refine products, services, and marketing strategies.

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