

Report On

**The impact of shelf height and price tag Design on Sales; A study
of general Merchandising on Shwapno, ACI logistics**

By
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ID: 19304088

An internship report submitted to the BRAC Business School in partial fulfillment of the
requirements for the degree of
Bachelor of Business Administration (BBA)

[BRAC Business School]
Brac University
May, 2026

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Declaration

It is hereby declared that

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

Student's Full Name & Signature:

Student Full Name: Tanzila Hasan Prarona

Student ID: 19304088

Supervisor's Full Name & Signature:

Supervisor Full Name: Md. Tanvir Hasan

Designation, Department: Lecturer

Institution: Brac Business School

Letter of Transmittal

Md. Tanvir Hasan
Lecturer
BRAC Business School
BRAC University
Kha 224, Bir Uttam Rafiqul Islam Ave, Dhaka 1212

Subject: Prayer for Submission of my Internship Report

Dear Sir,

This is my pleasure to submit my internship report titled “The impact of shelf height and price tag Design on Sales; A study of general Merchandising on Shwapno, ACI logistics” as a requirement for the completion of my Bachelor of Business Administration (BBA) program.

I have attempted my best to finish the report with the essential data and recommended proposition in a significantly compact and comprehensive manner as possible.

I sincerely hope that the report will meet your desired expectations and provide meaningful insight to the topic.

I would be grateful for your kind evaluation of my report. Thank you for your time and consideration.

Sincerely yours,

Tanzila Hasan Prarona
Student ID: 19304088
BRAC Business School
BRAC University
Date: April 23rd , 2026

Non-Disclosure Agreement

This agreement is made and entered into by and between ACI Logistics Limited, Shwapno and the undersigned student at Brac University

Tanzila Hasan Prarona

.....

Acknowledgement

I would express my deepest appreciation to all the people who helped me during the internship completion and this report.

To begin with, I am very grateful to my organization, ACI Logistics Limited (Shwapno), which has provided me with a chance to work in the General Merchandise division in the position of a Category Intern. This has been a very useful experience to guide me towards recognizing the actual business operation in the real world and also putting to practice my academic knowledge in a business environment.

I would like to take this opportunity to offer my warmest thanks to my supervisor Anik Chakraborty and the team at Shwapno as a whole that advised me, supported and collaborated with me throughout my internship. Their feedback and ideas as well as willing to share knowledge were very central in my learning process.

I want to extend my heartiest gratitude to my supervisor at BRAC University, Md. Tanvir Hasan sir, also guided me selflessly and helped me prepare this report by giving constructive criticism and encouragement, which I am thankful for.

It has been an important learning experience to me and I am glad to meet my amazing colleagues and everyone I met who helped me in this journey

Executive Summary

This report presents a comprehensive overview of my six-month internship experience at ACI Logistics Limited ; Shwapno, where I worked as a Category intern in the General Merchandise (GM) category. The primary focus of this report is to analyze the impact of merchandising elements, particularly shelf height and price tag design, on sales performance, while also providing insights into the company's overall business operations, marketing practices and strategic positioning.

During my internship, I was directly involved in the communication aspects of the GM category, which allowed me to closely observe how pricing, promotions and merchandising decisions are made and executed. Through both practical exposure and data analysis, it became evident that Shwapno operates through a highly integrated and data-driven system supported by ERP tools such as SAP, Salient and EPS. These systems play a crucial role in tracking sales, managing inventory and enabling informed decision-making across departments.

The findings of this study highlight that merchandising plays a significant role in influencing customer purchase behavior. Products placed at eye-level shelves tend to generate higher sales due to better visibility, while clear and strategically designed price tags significantly improve customer engagement and conversion. At the same time, inconsistencies in execution across outlets and limited optimization of merchandising strategies indicate potential areas for improvement.

In addition to merchandising analysis, the report evaluates Shwapno's leadership style, human resource practices, marketing strategies and operational efficiency. Its customer-centric marketing strategy, supported by competitive pricing and strong offline presence, has helped Shwapno establish itself as the leading retail chain in Bangladesh. However, gaps remain in digital marketing innovation and full omnichannel integration.

Based on the overall analysis, several recommendations have been proposed, including optimizing shelf placement strategies, improving price tag design, leveraging data analytics for personalized marketing and strengthening digital engagement. These recommendations aim to enhance operational efficiency, improve customer experience and support long-term growth.

Overall, this internship provided me with valuable hands-on experience in retail operations, category management and data-driven decision-making. It also allowed me to bridge the gap between academic knowledge and real-world business practices, particularly in the context of a fast-growing retail industry like Bangladesh.

Table of Contents

Declaration.....	2
Letter of Transmittal.....	3
Non-Disclosure Agreement.....	4
Acknowledgement.....	5
Executive Summary.....	6
Table of Contents.....	6
List of Acronyms.....	10
Glossary.....	11
Overview of Internship.....	12
1.1 Student Information.....	12
1.2 Internship Information.....	12
1.2.1 Period, Company Name, Department/Division, Address.....	12
1.2.2 Internship Company Supervisor's Information.....	12
1.2.3 Job Scope – Job Description/Duties/Responsibilities.....	13
1.3 Internship Outcomes:.....	13
1.3.1 Student's contribution to the company.....	13
1.3.2 Benefits to the student.....	14
1.3.3 Problems/Difficulties (faced during the internship period).....	15
1.3.4 Recommendations.....	15
Organization Part.....	16
2.1 Introduction.....	16
2.1.1 Objectives of the Study.....	16
2.1.2 Scope of Study.....	16
2.1.3 Methodology of the Study.....	17
2.1.4 Significance of the Study.....	17
2.1.5 Limitations of the Study.....	17
2.2 Overview of Shwapno.....	18
2.2.1 Background of ACI PLC.....	18
2.2.2 Founding History of Shwapno.....	18
2.2.3 Mission, Vision and Core Values.....	19
Mission.....	19
Vision.....	20
Core values.....	20
2.2.4 Value Tree of Shwapno.....	21
The Roots - Consumer Centricity, Farmer Partnership and ACI Group Legacy.....	22
The Trunk - Pragmatism.....	22
The Branches - Disruption and Perfection.....	22
The Flowering Tip - Progress.....	23

The Four Pillars of the Value Proposition.....	23
2.2.5 Outlet Structure and Geographic Reach.....	23
2.2.6 Awards and Brand Recognition.....	24
2.2.7 The Organizational Structure of Shwapno.....	25
Head Office Functional Departments.....	26
2.2.8 Outlet Structure.....	27
2.3 Management Practices.....	28
2.3.2 Human Resource Planning, Recruitment and Selection Process.....	28
2.3.3 Compensation and Performance Appraisal Systems.....	28
2.3.4 Training and Development Initiatives.....	29
2.4 Marketing Practices.....	29
2.4.1 Marketing Strategies.....	29
2.4.2 Target Customers, Targeting and Positioning Strategy.....	29
2.4.3 Marketing Channels.....	30
2.4.4 Product/ New Product Development and Competitive Practices.....	32
2.4.6 Advertising and Promotion Strategies.....	33
2.4.7 Critical Marketing Issues and Gaps.....	33
2.5 Financial Performance and Accounting Practices.....	34
2.5.1 Financial Performance.....	34
Accounting Practices.....	35
Accrual Basis of Accounting:.....	35
Adherence to Accounting Standards.....	35
Revenue Recognition.....	35
2.6 Operations Management and Information System Practices.....	35
2.6.1 Use of Information Systems.....	35
2.6.2 Operations and Quality Management Practices.....	36
2.7 Industry and Competitive Analysis.....	37
2.7.1 Competitor Analysis.....	37
2.7.2 Porter's Five Forces Analysis.....	37
2.7.3 SWOT Analysis of Shwapno.....	39
2.7.4 Competitive Advantage.....	40
2.8 Summary and Conclusions.....	41
Summary.....	41
Conclusion.....	41
2.9 Recommendations/Implications.....	42
3.1.1 Background and Problem Statement.....	44
3.1.2 Objective(s).....	45
3.1.3 Significance.....	46
3.1.4 Scope of the Study.....	47
3.2 Literature Review.....	47
3.3 Methodology.....	50

3.4 Findings and Analysis.....	50
3.4.1 Introduction to Findings	
This chapter represents the findings drawn from six months of internal sales data obtained from the system software Salient at ACI Logistics Limited, Shwapno. Primary survey data is collected from customers across a few selected outlets. The analysis is carried out to find out the four research objectives, i.e. the impact of shelf height on sales volume, the effect of price tag design on purchase decisions of customers, the influence of weekly price changes on sales performance and customer perception on in-store visuals and merchandising. The findings are presented in both quantitative and qualitative forms.....	50
3.4.2 Impact of shelf height on sales volume.....	50
3.4.3 Five- Month Cross- Sectional Sales Trend.....	53
3.4.4 Impact of price tag design on consumer Attention and Sales.....	54
3.4.5 Customer Perception - Findings from Survey.....	55
3.4.7 Summary of Key Findings.....	61
3.5 Summary and Conclusions.....	63
3.6 Recommendations/Implications.....	64
Appendix A.....	65
References.....	68

List of Acronyms

GM	General Merchandise
ACI	Advanced Chemical Industries
HOD	Head of Department
MD	managing Director
PO	Purchase Order
DA	Dream Attendant
SAP	Systems, Applications and Products in Data processing
USP	Unique Selling Proposition / Unique Selling Point
IMC	Integrated Marketing Communication
ICI	Imperial Chemical Industries

Glossary

Merchandising	The way that products are displayed and organized in a store to make them most Visible and appealing to the customers
Shelf Height	The vertical level of product on a retail gondola, generally classified as top (above eye level), eye level, mid/waist level and bottom/knee level.
Dream Attendant	Shwapno's in-store front-line staff in charge of the placement, maintenance and price tag installation of products and to assist customers at the outlet level.
Salient	The enterprise retail analytics platform and point-of-sale data management software that Shwapno leverages to manage the sales volume, inventory and the performance of its products across its outlet network.
Impulse Purchase	A purchase decision that is not preeminently intended, but is spontaneous and triggered by visual and/or promotional stimuli within the store.
SKU	It stands for Stock Keeping Unit. It is a unique number for each separate variation of a product in a retail inventory system, which identifies each product and tracks its movements and sales.
Year- on- year growth	A performance comparison measurement which compares a variable (like sales volume) against the previous year, during the same time period, to account for seasonal fluctuations.

Chapter 1

Overview of Internship

1.1 Student Information

Name: Tanzila hasan Prarona

Student ID: 19304088

Program: Bachelor of Business Administration (BBA)

Major/Specialization: Double major on Marketing and operations management

1.2 Internship Information

1.2.1 Period, Company Name, Department/Division, Address

I completed my internship at ACI Logistics Limited (Shwapno) as part of my academic requirement. The internship duration is from 9 September to March 10, 2026. I was assigned to the General Merchandising Category of Shwapno.

Company Name: ACI Logistics Limited (Shwapno)

Department/Division: Operations Department

Internship Period: 9 September – 10 March, 2026

Address: Novo Tower, 270, Tejgaon, Dhaka

1.2.2 Internship Company Supervisor's Information

Supervisor's Name: Anik Chokroborty

Designation: AGM

Department: General Merchandise

During my internship, my supervisor guided me in understanding and executing strategies, understanding operational workflows, pricing strategies, vendor coordination and analytical decision making in a large scale retail environment.

1.2.3 Job Scope – Job Description/Duties/Responsibilities

The role of CAT intern primarily revolved around category management, merchandising communication, and operational execution to boost sales within the General Merchandising (GM) Category. Responsibilities included generating Purchase order (PO) and active coordination with the supply chain team to ensure timely replenishment, minimizing stock out situation at the outlets.

One of the crucial responsibilities included multi- channel communication handling within the marketing department across five major pockets of communication medium to ensure consistency in pricing, placement and visual merchandising. I was responsible for aligning the promotional offer and placement decisions with the merchandising team where detailed instructions regarding shelf placement, display strategy and pricing accuracy were communicated to minimize in-store communication materials, directly linking merchandising decisions with customer purchase behavior.

In addition to that, a close coordination with the marketing team was conducted to ensure smooth translation of the promotional offers into digital static/ creatives, E-leaflets, etc for social media content and offline marketing through national leaflets.

In order to ensure smooth execution of merchandising and price tag placement at the outlet level, structured communication was maintained through presentation based briefings communicated via Email and Whatsapp groups. This gave a clear understanding of promotional mechanics, pricing structures and display guidelines for all the outlet managers and other DAs.

Lastly, the role also included knowledge sharing and training of GM Category products which were conducted for outlet personnel, enhancing product knowledge and teaching the know-how of a product to drive in store sales.

1.3 Internship Outcomes:

1.3.1 Student's contribution to the company

During the 6 month period of internship, significant contributions were made in streamlining the end-to-end communication and execution of promotional offers across various departments at all outlets. The risk of pricing discrepancies and product misplacement at store level was mitigated by a significant level, leading to improved operational efficiency.

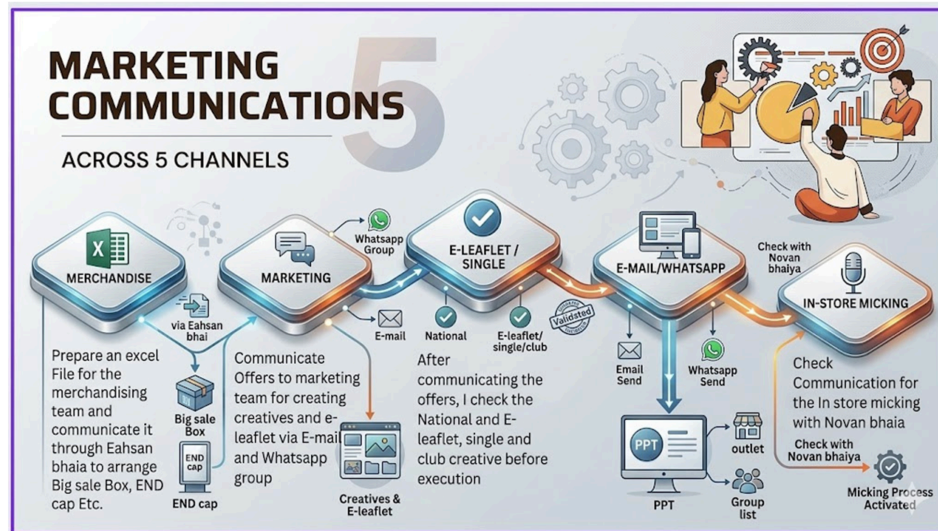


Fig. 1.1 Summary of my work in the marketing department

Active involvement in sales analysis and product trend evaluation contributed to better understanding of customer 's psychological behavior which helped to design the pricing strategy to drive a large volume of sales and footfall. Furthermore, training initiatives conducted for DAs and managers further improved performance and enhanced sales achievement goals by a significant percentage, improving overall sales and customer experience.

1.3.2 Benefits to the student

This internship allowed me the humble opportunity to gain hands-on experience of category management, learning merchandising strategies in a real World setting. It further developed my analytical capabilities through sales data analysis, pricing strategy evaluation, and demand planning.

This experience also enabled me to strengthen cross- functional collaboration and communication skills, across multiple departments and categories. It also enabled me to brainstorm and generate new ideas and strategies in a retail setting. In-store execution enabled me to handle manpower and also gave me the opportunity to gain an understanding of customer behavior dynamics, which resulted in a deeper understanding of how strategic and data- driven decision making improves sales performance.

1.3.3 Problems/Difficulties (faced during the internship period)

One of the key challenges faced during the internship period was to communicate the same data across all 5 communication channels. A small error could lead to large discrepancy and financial loss to the company. Secondly, supply chain constraints and product unavailability impacted promotional execution and hence was difficult to achieve sales targets. Coordination between multiple departments within limited time was also very challenging, especially during special events such as Ramadan and Eid. Lastly, the in-store level merchandising and price tag implementation was often a challenge because different DAs had different levels of understanding and sometimes they failed to install the instructed promo price tag which affected the uniformity of merchandising standards and was a difficult challenge to handle across all outlets.

1.3.4 Recommendations

In order to enhance the effectiveness of future internship programs, it is recommended that the company implements a more structured boarding and training framework specially for using softwares such as SAP and Salient.

In addition to that, the interns should be involved in team meetings, planning and vendor meetings to get the best experience. Greater access to data analytics tools and dashboard should be made accessible for the interns so that they can gain a deeper understanding and generate insights to make their own strategies.

Chapter 2

Organization Part

2.1 Introduction

This chapter provides an overview of ACI Logistics Limited and its retail brand Shwapno, which served as the host company for my internship. Bangladesh's retail landscape changed over the past few years due to factors such as heavy urbanisation, growing middle class, and shifting consumer preferences towards structured, modern retail stores that also provide convenience. The rapid rise of supermarkets in urban and semi urban areas and the rise of E-commerce post Covid-19 pandemic and a demand for a mix of brick and mortar as well as online channels has transformed the retail sector of Bangladesh completely.

In modern day retail, purchase decisions are heavily influenced by crucial elements such as shelf height placement and price tag designs which directly impact product visibility, perceived value and buying behavior. In- store merchandising collectively plays a pivotal role in increasing overall sales performance. Shwapno has successfully emerged as the dominant player in the retail business. It follows a centralized planning system where merchandising guidelines, shelf layouts, pricing structures and promotional communication are designed at the support office and implemented across all outlets.

This structured approach makes Shwapno the best fit to analyze the effectiveness of merchandising strategies. This report therefore, focuses on analyzing the merchandising and price tag effects using sales data and field observations, with the aim of identifying insights that are academically relevant.

2.1.1 Objectives of the Study

The primary objective of this chapter is to provide an evidence based overview of ACI Logistics Limited, Shwapno as an organization. It will also help us to understand the mission and vision of the company, strategic positioning and to set out the foundation within which the primary research for chapter 3 was conducted. Understanding the historical background of the company, its origin, how it operates its daily activities and what it stands for is essential before we can reach a meaningful conclusion regarding its merchandising practices and price strategies.

2.1.2 Scope of Study

This chapter is limited in scope to the ACI Logistics Limited and its retail brand, Shwapno. Although the contextual knowledge of the parent company ACI PLC is

referred to, the main focus is on ACI Logistics as the immediate host organisation. The chapter relies on publicly available company documents, news articles, scholarly research on the Bangladeshi retail industry and data obtained during the internship term through personal observation. The chapter fails to audit the company financial-wise and does not even go further to analyse other subsidiaries of ACI PLC.

2.1.3 Methodology of the Study

The data in this chapter is obtained in the form of secondary research. References will be to the official site of ACI PLC, company publications, and authentic news reports in The Daily Star, The Business Standard and The Financial express, scholarly research on the Bangladeshi retail industry, and online databases, such as Wikipedia and LinkedIn profile pages. In the case of academic literature in order to contextualise the retail environment, the citations are made through peer-reviewed journals and validated research websites. Cross-referencing of all sources was done to make sure that the facts and sources are accurate and authentic.

2.1.4 Significance of the Study

A thorough research of the host organisation is a crucial aspect of any internship report. This chapter gives the analytical background without which the particular research questions in Chapter 3, namely shelf placement, price tag design and its role in sales, would not have any meaningful context. In addition, the documentation of the structure, practices, and issues of Shwapno as an organisation adds to the literature of applied knowledge of retail management in Bangladesh that the academic literature has pointed out to be an under-researched area in the context of the developing economy. Retail business activity in Bangladesh has the potential to be a key source of employment and economic value, but little or no empirical research has been conducted to analyze their specifics in the country ResearchGate (Akter, 2023, International Journal of Critical Accounting)

2.1.5 Limitations of the Study

There are various constraints to this chapter. To begin with, not all operational data about ACI Logistics, including the specifics of internal financial data that is not publicly available, could be provided due to the confidentiality restrictions. Second, the speed of Shwapno development implies that the number of outlets and other operational parameters change quickly, and some of the numbers mentioned in this paper could represent the numbers that were already revised. Third, since the organisational analysis relies on secondary sources to a great extent, the analysis is prone to the accuracy of the sources. Where conflicting information was found in the sources the most recent and authoritative source was given priority.

2.2 Overview of Shwapno

2.2.1 Background of ACI PLC

ACI Logistics Limited is a subsidiary company of the Advanced Chemical Industries (ACI) PLC which is one of the biggest and most diversified conglomerates in Bangladesh. ACI was a subsidiary of the British multinational, Imperial Chemical Industries (ICI), in East Pakistan (now Bangladesh) in 1968. Bangladesh became a member in 1973, when the independent state became part of ICI Bangladesh Manufacturers Limited, a Public Limited Company, in 1973, and was traded on the Dhaka Stock Exchange in 1976 Wikipedia (Wikipedia, 2025). In May 1992, the company was sold by ICI to local management, 70 percent of its shareholding, and it was renamed Advanced Chemical Industries (ACI) Limited, one of the first and most successful buyouts of a foreign corporate subsidiary managed by management in Bangladesh (Future Startup, 2023).

ACI PLC has four strategic business units, including ACI Pharmaceuticals, ACI Consumer Brands, ACI Agribusinesses and ACI Retail Chain in the fields of healthcare, consumer goods, agriculture and retail respectively (ACI PLC, n.d.). This verticalized design gives ACI logistics a strong institutional support consisting of access to an established multinational supply chain, financial infrastructure and brand image of a legacy multinational-turned-local conglomerate. As of 2024, ACI PLC has 11,267 employees and paid Taka 18,343 million to the national exchequer in fiscal year 2023-2024 Grokipedia (Grokipedia, 2026).

2.2.2 Founding History of Shwapno

Founded in 2008, ACI Logistics Limited had a particular mandate; to develop a modern retail chain on a national scale that would build on the existing supply chain capabilities of ACI and bridge the gap between rural farmers and consumers in the urban areas. In October 2008, Shwapno launched its operations with 40 outlets in Dhaka, Chittagong and Sylhet based on the vision of linking rural farmers and local suppliers to the final customers in a modern and convenient setting LinkedIn (ACI Logistics LinkedIn, n.d.). The initial store was launched on 28 October 2008 in Postogola, Dhaka, under the original name of Fresh n Near - later renamed to Shwapno, meaning Dream, in the Bengali language, as a reflection of the company's vision to change the everyday shopping experience of the Bangladeshi consumer (Wikipedia, 2025).

What started as a small chain of fresh produce stores has grown to the largest modern retail chain in Bangladesh. Shwapno has a total of over 7,000 employees and a retail space of 1,208,864 square feet across over 450 outlets in 62 districts and serves over 35,000 households every day ACI PLC (ACI PLC, n.d.). Today Shwapno has expanded

to 872 outlets of which 86 of them are their own stores owned by ACI Logistics Limited and more than 779 of them are franchise owned and the company currently holds a market share of 51%.

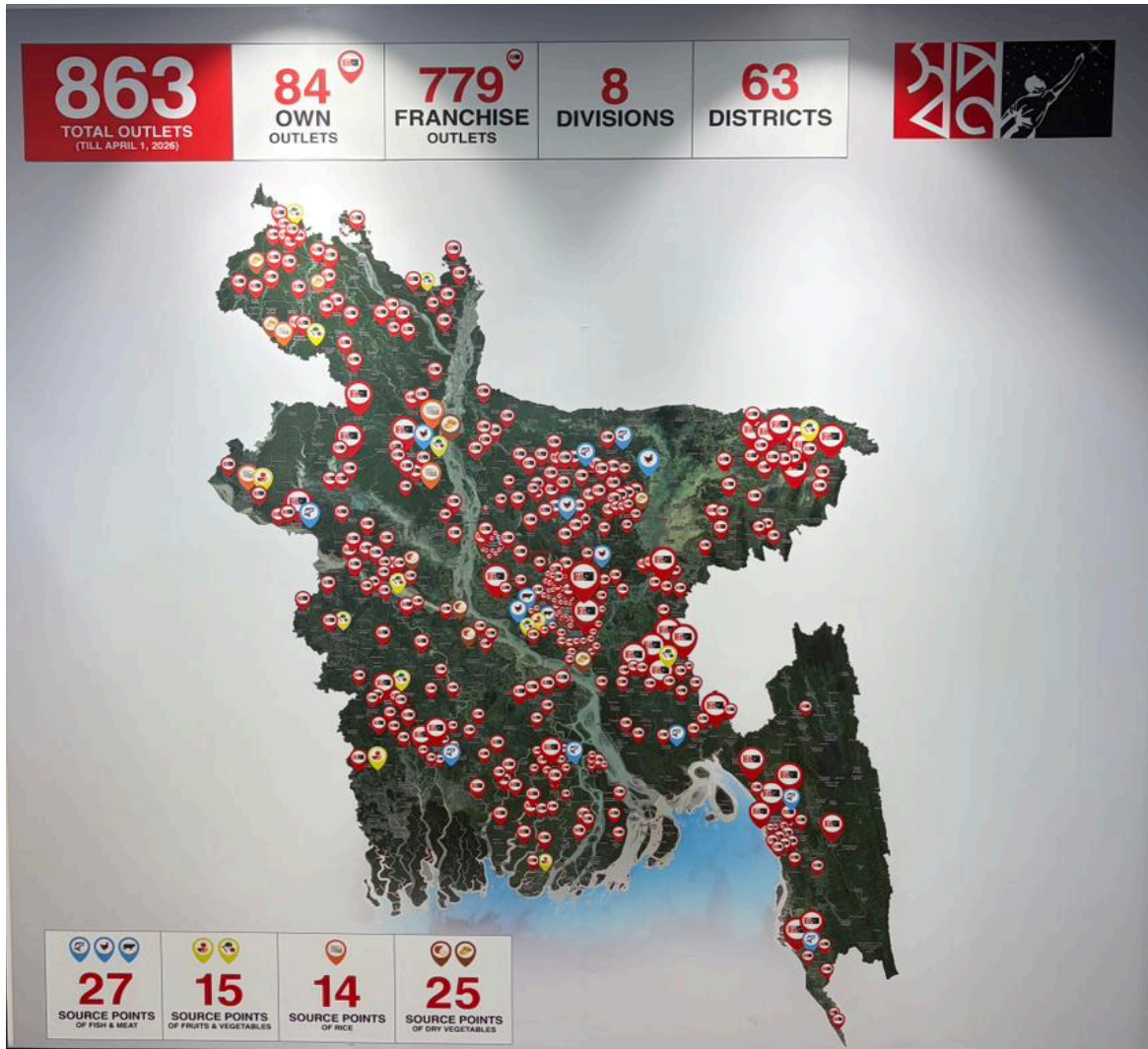


Fig 2.1 Map Representing the outlets of Shwapno at different parts of Bangladesh

2.2.3 Mission, Vision and Core Values

Mission

The mission of ACI PLC, which directs all the subsidiaries such as ACI Logistics, is to add value to the quality of life of people by the responsible use of knowledge, technology and skills. To achieve the highest satisfaction to customers, the company takes the pursuit of excellence through world-class products, innovative processes and empowered

employees, to reach a position of leadership in each category of its businesses ACI PLC (ACI PLC, n.d.).

Vision

The founding vision of Shwapno in the case of Shwapno specifically was anchored on the Seed to Shelf philosophy, which entailed ensuring that products were as close to the source as possible, that they were fresh, farmers were fairly paid, and consumers were safe when using their food. Shwapno has positioned itself not as a superstore but as a neighborhood chain store- a concept that hopes to serve all communities in the country starting at the district level where all the daily needs will be under one roof at a fair price and a fair weight to the farmers and consumers alike.

Core values

The four value pillars of the brand proposition of Shwapno are value money, trust, bond, and convenience that are all represented in its pricing strategy, sourcing practices, community engagement processes, and store design philosophy.

2.2.4 Value Tree of Shwapno

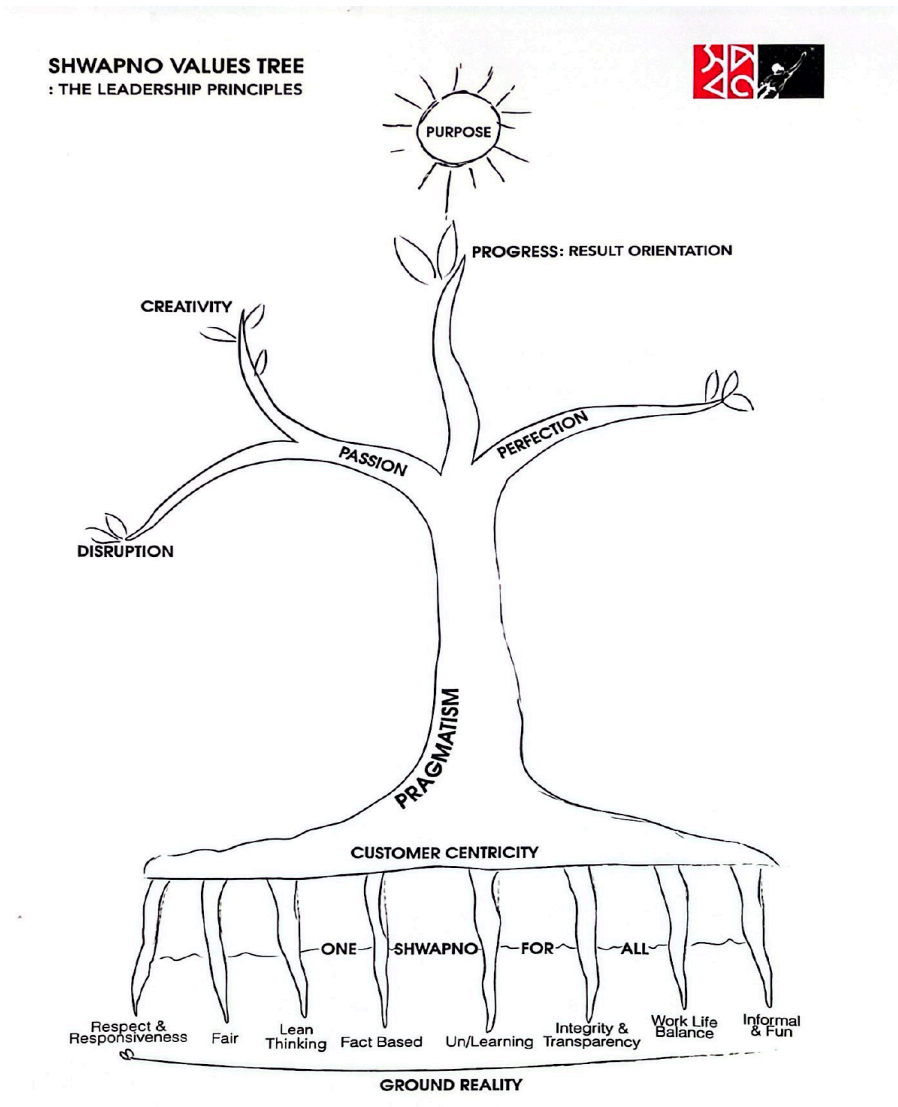


Fig. 2.2 Value Tree of Shwapno

Value Tree is an internal tool of strategy and symbolism that was proposed by Sabbir Hasan Nasir, the Managing Director of ACI Logistics Limited, to explain the organisational philosophy behind all the operational decisions made at Shwapno. The roots of the Value Tree symbolize consumer centricity, the trunk is pragmatism, the branches are disruption and perfection, and the flowering tip is named progress. The end point of the company, which is depicted above the tree, is linking the farmers in Bangladesh to consumers directly by ensuring transparency and fairness (The Business Standard, 2025).

The Roots - Consumer Centricity, Farmer Partnership and ACI Group Legacy

All the strategic decisions made at Shwapno have three roots. The most profound and the most fundamental one is consumer centricity. The question that we posed was: who is modern retail to? It will not scale, unless it serves the elite, we chose to create a brand that belongs to the middle-class family - to the teacher, the banker, the homemaker and that is what changed our mindset, and that is what made everything change, said Nasir The Daily Star (The Daily Star, 2025). The second root is the direct farmer collaboration that is entrenched in the "Seed to Shelf" model - Shwapno works directly with growers in Bangladesh (over 20% of its fresh produce) and pays them fair prices, thus providing consumers with fresher products (ACI PLC, n.d.).

The Trunk - Pragmatism

The Value Tree of Shwapno has its trunk as pragmatism - the idea that all decisions should be based on facts, operational reality and evidence and not on intuition and convention. The company has invested in technology such as SAP, DSS, JDA and a range of analytics software to make work easier to the employees and develop new offers and value propositions to customers with the executive director mentioning the essential strengths of the organisation to be customer-obsession, pragmatic decisions, innovative technology, creativity and perfectionism in terms of customer experience (Future Startup, 2017). This pragmatic culture underlies the data-driven merchandising, category performance analysis, and dynamic pricing strategy at Shwapno based on its 870 outlets.

The Branches - Disruption and Perfection

Disruption and perfection are the two prongs that extend off of the trunk of pragmatism. The willingness to disrupt is symbolized by the fact that Shwapno has been able to innovate around its franchise model in 2017 and make the company no longer a debt-laden chain, but a light-capitalized engine of growth. Invested in the SME investor market, Shwapno designed a franchise model that enabled the investors to enjoy the power of the Shwapno brand. The second branch represents perfection, which reflects the commitment of Shwapno to maintain a standard quality of the product, standardisation of store operations, food safety certification, and the use of the best retail architecture.

The Flowering Tip - Progress

Progress is the highest element of the Value Tree or the most important element because it is the unique result of all other elements that are united in their work. It is not specified as pure monetary gain but quantifiable change in the lives of the consumers that Shwapno caters to, the farmers that it buys its products, the people it employs, and the communities it serves. The fact that progress is the gauge of success and the continuous drive behind the desire of the organisation to expand to 3,000 outlets by 2028 (Parvez, n.d.).

The Four Pillars of the Value Proposition

The four pillars of the value proposition of Shwapno sit above the tree structure, and provide it with its commercial expression. These pillars became the core values of money, convenience, trust, and bond, which were more than just marketing terms, but real working values in the processes of product selection, pricing, and customer service. (The Business Standard, 2025). The competitive pricing, promotional offers and an expanding portfolio of own label lead to value delivery. GLOBALG builds trust.A.P. and HACCP certifications that assure safety of products and integrity of the supply chain. Bond indicates how Shwapno has positioned itself as a neighbourhood ally, instead of a corporate superstore - supported by CSR initiatives, festival campaigns and loyalty programs. The convenience is provided by the mere availability of 870 stores, an online store, a mobile app, and home delivery services (ACI PLC, n.d.).

All these components combined with roots, trunk, branches, tip, and the four pillars of value make up an internally coherent, consistent philosophy that makes Shwapno not just a retail chain but a purposeful organisation with a specific theory of value creation.

2.2.5 Outlet Structure and Geographic Reach

A wide range of outlet formats is one of the most unique operational features of Shwapno. In contrast to other retailers (Agora or Unimart) that cater to larger stores (format 200 square feet and above), Shwapno caters to a large range of stores (format 200 square feet to 15,000 square feet and above) (ACI PLC, n.d.). This span enables Shwapno to serve the customers of the high-density urban neighbourhoods, suburbs, and at an even greater rate, district-level towns of Bangladesh. Having 870 outlets that are already functioning and a goal of 3,000 outlets by 2028, Shwapno geographic ambition is to ensure that organised retail is available in all corners of the country (Parvez, n.d.).

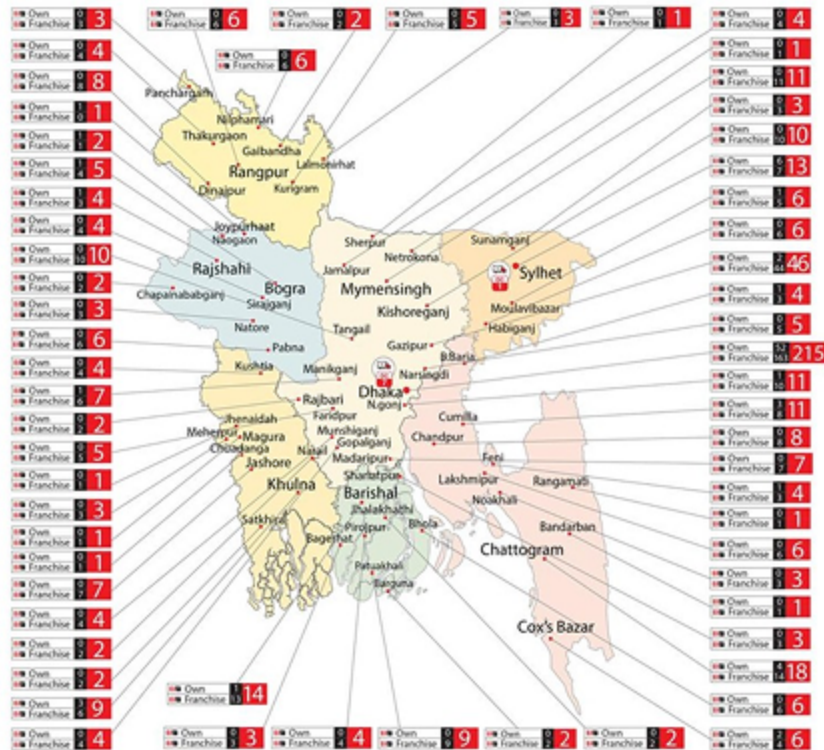


Fig 2.3 Map of the outlets showing its branches in all division of Bangladesh

2.2.6 Awards and Brand Recognition

The investment in brand building by Shwapno has brought about quantifiable recognition. It was awarded the Best Brand Award in the superstore category (shared between Kantar Millward Brown and Bangladesh Brand Forum) four years in a row in 2016 to 2019, and in 2023 (ACI PLC, n.d.). It also became the Marketing Company of the Year 2020 in Asia according to the Asia Marketing Federation - a regional award that adds credibility to the brand outside of the domestic market. These awards are a sign of long-term consumer loyalty and brand recognition that transcends the marketing action, which is based on Shwapno steadiness in prices, product safety, and community involvement during the fifteen years of its operation.

2.2.7 The Organizational Structure of Shwapno

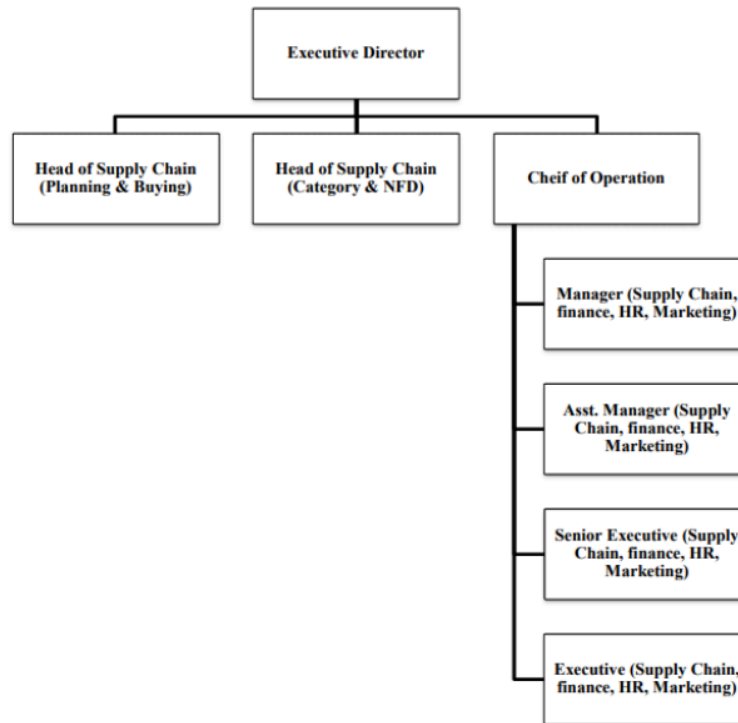


Fig. 2.4 Organizational Hierarchy of the Organization

Shwapno has a functional organisational structure, a design of the organisation whereby the organisation is broken down into different sections based on specialised functions—each led by a senior manager who reports to the Managing Director and finally to the ACI PLC Board of Directors. A functional structure separates the retail company into functional departments (e.g. operations, marketing, human resources and finance) with each department being headed by a manager who is answerable to a higher-level executive, and is suitable to retail companies requiring specialised teams that concentrate on specific areas of operation Organimi (Organimi, 2025). The structure is suitable to the scope of operations at Shwapno - having more than 870 stores, 7,000+ staff, and products that cut across several categories, the complexity of operations on a daily basis will demand strategic expertise that has been centralized to specific functional units in the head office (ACI PLC, n.d.).

The organisational structure of the ACI Logistics Limited is made up of two different levels namely the corporate head office (ACI Centre, Tejgaon, Dhaka), which is in charge of all the strategic, commercial and support level and the outlet level where day-to-day retail activities are carried out by outlet managers, assistant managers and Dream Attendants (DAs). A common structure in a retail chain is that of a Store Manager, then Assistant Store Managers in charge of various facets of brand and capability within the

store, and then frontline employees Retail Dogma (Retail Dogma, 2025). Shwapno reflects this model and every outlet is an independent operational unit, with centrally stipulated standards and guidelines.

Head Office Functional Departments

1. Operations Department

The Operations Department is headed by a Director of Operations and has the mandate of the day to day performance and physical management of the whole outlet chain of Shwapno. This department manages the regional operations, outlet expansion planning, retail sales performance and adherence to standard operating procedures within all store formats. Operations team deals with day-to-day operation of stores and warehouses in various regions where the retail organisation is founded Retail Dogma.

2. Category Management and Procurement

One of the most commercially important functions of Shwapno, which at the top of the hierarchy is an Assistant General Manager (AGM), Category and Procurement. This department is internally structured in terms of product category, each head of which is the Category Head of Fresh Produce, FMCG, General Merchandise (GM) and Lifestyle and is the one who selects the product range, negotiates with suppliers, plans promotions and allot stock to his respective category. Each of the teams has a Category Buying Executive that handles daily purchase order processing, coordinating with vendors, tracking deliveries, and resolving inventory issues.

2.2.8 Outlet Structure

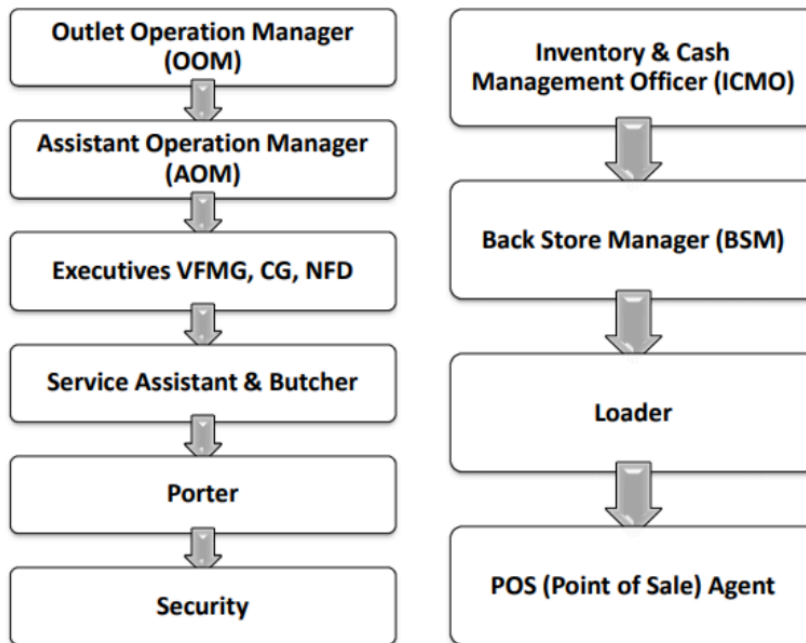


Fig. 2.5 Hierarchical Structure at the outlet

Each Shwapno store is run at the shop level by an Outlet Manager who is responsible in his entirety to the performance, staffing, and customer experience of that particular store. An Assistant Outlet Manager reports to the Outlet Manager and takes charge of day-to-day operations and assumes the role of the Outlet Manager when the latter is not available. Below them are the Dream Attendants (DAs) - the frontline sales personnel of Shwapno who do the product merchandising, stocking, customer care and implementation of promotional instructions sent by the head office category and marketing teams. Frontline employees make the bottom of the hierarchy and are the ones who are in direct contact with customers and perform routine operational duties. The outlet team is completed with cashiers and support staff; they handle the point-of-sale transactions, as well as support with the logistical duties i.e. receiving goods, turning stock over etc.

2.3 Management Practices

2.3.1 Organizational leadership Style

During the 6 months period of my internship, I have observed the leadership style of ACI Logistics Limited, Shwapno. They can be classified as democratic or participatory leadership style, where all the people involved from top management to executives are involved in decision making. Arif Dowla, managing director of ACI, also addressed the leadership style of the MD of Shwapno as transformational leadership. (The Daily Star, 9 May 2024)

At Shwapno, Category managers collaborate closely with their respective HOD to make decisions regarding pricing, promotions and merchandising strategies.

Furthermore, participatory or democratic leadership enhances employee engagement as well as ownership.

The Democratic leadership approach also incorporates a top to bottom control mechanism where monthly sales targets are reviewed and when they are not achieved as targeted, senior leadership including the business director and managing director conducts meetings and asks for corrective strategies. Thus, this leads to a directive leadership ensuring accountability and alignment with organizational goals.

Research suggests that participative or democratic leadership increases collaboration, and increases overall productivity by encouraging employee involvement.(Katie Shonk, March 2026). It also ensures that the company's strategic goals such as sales targets and revenue growth remain a priority.

2.3.2 Human Resource Planning, Recruitment and Selection Process

ACI Logistics Limited follows a structured, merit based recruitment process, particularly for internships and entry- level roles. Candidates are selected based on academic qualifications, analytical and communication skills. The interns have to go through a six month internship period and if they perform well they have to go through interviews with the BD and MD of Shwapno to be hired. New candidates go through a six months of probation period where they achieve their sales targets and performance. After this, they are hired as permanent employees.

2.3.3 Compensation and Performance Appraisal Systems

A performance based compensation system is followed. Interns are provided fixed stipend but for permanent employees compensation includes fixed salary and performance based incentives linked to sales target achievements. The employees are also given appraisals based on target driven appraisal systems. Category growth and profitability, execution efficiencies at store levels are key KPI for appraisals along with many others.

2.3.4 Training and Development Initiatives

Shwapno practices on-the-job training and experience based learning especially for the interns and the newly onboard employees. Employees are given training on how to use softwares such as Salient, SAP and EPS. They are also exposed to real time category management operations, cross- functional collaborations across different departments and product and market knowledge through surveys and research. The democratic leadership style further enhances learning as everyone is actively involved in decision making and problem solving processes which in turn increases confidence and skills.

2.4 Marketing Practices

2.4.1 Marketing Strategies

ACI logistics limited follows a customer centric and value- driven marketing strategy that also reflects on its vision and brand positioning. They focus on offering the customers ease, affordability and accessibility.

The marketing strategy is driven by frequent promotional strategies, price competitiveness and accessibility in all parts of the country. Shwapno also conducts data-driven decision making following sales trends and category performance are analyzed to optimize pricing decisions, promotions, assortment planning and merchandising which is essential in contemporary retail marketing. (Grewal et al, 2017)

2.4.2 Target Customers, Targeting and Positioning Strategy

Shwapno primarily began by targeting urban and semi urban middle- to upper middle income consumers however, after their expansion now Shwapno targets rural consumers as well. The retail follows a segmented targeting strategy and they mainly attract their target consumers by focusing on price sensitive customers through special discounts and promotions, quality conscious customers and people who want convenience at a cheaper price.

Furthermore, Shwapno positions itself as a modern, reliable and affordable retail chain offering a smooth shopping experience compared to local wet markets. According to marketing theory, efficient positioning requires creating differentiation in a customer's mind (Kotler & Armstrong, 2018) and Shwapno has already achieved the market differentiation as the no. 1 leading retail store of Bangladesh who offers store ambiance, organized merchandising and consistently cheaper price and value for money.

2.4.3 Marketing Channels

Shwapno has an omnichannel marketing channel, integrating both physical and digital platforms to communicate with customers.

To begin with, Shwapno has the offline channel of Shwapno consists of the brick and mortar stores. With around 870 outlets at present, and two more new outlets in line to be launched, Shwapno has the largest retail chain which makes it accessible to their target customers all over Bangladesh. They carry out vigorous in-store communications through price tags and banners. In addition, they also give out printed leaflets and national promotional catalogues. Alongside, there is also in-store miking where the best deal or promotional prices are announced to grab customer attention.



Fig. 2.6 National leaflets distributed to customers before every weekend to let them know about weekend offers

For the online channel, Shwapno goes heavy on social media marketing through their facebook page. They also have a brand promoter who goes and does live at the stores and interacts with customers. This represents Shwapno as a very friendly and customer centric store. They are also collabing with various influencers during Eid etc. In addition, they also have their E- commerce platform as well as mobile application and delivery services. They are also active in their instagram account.



Fig. 2.7 Static single creative on Facebook and Instagram



Fig. 2.8 E-leaflet posted on Facebook

2.4.4 Product/ New Product Development and Competitive Practices

Shwapno exercises existing product development by doing research on the product and the current market prices and strategy. They develop USP for the products, then they communicate it with the DAs of Shwapno so that they can increase sales. In addition to that, proper self optimization and eye level placement to improve visibility is one of the key practices carried out by Shwapno to develop the existing product to increase sales.

Shwapno also navigates through sales trends, does their market research, both local and international, in order to bring new products that would satisfy customer demands. New product development includes importing products from China, specially for GM products and collaborating with good brands to bring imported products across the country. They also take data driven decisions for the seasonal assortment. New product development also includes writing the USP of the product, conducting training sessions for the sales person of Shwapno and teaching them the know- how for specific products such as imported toys. They also carry out a dynamic pricing strategy for the products as well as frequent promotional offers and strategic shelf placement and merchandising to increase footfall.

2.4.5 Branding Activities

Branding activities are those which create a brand personality, uniqueness and differentiation from other brands. Branding activities involve creating a brand logo that is memorable with consistent typography and color palette, in-store visuals, price tags, packaging and unique customer experience that sets a brand apart from its competitors.(CAAD retail Design, 2024) Shwapno built a strong retail brand identity. Shwapno has repeatedly won the “Best Brand” in the superstore category, from Kantar

Millward Brown and Bangladesh Brand Forum from 2016-2019 and again in 2023. (Retail Chain Shwapno, n.d).

Shwapno has branded itself as a neighborhood partner to everyone rather than trying to be a supermarket, and that shifted the perceived value of the customers and built customer loyalty and trust. The four pillars of the value proposition of Shwapno are value for money, trust, bond and convenience. Alongside these, Shwapno's branding also involves CSR activities such as distributing comforters to the poor during winter, providing scholarship to the meritorious student named Omer, helping young entrepreneurs in rural areas etc. They also carried out campaigns such as "Shwapno Protidin Lakhpoti" where lucky customers could win BDT 1 lakh if they bought products worth 1000TK or more.

In addition to these initiatives, Shwapno strengthens its brand through consistent omni channel presence, live streams, campaigns during different festivals such as Pohela Boishak etc, all of which contribute to building a differentiated retail brand identity.

2.4.6 Advertising and Promotion Strategies

ACI Logistics Limited has an integrated marketing communication (IMC); it combines traditional and digital promotional tools. Traditional advertisements include discount campaigns and bundle offers that are communicated in-store with big and color coded labels, proper shelf placement etc. Printed leaflets and seasonal and festival campaigns. Whereas, digital marketing involves social media marketing, video based promotional campaigns, E-leaflets ensuring real-time customer engagement.

2.4.7 Critical Marketing Issues and Gaps

Shwapno has a commendable omnichannel presence however, several critical gaps are present. To begin with, Shwapno's marketing strategy which is posting static creatives is very plain and repetitive. They can incorporate something new and exciting such as a video or advertisement to attract customer's attention. Furthermore, even though Shwapno operates online through its E-commerce platforms, a lot of improvements need to be made such as improving SEO, affiliate marketing and a dedicated page for the everyday best deals.

Research data indicates that successful omnichannel marketing is not available for most retail markets, with only 3% retailers who have all channels fully connected. (Scott A. Neslin, 2022). Therefore, Shwapno can integrate more digital marketing platforms such as Youtube, TikTok, YouTube ads, Email marketing and a proper utilization of the E-commerce website can be applied.

2.5 Financial Performance and Accounting Practices

2.5.1 Financial Performance

The financial performance of ACI Logistics Limited, Shwapno is characterized by a high-growth, capital-intensive model of retail expansion, typical of emerging retail markets. Being a subsidiary of ACI PLC, its performance is commonly considered in the framework of consolidated finances of the parent company.

Shwapno has managed to grow its revenues over the years with a high rate of outlet expansion, diversification of its products and access to a wider customer base. As an example, Shwapno reported revenue of about BDT 1,389 crore in 2022, and positive net income of over 6 crore that is showing a slow transition into profitability. Moreover, the company has experienced approximately 25% growth in FY 2023- 2024, which indicates its further growth amid macroeconomic factors like inflation and lower consumer buying power.

But in spite of the increase in revenue, profitability is another issue of concern. According to the financial disclosures of ACI PLC, ACI Logistics (Shwapno) used to be a loss making segment in the past that has added to consolidated losses during some of the fiscal periods. Even more recent quarterly reports affirm that the retail segment has remained in losses, albeit with decreasing losses over time.

This move is indicative of a common retail growth approach, in which businesses focus on market growth, consumer acquisition and infrastructure building rather than profitability in the short term. The excessive capital outlay in expansion of the stores, the logistical infrastructures and integration of supply chains are costly to the operations in the short run and lessening the margins.

ACI PLC has heavily invested in ACI Logistics to facilitate its expansion. In 2026, the company sanctioned an investment amounting to BDT 640 crore in the form of convertible preference shares, which was aimed at enhancing operations and contributing to growth. Also, international cooperation like convertible loan agreement with Mitsui and Co. also points to dependence on external finance and strategic relationships to achieve long term growth.

On the side of profitability, the franchise business model of Shwapno is important in enhancing financial sustainability. The model is projected to produce a net profit of around 2-3% on sales, which will enable the firm to grow without the heavy capital obligation, but the investment risk is shared with franchise partners.

Accounting Practices

ACI Logistics Limited has the usual corporate accounting procedures under the guidelines of its parent corporation, ACI PLC, which complies with the internationally recognized accounting standards.

Accrual Basis of Accounting:

Since it is a big business company, ACI Logistics uses the accrual basis of accounting where revenues and expenses are recorded when they are incurred as opposed to the receipt or payment of cash. It is in line with International Financial Reporting Standards (IFRS) which are adhered to by listed companies in Bangladesh.

Adherence to Accounting Standards.

ACI PLC prepares its financial statements in line with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) to enhance transparency and comparability of financial information (ACI Annual Report, 2024-2025)

These are combined at group level in which the ACI Logistics is presented as a subsidiary segment.

Revenue Recognition

Retail sales of goods, such as groceries, general merchandise and own label products, are the main point of recognition of revenue. Since retail is a business, the recognition of revenue is at the point of sale.

2.6 Operations Management and Information System Practices

2.6.1 Use of Information Systems

Shwapno relies heavily on integrated information systems such as SAP, EPS mirror and salient. “Technology and Touch became the Mantra for Shwapno and they use it to monitor SKU level sales as well as neighborhood demographics to allocate products according to data- driven forecasts. The ERP system, specifically SAP, serves as a platform for managing data across departments. Another software that is used heavily is Salient. Salient stores large data, makes comparisons easier and thus is helpful to do trend analysis. With the help of salient, we can collect and store data related to sales, footfall, customer transactions etc.

The SAP is involved with storing stock and inventory information, checking real- time stock, generating PO and supplying it to the vendors, and making procurement decisions smoothly. The EPS gives accurate information regarding every day sales, according to

different outlets etc. The intergeneration of all 3 systems makes extracting and analysing data much simpler. Furthermore, there is a dedicated PIDs team where they analyse and highlight the company's shift toward data- driven retail decisions.

In addition to ERP systems, Microsoft Excel and Office tools are used for data analysis, reporting, operational tracking and performance analysis. The use of data from the ERP system makes it easier to manage a large retail chain with 872 outlets and thousands of SKUs across different categories.

2.6.2 Operations and Quality Management Practices

I. Quality Management

Shwapno maintains strong quality control, particularly in fresh produce and perishable goods and has adopted GLOBAL G.A.P. certification standards, to ensure food safety and agricultural practices that align with International levels. (Tuhin, 2025)

II. Scheduling and Supply Chain Coordination

The company requires continuous coordination across procurements, warehouse and store replenishment specially for perishable goods with a short life cycle (Takvir, Ashik, 2018). ERP systems play an important role regarding scheduling by providing real- time inventory and demand forecasting.

III. Resource Allocation

The brand follows a centralized resource allocation model, where logistics are managed from corporate level. In the franchising model that Shwapno follows, the franchisees only invest and gain profit; however, the company has full control on resource allocation and supply chain management.

IV. Management practices

Digital transformation and innovation plays an integral role in operational excellence. The ERP system helps to do demand forecasting across multiple categories and inventory management efficiency

2.7 Industry and Competitive Analysis

2.7.1 Competitor Analysis

Agora: The first superstore in the country was started by Agora (Rahimafrooz Bangladesh Ltd, established in 2001) and has 19 outlets located in Dhaka, Chattogram and Sylhet, and with an annual turnover of about BDT. 500 crore (Business Inspection BD, 2024). It's not volume-driven, but rather focuses on quality and ethical sourcing without competing on price or scale, playing with the premium urban consumer.

Meena Bazar: Meena Bazar (Gemcon Group) has several outlets in the country, but they are much smaller. Shwapno is regarded as the leader in terms of market share, with both Agora and Meena Bazar 'way behind' the leader at the national level (The Business Standard, 2021).

Daily Shopping: The most aggressive domestic competitor is Daily Shopping (PRAN-RFL Group) with 64 outlets in Dhaka, Cumilla and Chattogram, catering to 100,000+ customers per day. Supported by the wide network of suppliers it can be easily priced with its price and reach, and it is a formidable middle-class competitor if the expansion is accelerated and it becomes a medium-term threat.

Alfa Mart: The biggest new competitive challenge is from Alfa-mart. In January 2026, the Indonesian retail major rolled out its first Dhaka outlet with an upfront investment of \$50 million to be scaled up to \$120 million and aimed to open 100+ stores in Dhaka initially (The Business Standard, 2026). It is the most sophisticated international convenience retailer that Shwapno has encountered, offering its customers high-quality systems from Indonesia (14,000+) and the Philippines (2,100+) (The Business Standard, 2025).

2.7.2 Porter's Five Forces Analysis

Porter's five forces model, developed by Michael Porter is a commonly used framework for analyzing the competitive structure of an industry/ organization. Analysing the competitive environment of Shwapno through this framework helps explain the challenges as well as the opportunities for Shwapno. Moreover, it explains why the brand has become a dominant retail name in the country.

I. Threat of New Entrants

The size of the retail market in Bangladesh is \$18 billion and it is growing by 7.5% every year and the sizes of supermarkets are \$400 million which is growing at a rate of 12% annually. This rate is attractive to investors (Parvez, 2023).

In the Bangladeshi retail context, retailers face high tax rates, electricity supply problems, high capital cost and inadequate governmental support. Therefore, these factors make it hard for a new entrant to get into the market in Bangladesh. New entrants have to compete with already established brands with loyal customer bases. In addition to that, building a supply chain as strong as Shwapno will be a challenge. That being said, it is also important to address the threat from franchise- model convenience stores backed by large conglomerates such as Pran RFL's Daily shopping which is expanding aggressively. Hence, the threat to new entrants is moderate due to high capital and supply chain barriers, while the franchise model presents a growing indirect threat.

II. Bargaining Power of Suppliers

The majority of Shwapno's suppliers are local farmers, small and medium FMCG producers and packaged food manufacturers. The company has a strategic response to reduce dependency on a single supplier. They have substitutes as well as they are developing their own private label brands across multiple categories. In this way, Shwapno reduces its dependency on any single external supplier reducing supplier power. Therefore, bargaining power of suppliers is low to moderate.

III. Bargaining Power of Buyers

According to Porter's framework, buyer power is highest when products are not differentiated and there are substitutes, which means that the switching costs are lowest. (The Five Forces - Institute for Strategy and Competitiveness, n.d.). The majority of products sold at Shwapno are available at other competitor stores, or wet markets at close proximity. Price sensitive consumers can access the other stores or markets with ease.

In addition to that, the purchasing power of people is decreasing and people have less access to cash, especially in rural areas. The household cost is rising than the nominal wage growth for many people resulting in more price conscious consumers. (The Daily Star, n.d.-a). Furthermore, the access to digital media platforms increased customer bargaining power because the customers can compare prices, check product availability, and read reviews before making a purchase decision. The bargaining power of buyers is very high since there is less switching costs, price sensitivity, more access to substitute goods etc.

IV. Threat of Substitutes

The threat of substitutes does not only come from direct competitors but also from alternative channels by which consumers can satisfy their needs. The traditional wet markets of Bangladesh currently hold 1.6% market share, and they also offer fresh produce at a competitive price that most retailers fail to match as well as with credit systems.

In addition to that, digital threats are growing rapidly such as digital platforms like Chaldal, Pathao grocery, etc. allows the convenience to shop groceries from the comfort of their homes with access to quick delivery. Hence, more and more consumers are switching to digital solutions.

V. Rivalry Among Existing Competitors

The rivalry among existing competitors has expanded in recent years. When Shwapno first started in 2008, the first competitors were Agora and Meena Bazar but now Daily Shopping, Alfa mart, Amana Big Bazar, Unimart and Prince Bazar are also expanding. Although Shwapno has a greater market dominance in terms of outlet counts and market share, the gap might narrow down as competitors are also growing rapidly.

Daily Shopping by PRAN RFL poses a competitive threat since it is backed by one of the largest conglomerates and it is expanding through a convenience store format. Meena bazar, though the outlets are fewer in number, have a solid base of loyal customers. Meena bazar also has their digital platform, Meena click and they are expanding their online customer base as well. Agora on the other hand has a Sri Lankan investor with a new expansion strategy.

Therefore, Shwapno's competitive advantage and gap is narrowing as rivals are getting better investments, or are backed by large power houses. Price competition remains the only primary differentiating factor and hence the competitive rivalry is moderate to high for Shwapno.

2.7.3 SWOT Analysis of Shwapno

Strengths: With 870 retail stores across Bangladesh, and a stronger E-commerce platform, Shwapno is the largest modern retail chain in Bangladesh which serves around more than 60,000 households daily,(Parvez, n.d.-b) and holds a market share of 51%. It also has the Global G.A.P and HACCP standards certification that ensures product safety and supply chain integrity. The franchise model of Shwapno accelerates footprints,

despite having capital risks and the company has the target of reaching 3000 outlets by the end of 2028.

Weaknesses: In the fiscal year 2022-2023, Shawano accumulated a loss of TK 1600 Cr. and even though the company has seen a profit of Tk. 1832 crore and 13 crore of operating profit, it still has an accumulated loss of 154 crore in interest expenses.(Babu, 2024a). The smaller stores of Shwapno are smaller than those of small stores of Agora, Meena bazar etc, with a parking space crisis which is a complaint from customers.

Opportunities: In February 2026, Mitsui & CO. signed an agreement with Shwapno to provide convertible loan to ACI Logistics Limited and teach them the know-how of 7 countries, along with technical expertise and global sourcing capabilities. This deal is a new opportunity for the brand to expand its networks, digital capacity and the great opportunity to accelerate growth.

Threats: The Daily Shopping which is a company by PRAN RFI is expanding at a faster rate. Its aggressive expansion poses a threat over Shwapno as it may challenge Shwapno's mass market positioning. Other growing digital Grocery and E-commerce platforms also pose a threat over Shwapno. Platforms such as Pathao, Chaldal .com, Daraz etc. are becoming popular among busy consumers of Dhaka city who prefer the convenience of home delivery.

2.7.4 Competitive Advantage

Shwapno's competitive advantage is a combination of its massive scale across the country, supply chain integration and brand trust which the company built over the past 18 years. The company has reached the market leader position as it was successful in achieving a world- class retail architecture and shopping experiences for its consumer.

Common Strengths: The common strengths that can be replicated are its largest outlet goal to provide convenience to its consumers, given that the capital is present.

Imitable Strength: The imitable strengths are the E-commerce platforms and integration of softwares such as Salient, SAP etc and a lot of current market competitors are developing their digital capabilities rapidly.

Distinctive Strengths: The distinctive strengths of Shwapno is their franchise model and its early adoption of Global G.A.P and HACCP and thus, it provides them with a strong brand equity which rivals find difficult to duplicate.

No other retail has replicated the seed to shelf concept of Shwapno yet, its franchise model and the brand loyalty among its 90000 families that the brand serves. The contract with Mitsui also gives the brand an advantage that no retail in Bangladesh still has. These are not just strengths, these factors differentiate Shwapno as the no. 1 leading retail brand of the country and gives it a competitive edge among rivals.

2.8 Summary and Conclusions

Summary

Shwapno has grown to be the largest modern retail chain in Bangladesh, operating more than 872 stores including 779 franchise outlets and serving more than 60,000 households daily. It is well known that the company operates through a well structured business model that combines participatory leadership, data-driven decision making and a strong franchise model with control from the head office. The leadership style of Shwapno is an amalgamation of democratic and transformational approaches, where employees are transferring the work space with new innovations and ideas and are involved in decision making, while top management ensures accountability through performance monitoring.

In terms of marketing, Shwapno adopts a customer centric strategy to attract price sensitive consumers through frequent attractive promotions and offers and through a strong omnichannel presence. The brand has successfully positioned itself as an affordable and reliable modern retail chain, differentiating itself from traditional wet markets and general stores, through ambience and low prices and offers.

In terms of operations, the company demonstrates strong efficiency through the use of SAP, salient and EPS (ERP system) which allows them to monitor real time data, demand forecasting and inventory management. Shwapno operates in a highly competitive environment and its consumers are extremely sensitive to price and hence bargaining power of buyers is extremely high and other substitute mediums are available at close distances without any significant switching costs. Despite these challenges, the company targets to operate 3000 outlets by the end of 2028 and hold a leading position in the retail industry.

Conclusion

In conclusion, Shwapno has combined its asset scales, franchising model, technology and customer centric approach and integrated it into a framework that enabled it to become the leading brand name. Its strong operational backbone, supported by an international contract with Mitsui & CO, efficient supply chain practices and customer centric marketing allows it to achieve its vision and become successful at a competitive retail network.

From suffering from losses to turning it into operating profit and becoming the no. 1 retail brand of the country, Shwapno has done it all. Maintaining this leadership position, as well as climbing higher to achieve its target requires continuous improvements, particularly in digital marketing innovation, omnichannel integration etc. With increasing competition from both physical as well as online/E-commerce retailers, Shwapno must further strengthen its technological capabilities.

Lastly, the company's unique franchise model, seed to shelf concept and strategic partnership such as the collaboration with Mitsui, provides a strong possibilities for growth and in the long run, Shwapno will not only maintain its market leadership in Bangladesh, but will also compete with global retail standards.

2.9 Recommendations/Implications

- **Online marketing and integration of channels**

The level of activity Shwapno currently uses in its social media content is supported by the use of static creatives, which does not allow it to attract and maintain the audience in a rapidly growing visual and dynamic online environment. It is highly encouraged that Shwapno invests in video-based content marketing on the platforms like YouTube, Tik Tok and Instagram Reels, since the short-form video materials have proved to have much higher engagement rates on the retail marketing settings. Moreover, the company ought to create a special area on their e-commerce site where they offer the best deals every day to enhance their search engine results as well as retention of customers. Personalized promotional offers can also be harnessed by use of email marketing and push notifications via the mobile application, thus lessening the use of physical leaflets and in-store miking.

- **Technology Development and E-Commerce.**

Despite Shwapno having an e-commerce platform and mobile application, it could use a lot of work. To compete with the emerging digital groceries like Chaldal and Pathao Grocery, the platform needs to be optimized with a more effective SEO strategy, affiliate marketing schemes and better user interface. Since fast-commerce is gaining popularity among urban consumers, Shwapno may want to consider an express delivery option via their existing franchise network that would capitalize on its geographical footprint as both an asset but not exclusively its physical presence.

- **Utilization of the Mitsui Collaboration**

February 2026's collaboration with Mitsui & Co. can be seen as a groundbreaking moment for the company. Shwapno should capitalize on the technical know-how and experience accumulated by Mitsui throughout its operations in seven different countries in order to improve its supply chain management system, implement digital technology,

and adopt international standards of retail management. This strategic alliance is not limited only to financial resources but also enables Shwapno to compare itself to international retail standards.

Chapter 3

3.1 Introduction

This Chapter represents the roles and duties I fulfilled during my time at ACI Logistics Limited, Shwapno as a Category Intern. My marketing and operations major helped me with running my duties across a cross- functional work environment. I was actively involved in the General Merchandise (GM) Category which includes Home appliances, electronic Appliance, Home Accessories: Textile, Home Accessories: Kitchen & Dining, Gifts and Toys, Stationeries.

My primary responsibility was to ensure a smooth operation by managing and coordinating various modes of communications. This included communicating offers to the General Merchandising team in order to ensure that all the products are merchandised accordingly to increase their visibility, the offered prices were communicated to the marketing team to ensure marketing across the social media platforms, the data, was further communicated to all the outlet representative, Dream attendants (DA) of Shwapno and to all the outlet managers to ensure proper focus on merchandising. These efforts were aimed at maintaining consistency in messaging and maximising product visibility across both digital channels and physical stores.

During my time there, I had the opportunity to look closely at how these merchandising decisions impacted sales and hence I grabbed the opportunity to conduct my research on How merchandising at eye level and different pricing strategies and price tag designs influenced the psychological behaviors of customers through real-time data.

This is a role that provided first-hand, real-time insights into a problem right at the core of GM category performance at Shwapno. A major difference between groceries and day-to-day items is that they're not habit-forming consumers: most people don't visit a store with a specific plan in mind about buying a rice cooker, or kitchen gadget. The purchase process is largely in-store with where a product is placed on the shelf and the price communicated as key factors influencing a sale. Even so, I noted that placement of goods in Shwapno's outlets was largely intuitive and didn't follow a systematic, evidence-based system; that is, no system to determine what products would be at eye level or how price tags would be designed and put in place. The study is dedicated to filling this gap, which exists between the principles of merchandising on a global level and what GM intuitively knows about their own merchandising in Shwapno.

3.1.1 Background and Problem Statement

The retail environment is actively and carefully engineered in a way where the product placement, shelf height, and price communication acts as an influencing factor of what a consumer picks up and decides to purchase. General Merchandising items such as Home

appliances, electronic appliances, home accessories and textiles, toys and stationeries etc. are not habitual items like foods and groceries, they are rather need based. Customers who visit the General merchandising items are mostly visiting the retail stores to buy other daily routine products, however when they visit the General merchandising aisle, their eyes should catch the products that may interest them and they might even buy it if there is an attractive offer. A footfall for other daily products may turn into footfall for General merchandising.

The relationship between shelf positioning and consumer attention has been well-known for decades in the retail settings internationally. Product placement research confirms that shoppers start by looking at the products from eye-level and hence the eye level is also considered as the buy level. Research also supports that the eye level/ buy level often leads the customer to make a purchase decision within a span of less than 8 seconds which is a behavioral pattern by consumers that gives the products at eye level a significant advantage of being selected and purchased by consumers. (Trax Retail, 2024).

Beyond placement, pricing strategies and communications also carries its own influence on purchasing decisions of consumers. Consumers are sensitive to how the prices are framed and it creates a psychological effect due to the numerical value exploiting the cognitive behavior biases of human beings.

Research indicates that placement of a product at the eye level also known as the “Golden zone” increases the sales by 20- 30%.[\(Yetimaslan, 2026\)](#). However, despite this International evidence, there remains a gap between industry practices and academic knowledge in the retail setting of Bangladesh. Retailers rely on analytics and their intuitions to enhance sales performances rather than a proven and structured study. However, the retail market is slowly transitioning from intuition based to data driven choices and hence there is a need for longitudinal data in the Bangladesh retail settings.

This study at ACI Logistics Limited, Shwapno, is aimed to address this gap by analyzing six months of internal weekly and monthly sales data to examine how shelf height positioning and price tag framing and designs influence customer purchasing decisions and sales volume across a selected products from the General merchandising categories.

3.1.2 Objective(s)

The specific objectives of this study are as follows:

Objective 1: The first objective is to examine the relationship between shelf height placement and monthly sales differences for Rice Cooker; a General Merchandise Product at Shwapno outlets, to determine whether products placed at

eye- level generated higher sales compared to last year when they were not placed at eye level.

Objective 2: To observe how the weekly price changes (pricing framing) for selected GM products affected the Sales Volume, to identify the magnitude of the pricing strategy impact on consumer psychology by using six months of cross-sectional sales data.

Objective 3: To observe customer perceptions of shelf height visibility and price display clarity through primary data obtained through a structured survey, in order to understand the psychological mechanisms through which in-store merchandising shapes purchase decisions.

Research Questions

Q1. Does selling a General Merchandise product at the height of the eye level shelves boost the sales volume of the product at Shwapno's stores compared to the same month/year of last year, and does this continue to last for six months?

Q2. What are the effects of the different price tag presentations on the General Merchandise products sales at Shwapno and what does it reveal about the price sensitivity of Shwapno's consumers?

3. What is the awareness and reaction of Shwapno customers on the eye level shelf placement and the visibility of price tags in the store and how much does in-store merchandising affect their product discovery, purchase intention and purchase abandonment?

3.1.3 Significance

The significance of this study is to contribute to the academic literature as well as benefit Shwapno by finding empirical evidence of the correlation between shelf height placement, price related adjustments and sales outcomes.

Moreover, there is less practical evidence to address if global merchandising literature principles produce similar outcomes in the Bangladeshi retail context. This study aims to bridge this gap.

Most of the academic studies and research is based on western retail contexts such as European, American, Scandinavian retail chains. These research are the foundations to our understanding of in-store merchandising and pricing strategies. However, their direct

applications on the retail consumers of Bangladesh with a different socio-economic environment and needs, price sensitivity profile and cultural differences cannot be assumed to be the same. Thus, this study aims to provide empirical evidence within the Bangladeshi retail chain to understand the buying behaviors of the consumers of this country.

3.1.4 Scope of the Study

This study is strictly limited to ACI Logistics Limited Shwapno and the data and findings cannot be generalised to other retail chains of Bangladesh without further independent analysis as the outlet formats, products brands, customer demographics are very different for other retail stores.

In terms of product scope, the study only concentrates on GM products and no other categories. This category was selected because unlike daily needs and habitual products, GM product's purchasing decisions are more elective and therefore more practical for examining visual merchandise practices.

Lastly, in terms of geographic scope, the primary data collection for the customer survey was conducted at selected Shwapno outlets in Dhaka, mainly, Gulshan, Dhanmondi and Muhammadpur area. The samples selected were random and spontaneous. The findings from Dhaka urban customers should not be applied to rural outlet customers without further studies.

3.2 Literature Review

One of the underlying assumptions of this report is that a large percentage of the consumer purchase decisions are made within the store, not outside the store before entering the store - making in-store merchandising a valid and effective force behind sales results instead of a fringe aesthetic issue. This assumption is empirically confirmed by several large-scale researches.(Inman, Winer, and Ferraro ,2009).

They discovered that the initial level of the probability of unplanned purchase was 46% using a dataset of in-store intercept interviews of 2,300 consumers across 28 stores but that contextual in-store factors such as displays, category characteristics, and customer characteristics could push the probability to a high of 93% SAGE Publications (Inman, Wener and Ferraro, 2009) This observation is especially applicable to the category of Shwapno General Merchandise; a discretionary and non-habitual buying situation where in-store setting is likely to be even more influential than in daily grocery shopping.

In their organising model, published in the Journal of Retailing (Grewal, Levy, and Kumar,n.d) have defined that the management of the in-store experience of the customer, including the pricing, promotion, presentation of the products, and physical environment is not only a service issue but a value creation strategy.

According to them, to be competitive and survive in the retail business, there has to be a conscious emphasis on the management of all touchpoints of the customer experience, and the shelf and the price tag are some of the most influential. In the Journal of Retailing, it is stated that it is the stimuli at the point of purchase such as price tags and shelf arrangement that influence consumer information processing, memory, and the formation of attitudes during the in-store journey (Puccinelli, Goodstein, Grewal, 2009).

These early works all come to the conclusion that the retail setting is not a passive spectator in the consumer decision process of purchase, but instead an active participant and that the placement and pricing signals that are the subject of the empirical research discussed in this paper are valid subjects of empirical research with quantifiable commercial implications.

One of the most directly applicable empirical studies compares the performance of three shelf height conditions: eye-level, waist-to-shoulder-level and knee-level and using ANOVA analysis he concluded that the sales performance differed significantly ($p < 0.05$) between the shelf levels, with products placed on eye-level generating a sales performance of about 60 percent increase in the case of biscuits. The Pearson correlation showed that there was a positive association between shelf levels and sales figures (Kamasak, 2008) The design of the study is very similar to the current one where the data of weekly sales in the form of disaggregation by shelf height is used quantitatively so it is a direct predecessor to the analytical framework that was used in Chapter 3 of this report.

Another control in-store experiment was carried out where the highest percentage of purchases of potato chips was correlated with the middle shelf position as opposed to the high and low shelf positions, which validated the significance of the placement of items as a determinant of the buying behaviour in consumers (Sigurdsson, Foxall, 2009),

Chandon, Hutchinson, Bradlow, and Young (2009) contributed to the knowledge about the mechanism, by which shelf position influences sales, in the Journal of Marketing. In a commercial eye-tracking laboratory experiment in a supermarket, they discovered that brand evaluation depended heavily on the number of shelf facings, which was mediated entirely by its influence on visual attention, and that top and middle shelf positions received more attention than bottom shelf positions - with top-shelf positions mediating best to brand evaluation Semantic Scholar. This paper demonstrates that the sales advantage of eye-level placement is not simply a convenience effect, but it works via a quantifiable attentional mechanism which is, the

consumers notice products more easily that are placed highly, judge them in a better way, and choose them more often.

The phenomenon of partitioned pricing which is basically the act of dividing the total price of a product into parts showed that partitioned prices reduce the total costs recalled by consumers and raise their demand, and how consumers perceive the surcharge and the importance they assign to the brand name in response to partitioned prices also affects consumer response to partitioned prices (Morwitz, Greenleaf and Johnson, 1998).

Although Shwapno applies combined but not partitioned pricing in its GM category, this study confirms the larger theory that the manner, but not the numerical value, in which the price is framed and communicated, has a significant influence on consumer response.

First, as thoroughly reported by a 2025 survey of the literature on shelf space allocation in the literature published on ResearchGate, more empirical studies in a variety of cultural settings are needed, since consumer behaviour and reactions to shelf positioning can be dramatically different across different areas - the bulk of the existing empirical literature has been carried out in the context of Western retail setting ResearchGate (ResearchGate, 2025). The Bangladeshi retail consumer who are working in a developing economy with acute price sensitivity and low modern retail penetration (1.6%), and huge wet market substitution alternative, is exactly the type of under-represented situation that should be empirically validated locally, and not transferred to Western results through assumptions.

Second, as the above literature review demonstrates, the majority of research on in-store placement and pricing has concentrated on the food and packaged consumer goods (FMCG) sector, with little research exploring the general merchandise (non-food) sector in comparison ResearchGate. There is a higher-value, discretionary product mix in Shwapno GM category of home appliances, electronic accessories, textiles, kitchen products, gifts, toys, and stationeries where consumer attention, price responsiveness, and location responsiveness may vary significantly compared to the purchasing of groceries. This gap is the source of the particular contribution of this study.

Third, the jointness of shelf height and price tag design as an interacting merchandising intervention has been under minor focus in even Western merchandising literature. The design of the current study, whereby both variables are measured independently, and then pooled together, helps to realize the way that the two popular retail instruments interact in a longitudinal, retail context.

3.3 Methodology

This study uses a mixed- method approach, with both quantitative and qualitative data to explore the effects of product placement and price label on consumer purchase behavior at Shwapno's General Merchandising category. This study validates the validity of well established merchandising principles in the Bangladeshi market.

Three sources of data were used. At first, we conducted a controlled experiment in 200 selected outlets where we placed Noah Rice Cooker at eye level in the same order. We compared the sales after carrying out this placement campaign.

Secondly we collected 5 months of sales data and compared year-on-year to check whether the sales growth continued.

Thirdly, a customer survey was conducted at the Gulshan, Dhanmoni 27, Green Road and Ring road with 18 sets of questions on customer behavior regarding awareness of product visibility and importance of proper price tag and price sensitivity.

Limitations

There were two major limitations of this survey. Firstly, the demographic of this survey is mostly middle aged and young people as older people were not willing to take part in this survey. Secondly the sample size is rather small and there is an absence of a formal control group and the bias of the survey conducted in Urban dhaka

3.4 Findings and Analysis

3.4.1 Introduction to Findings

This chapter represents the findings drawn from six months of internal sales data obtained from the system software Salient at ACI Logistics Limited, Shwapno. Primary survey data is collected from customers across a few selected outlets. The analysis is carried out to find out the four research objectives, i.e. the impact of shelf height on sales volume, the effect of price tag design on purchase decisions of customers, the influence of weekly price changes on sales performance and customer perception on in-store visuals and merchandising. The findings are presented in both quantitative and qualitative forms.

3.4.2 Impact of shelf height on sales volume

In this study, we examined if shifting a product to eye- level shelf placement actually produced any measurable increase in sales volume at Shwapno outlets. At first, we implemented it to 200 outlets only and studied the results.

To begin with, we selected 200 outlets, and implemented the same merchandising strategy. We selected some Big stores that had a larger shelf space designated for the GM

category and we also selected the smaller store with only one Gondola for the GM Category. In the big stores, we placed 4 Rice Cookers on the eye level shelf and 3 rice cookers for the smaller stores.



Fig. 3.1 Rice Cooker Eye-Level Shelf Display — 4-Face (Big Store) and 3-Face (Big Store) Configurations

Short term Sales Impact (3- day comparison)

After implementing this placement across the selected outlets, the changes in sales volume were closely assessed by comparing sales over a matched 3-day period (Friday, Saturday and Sunday before and after the implementation of the eye- level campaign). The same days of the week were selected to eliminate any variability caused by weekend versus weekday customer footfall patterns.

Controlled Variables: The Brand and size of the Rice Cooker were kept constant at all outlets. The tops and bottom shelves also had similar products and the prices were kept constant across all outlets. The outlets were called and asked for pictures to verify that everything else remained constant.

GROWTH OF Sales QTY (31 OCT- 2NOV Vs 7-9 NOV)

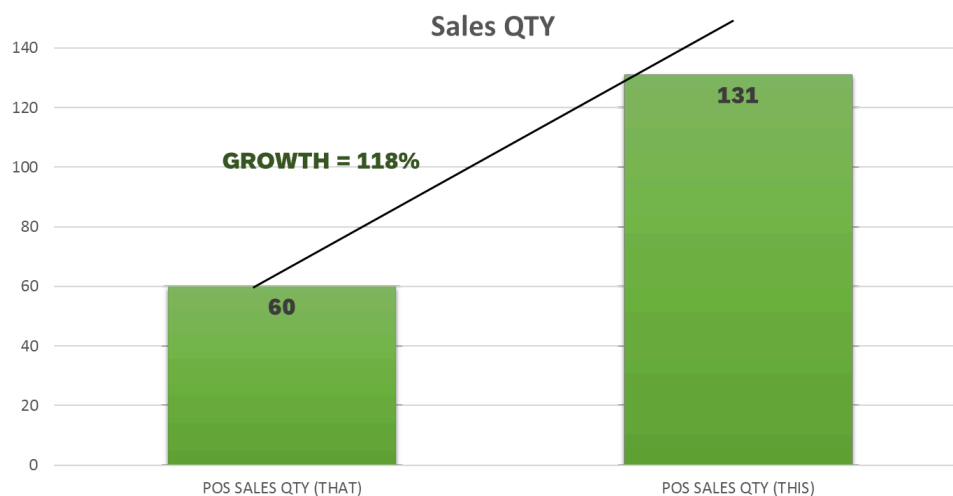


Fig 3.2. Growth of Sales Quantity — 31 Oct–2 Nov (Before) vs. 7–9 Nov (After Eye-Level Placement)

Result: We observed a Sales growth of 118% over this period of time. The stores sold an accumulated number of 60 units within 3 days before the implementation of placement at eye-level and after the implementation, there was a drastic rise, and the outlets sold 131 units in those 3 days. The outlets collectively sold approximately double in a single week which resonates with the hypothesis that shelf height has a strong impact on consumer purchase behavior at Shwapno.

This result is in line with the cornerstone principle of retail merchandising that "eye level is buy level" (Trax Retail, 2024), and compares well to Kamaşak's (2008) result of some 60% sales growth from the eye-level placement of biscuits in a Turkish retail store. The 118% result at Shwapno is higher than this, which could reflect that GM products have previously enjoyed very limited visibility in the modern retail environment in Bangladesh where eye-level placement of such discretionary products is less common.

3.4.3 Five- Month Cross- Sectional Sales Trend

After this result was achieved, we tested the theory and ensured the placement of Noah Rice Cooker at eye level and observed its growth over a period of six months. From the observations we found that, given that the stock was available, the Rice Cooker sales increased compared to their last year's sale when the product used to be placed at other shelves other than the eye- level.

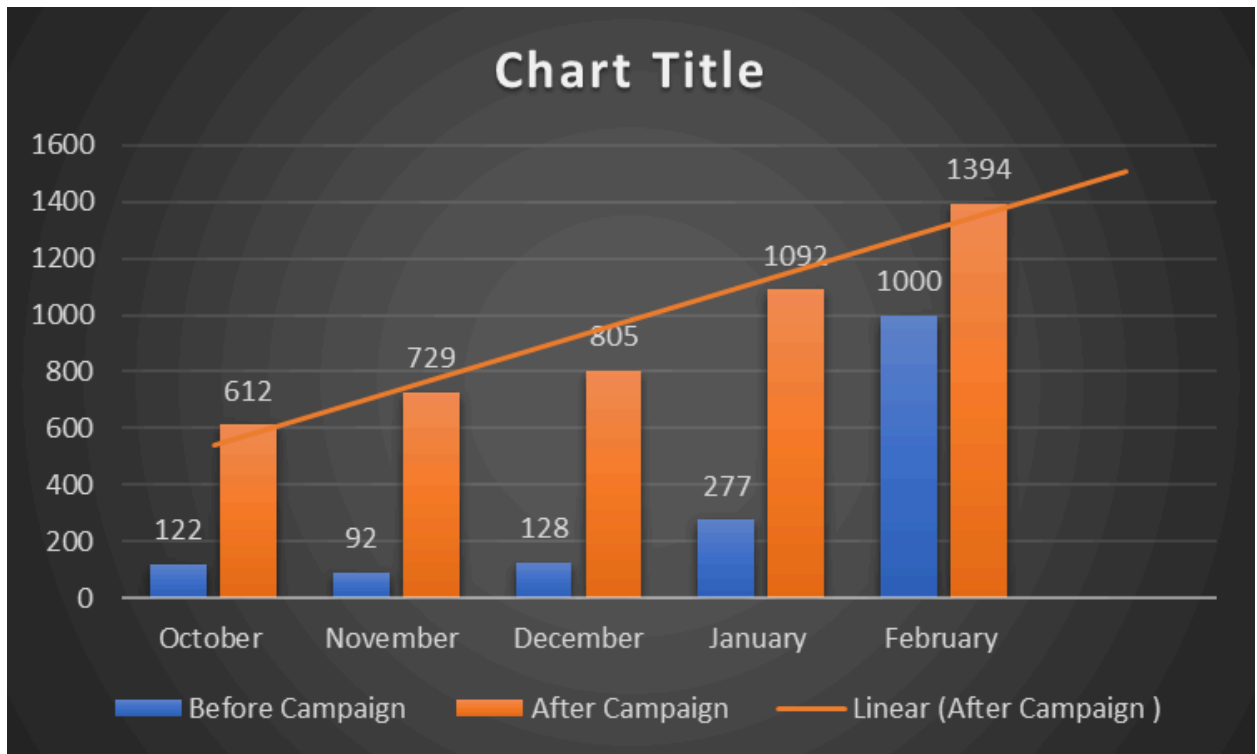


Figure 3.3: Monthly Rice Cooker Sales — Before Campaign (Last Year) vs. After Eye-Level Campaign (This Year), October–February

The findings of the five-month study paint a clear picture. Year-on-year volume sales were significantly elevated for all five months after the eye-level placement campaign. In October, sales increased from 122 to 612 units (402%). In November and December, sales grew by more than 690% and 529%, respectively. In January, sales grew from 277 to 1,092 units - an increase of 294%.

The figures also show a key point: the absolute increase in sales between baseline and campaign sales steadily increased from October to January, showing a compound effect. This indicates that the impact of eye-level placement is not just a short-term novelty effect but it leads to ongoing attention drawing and repurchases which is in line with the observation that shelf prominence leads to the formation of habitually repeated attention patterns. (Chandon et al.'s ,2009)

In February, there was a relatively small year-on-year increase of 39.4% (1,000 to 1,394 units). But this needs to be put in context - February sales last year were already the highest for the month, presumably reflecting the pre-Eid shopping season. That the eye-level campaign was able to produce even further growth on top of an already high baseline figure is interesting.

This quantitative data related to Rice cooker sales, thus concludes that eye level is indeed buy level and placing a low performing product at eye level can increase its sales by a significant level by grabbing the customer's attention and that the effects are sustained for at least five months.

3.4.4 Impact of price tag design on consumer Attention and Sales

Besides placing the product on the shelves, the effect of different types of price tags on consumer behavior was evaluated. The effects of three different types of price tags were recorded for a chosen product from the General Merchandise category, during different weeks: one with a normal price tag of BDT 1,999; another with a special price tag suggesting that there was a reduction of BDT 1,000 in price compared to the initial cost; and finally, a high price tag of BDT 2,150.

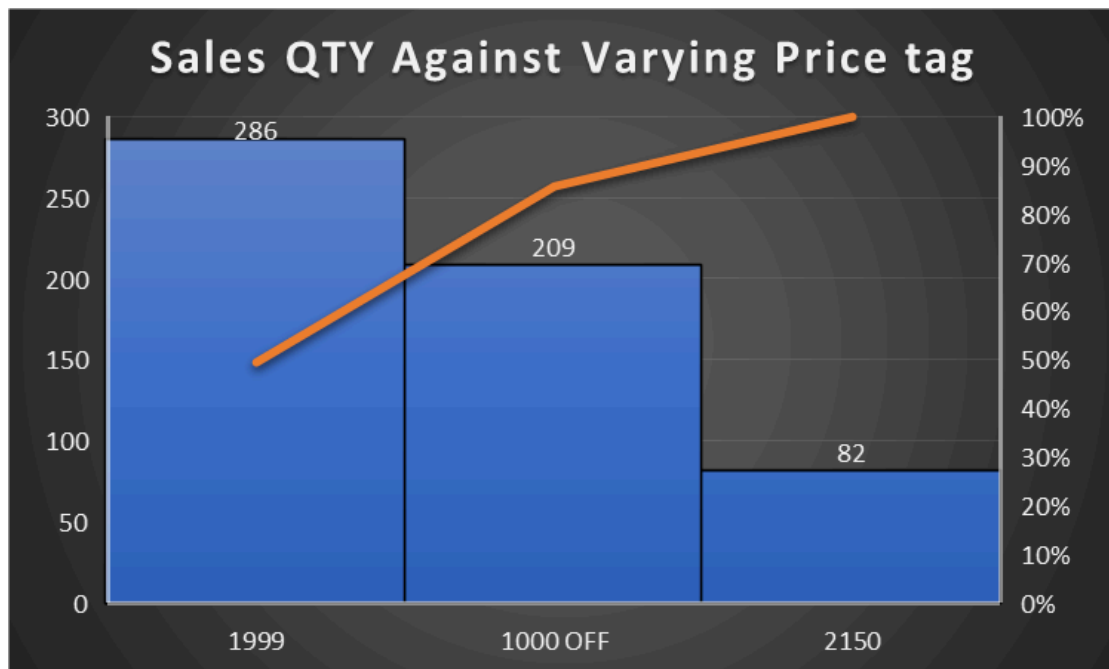


Figure 3.4: Sales Quantity Against Varying Price Tags

The price tag TK 1999 generated the highest sales volume at 286 units which is 49.6% of total sales across the 3 price tags. This finding supports the charm pricing and anchor

effects, a price just below the TK. 2000 threshold is psychologically thought of as being a lower price tier. Which reduces the perceived price of the product and in turn increases the likelihood of being purchased.

The price tag “ TK 1000 OOFF” corresponds to a sale of 209 units. This pricing strategy is known as partitioned pricing or discount framing strategies, while this pricing strategy. On the other hand, the price tag “2150 produced the sharpest decline in sales, with only 82 units sold. This drastic drop is consistent with high price sensitivity of the Bangladeshi middle income consumers, which was also later observed in the survey which will be discussed later, that proves that price elasticity of demand for GM products at Shwapno are relatively high.

3.4.5 Customer Perception - Findings from Survey

The structured customer survey consisting mostly of close ended questions, were used to understand what customers thought about shelf positioning and price display when making a purchase decision. A total of 30 respondents completed the survey. The objective of conducting the survey was to gauge the perceptions of customers regarding the shelf height positioning and price visibility in terms of how the psychological factors influence their buying behavior.

Survey Finding 1: Which shelf level do customers notice first

When browsing an aisle at Shwapno, which shelf level do you most commonly notice products from first?

30 responses

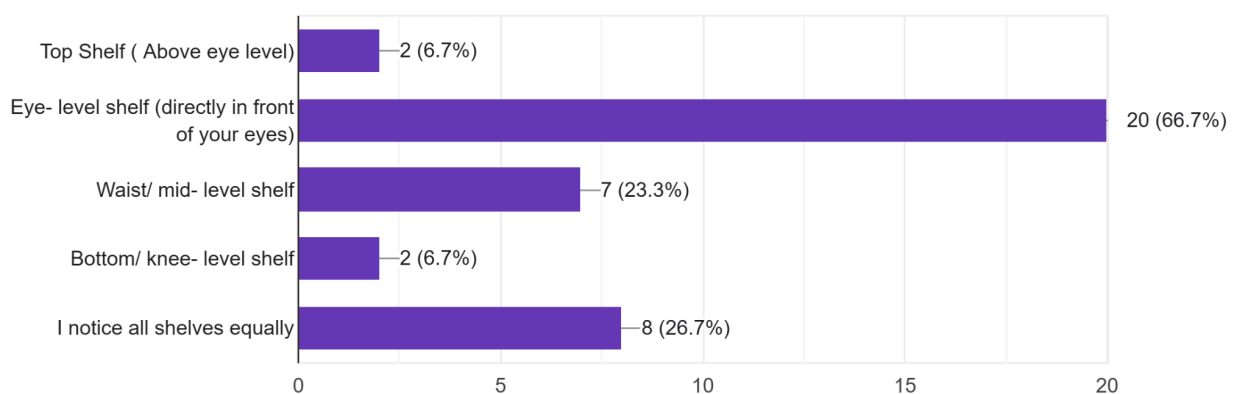


Fig. 3.5 First noticed shelf level During aisle browsing (n=30)

The direct test of the underlying principle of this study is provided by this question. The majority of respondents (66.7%), or 20 of the 30 claimed they most often notice products first from the eye-level shelf when shopping down an aisle.

An additional 23.3% notice the waist or mid-level shelf first, but only 6.7% report first noticing the top or bottom shelves. Even the 26.7% who reported that they notice all shelves equally, the primary natural line of sight for most of them is at eye level.

This survey data supports the empirical and theoretical results of this study. Products that receive first-notice attention essentially become part of a consumer's consideration set at the start of the in-store decision-making process, which is essential for discretionary General Merchandise (GM) products which have low purchase motivation and rely on in-store cues to stimulate demand.

Survey Question 2: Eye- level Unplanned Purchase Behavior

How often do you pick up a product that is placed at eye level, even if you did not plan to purchase it beforehand?
30 responses

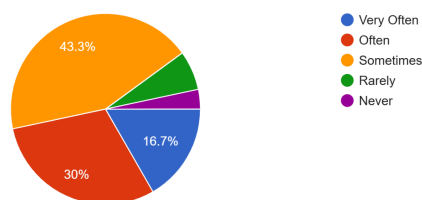


Fig 3.6 Frequency of Unplanned eye level purchase

46.7% of those surveyed say that they often buy items directly from the eye-level shelf without any intention to do so, while another 43.3% sometimes do so, with only 10% indicating that it has a minimal effect on them. These directly explain the 118% sales uplift seen in Section 3.4.2; that Rice Cooker sales almost doubled across 200 outlets is a result of an age-old subconscious consumer urge to buy something that can be seen, even if it's not being planned for.

Survey Finding 3: How often people notice products placed on the bottom shelf

How often do you actively look at products placed on the bottom shelf (knee level) while shopping?
30 responses

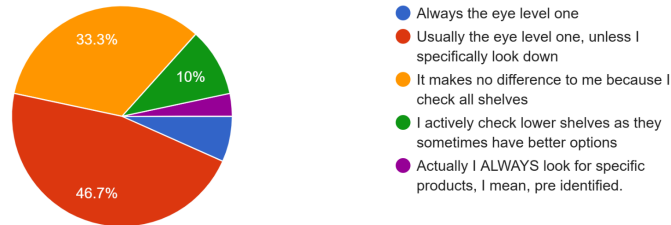


Fig 3.7 Consumer Attention in different shelf levels

Data shows that bottom shelf items are paid far less attention to by consumers.

As many as 53.3% of all participants (who consist of 46.7% who tend to look at eye-level height plus those that only look at eye-level) confirmed that when shopping, they look upwards (eye-level and up); bottom shelf items need one to bend or reach down. It is noteworthy that only 10% of participants tend to buy bottom shelf items intentionally.

Survey Finding 4: At what shelf height level do customers make the most purchases

Please indicate your level of agreement with the following statements regarding shelf positioning. 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

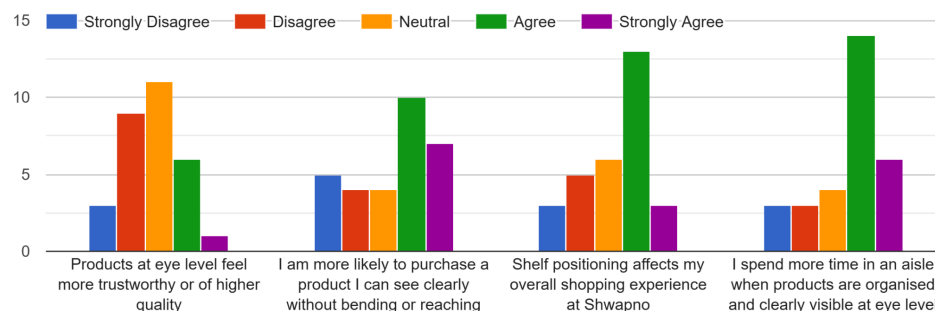


Fig 3.8 Likert Scale responses on shelf positioning attitudes (n=30)

The items on the Likert scale provide four crucial observations.

- The greatest consensus (66.7%) was on increased dwell time at organised eye level displays, which is directly relevant to a discretionary category such as GM where extended dwell time is linked to impulse purchases.

- The second (56.7%) was direct purchase likelihood for easily visible products which also triangulates with the 118% sales uplift from the shelf experiment.
- Third, 53.3% agreed that shelf positioning contributes to their overall shopping experience, which is related to the perception of Shwapno's brand.

Notably, the sales effect of being "on eye level" was attributed to visibility and convenience, but not to perceived quality bias -- indicating that the strategy is effective and not biased.

Survey Finding 5: At what shelf level do they discover new products the Most

Which of the following best describes how you typically discover new products while shopping at Shwapno?
30 responses

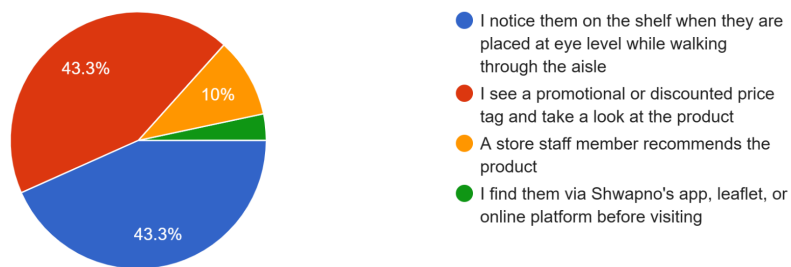


Fig. 3.9 Representation of how customers find new products

This finding clearly shows that merchandising within the store is the primary factor influencing consumers' discovery of products at Shwapno, since eye-level merchandising was reported by 43.3% of the sample, and promotional pricing was also reported by 43.3%, making up an impressive total of 86.6%. This clearly suggests that shelf merchandising and communication of price information within the store are significantly more influential than promotions or employees in terms of product discovery.

Survey Finding 6: Importance of Clear Price Display

How important is it to you that prices are clearly and prominently displayed on the shelf?

30 responses

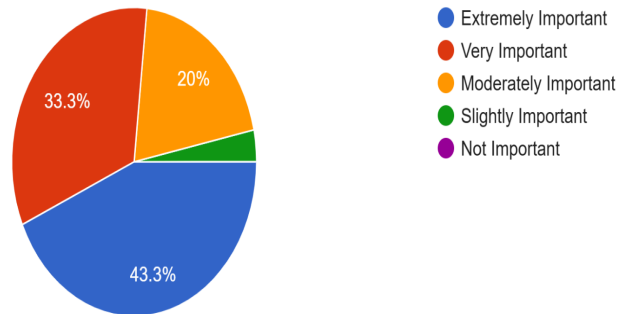


Fig. 3.10 Importance of Clear Price Display

Have you ever decided NOT to purchase a product at Shwapno because the price was unclear, missing, or hard to find on the shelf?

30 responses

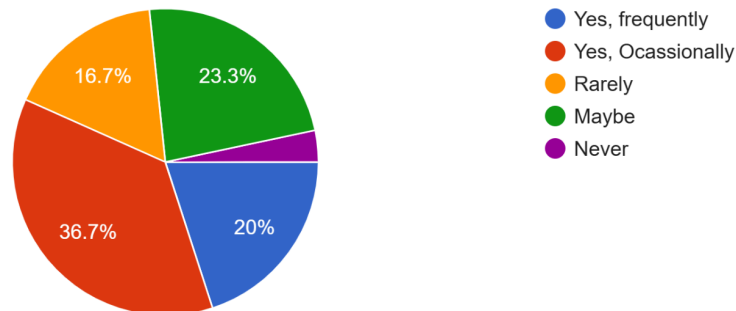


Fig. 3.11 Percentage of people who did not buy a product because the price tag was not visible

- Unclear, missing and difficult-to-find pricing leads to lost sales in Shwapno's 863 outlets with 56.7% of respondents saying they abandoned a purchase because of unclear, missing or hard-to-find pricing.
- Another 23.3% responded "Maybe", signaling price ambiguity can instill a level of uncertainty even when it isn't necessarily an impediment for abandonment.

- Together with 76.6% rating the clear display on the price of the product as extremely or very important , it reveals a distinct difference between consumer expectations and the way stores do their job.

How sensitive are you to weekly price changes for general merchandise products at Shwapno (e.g., electronic appliances such as coffee maker, rice cooker, pressure cooker, flasks etc)

30 responses

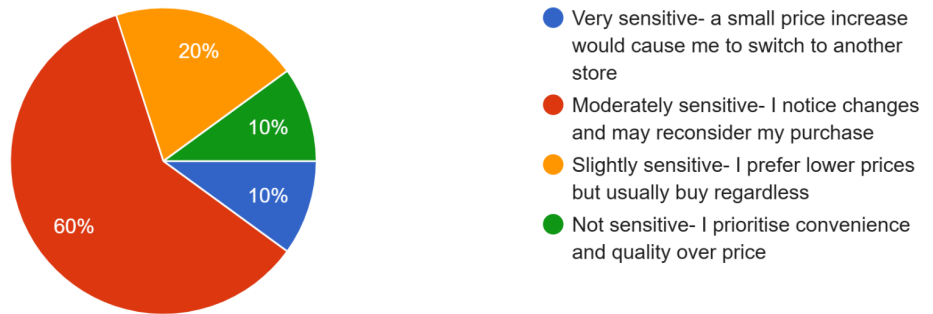


Fig 3.12 Consumer Price sensitivity to Weekly Price Changes

Disposable incomes of Bangladesh's shoppers are also price sensitive as 70% are found to be moderately to very price sensitive for GM products, out of which, higher shares of moderate and very price sensitive shoppers are observed in comparison with the expectation of a non-grocery product range.

- 60% feels moderately sensitive (may think twice about buying) and 10% is very sensitive (may change stores completely).
- This directly supports the reduction in sales when the price was increased to BDT 2150 in the Section 3.4.3 of the survey which had recorded a 71.3% decline.
- But the leftover 30% — slightly or not sensitive — are considered one of the more valuable groups that could be converted to higher-margin products with the appropriate in-store cues (short descriptions, in store placement, etc.).

3.4.7 Summary of Key Findings

Key Findings

Finding	Evidence	Implication
Eye-level shelf placement immediately drives higher sales	118% sales increase in 3-day experiment (60 → 131 units)	Eye level is the single most impactful non-price merchandising lever for GM products
The impact of eye-level placement is sustained over time	Year-on-year growth of 294%–692% across 5 months of data	Strategic eye-level placement drives structural, not seasonal, sales improvement
Standard clear pricing outperforms discount framing	BDT 1,999 tag: 286 units vs. BDT 1,000 OFF tag: 209 units	Clarity and simplicity of price communication outperform complex promotional framing in this market
Price increases have disproportionate negative impact	BDT 2,150 tag drove only 82 units vs. 286 at BDT 1,999 (-71.3%)	GM consumers at Shwapno are highly price-elastic; maintaining price points below psychological thresholds is critical
Eye level is the natural first point of consumer attention	66.7% of survey respondents notice eye-level products first	Product placement at eye level creates a structural visibility advantage that directly influences purchase decisions
In-store placement and price tags are top discovery channels	Eye level + promotional price tags = 86.6% of all product discovery	The store environment is the primary marketing channel for GM; investment in in-store execution yields higher returns than external media for this category
Price sensitivity is high across the GM consumer base	70% of survey respondents are moderately to very price sensitive	Competitive and stable pricing is non-negotiable; even modest price increases risk significant volume loss
Unclear price tags cause confirmed purchase abandonment	56.7% of customers have abandoned purchases due to unclear pricing	Price tag execution failures carry a direct, measurable revenue cost that is operationally recoverable

Table. 3.1 Summary of Key Findings from Quantitative Sales Data and Customer Survey

1. Eye-Level Products are Notice First

The majority of respondents (66.7%) automatically see the eye-level first and little attention is dedicated to higher and lower shelves. Even when the consumer is "scanning", eye level is the starting point for visual attention, verifying its role in being noticed by the consumer - particularly important for low-intent GM products.

2. Eye-Level Prompts Impulse Purchases

Some 90% of those surveyed confirmed that eye level affects their unplanned purchases (46.7% often/very often, 43.3% sometimes). This is in line with the uplift observed, confirming that eye-level placement results in unconscious buying.

3. Bottom Shelf Visibility and Impact is Low

The bottom shelves are largely ignored with only 10% specifically buying from that location. This poses a visibility challenge, reducing product visibility and sales.

4. Greater Visibility Leads to More Time and Sales

66.7% of survey participants claimed they linger longer in the aisle when products are easily visible at eye level, and 56.7% are more likely to purchase a product that they can easily reach. It shows that our engagement and buying behaviour are influenced by merchandising.

5. Position Impacts Experience, Not Quality

More than 50% agree that placement influences the consumer experience, but most people don't associate eye-level placement with higher quality. So sales increases are due to prominence and convenience, not suspicion, which makes it a viable, long-term approach.

6. Product Discovery is Driven by In-Store Merchandising

The combination of eye-level placement and price tags makes up 86.6% of product discovery, trumping store associates and other promotions. This confirms that for GM the store is the primary sales channel.

7. Price Tag Execution = Lost Sales

56.7% of shoppers have missed out on a purchase due to unclear pricing and 23.3% were unsure. With the majority (76.6%) saying it's important to know prices, this shows a significant but correctable execution issue.

8. GM is Highly Price Sensitive

Some 70% of consumers are price sensitive and will decrease their consumption at even slight price hikes. But some customers (30%) are less sensitive suggesting the potential for premium branding through appropriate branding cues.

9. Survey and Sales Data are Well Aligned

Overall, the survey results reflect both the trends in the sales data, so it is clear that visibility, price clarity and in-store cues drive these behaviours and sales in Shwapno's GM category.

3.5 Summary and Conclusions

This study examined the effect of shelf positioning and different price tags on consumers' behavior and GM purchases in Shwapno, where there is almost no empirical research.

The 118% increase in sales in just 3 days after the Rice Cooker was moved to eye-level at 200 outlets is testament to the fact that the product has been performing very well from that point. The rice cooker had sold more than double i.e. between 39.4% and 692% in 6 months since its put up at eye-level, which is a testament to its effectiveness. First of all, it uses the eye-level approach, and it is effective. This perfectly answers research question 1 which explores if maintaining a product at eye-level shelf height boosts sales over a sustained period of time.

The results further proves research Q2. which examines the effect of different price tags on consumer behavior. The results indicate that the presentation of the price is as important as the price itself. The clear BDT 1,999 tag outperforms the "BDT 1,000 OFF" tag, clearly showing that it is better to be clear than being discounted. The majority of customers, 70% of the surveyed, are moderately or very price sensitive and that figure was completely wiped out by the increase in price to BDT 2150. Shwapno's GM shoppers want pricing that's easy to understand and they grow displeased at price hikes rapidly.

The RQ3 seeks to answer the awareness of Shwapno customers at eye level placement and the visibility of clear price tags and how much in store merchandising affects their product discovery, purchase intention and their purchase abandonment. The results validate the store environment as the place to make the purchase decision. 86.6% of a new product discovery is driven by eye-level placement and price tags, which is much more than digital and staff-led channels. 90% of people say eye level products impact their purchases, 56.7% walk away from products when pricing is unclear. The chances on the store shelf are Shwapno's most powerful marketing tool, and the data indicates that its usage is under-leveraged today.

In summary, the research concludes that executing merchandising is a key sales driver for Shwapno, with significant upside for scalable growth through enhancing product visibility on shelves and price tags, rather than through higher external marketing spending.

3.6 Recommendations/Implications

1. Implementation of price tag audits with zero tolerance for gap

With 56.7% of consumers not buying products due to unclear price labels and 76.6% of consumers believing that it's important to have clear prices, there is no excuse for non-compliance. Daily pre-store audits at all stores should ensure all GM products are correctly and clearly tagged, priced and placed with audit findings connected to performance management. The multiple modes of communication required to change prices are complex and prone to error; a price tag update system with standardised template formats electronically sent to the outlet managers would be more effective.

2. Simplify Design of Promotional Price Tags

The ineffectiveness of "BDT 1,000 OFF" tags suggests that consumers want to know final prices, rather than having to figure out how much they will save. The final price should be clearly displayed on the price tag, with less prominent text showing the original and promotional prices (e.g. "NOW BDT 1,999 - WAS BDT 2,999"). The use of color (red for promotions, white for non-promotions, and gold/orange for new and/or exclusive products) would also be helpful.

3. Train Dream Attendants in Merchandising

Inconsistency of in-store execution suggests limited Dream Attendant skills. A training program should urgently be developed for adherence to planograms, price tags and promotional displays in all stores. This should be backed up by illustrations (laminated one-pager per product category) of how and where to place and tag, and to be updated periodically and delivered through the current channels.

Appendix A.

Survey Questionnaire

Participant Information & Informed Consent

This questionnaire is administered as part of an academic internship research study at Shwapno, ACI Logistics Limited. Your participation is entirely voluntary and anonymous. No personally identifiable information will be collected or disclosed. Responses will be used solely for academic research purposes. By proceeding, you confirm your voluntary consent to participate in this study.

Q1. What is your age group?*

- ☐ 18-24
- ☐ 25-34
- ☐ 35-44
- ☐ 45-54
- ☐ 55 or above

Q2. How frequently do you shop at Shwapno?*

- ☐ Daily
- ☐ 2-3 times per week
- ☐ Once a week
- ☐ Option 2-3 times per month
- ☐ Other:

Q3. On average, how much time do you spend browsing an aisle at Shwapno before making a selection?*

- ☐ Less than 30 seconds- I know what I want and pick it u quickly
- ☐ 30 seconds to 1 minute - I glance at a few options
- ☐ 1-3 minutes- I compare products and prices
- ☐ More than 3 minutes- I browse extensively before choosing

Q4. When browsing an aisle at Shwapno, which shelf level do you most commonly notice products from first?*

- ☐ Top Shelf (Above eye level)
- ☐ Eye- level shelf (directly in front of your eyes)
- ☐ Waist/ mid- level shelf
- ☐ Bottom/ knee- level shelf
- ☐ I notice all shelves equally

Q5.How often do you pick up a product that is placed at eye level, even if you did not plan to purchase it beforehand?*

- ☐ Very Often
- ☐ Often
- ☐ Sometimes
- ☐ Rarely
- ☐ Never

Q6.How often do you actively look at products placed on the bottom shelf (knee level) while shopping?*

- ☐ Always
- ☐ Usually
- ☐ Sometimes
- ☐ Rarely
- ☐ Never

Q7. How often do you actively look at products placed on the bottom shelf (knee level) while shopping?*

- ☐ Always the eye level one
- ☐ Usually the eye level one, unless I specifically look down
- ☐ It makes no difference to me because I check all shelves
- ☐ I actively check lower shelves as they sometimes have better options
- ☐ Other:

Q8. Please indicate your level of agreement with the following statements regarding shelf positioning.

1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

Products at eye level feel more trustworthy or of higher quality	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I am more likely to purchase a product I can see clearly without bending or reaching					
Shelf positioning affects my overall shopping experience at Shwapno					
I spend more time in an aisle when products are organised and clearly visible at eye level					

Q9. Have you ever decided NOT to purchase a product at Shwapno because the price was unclear, missing, or hard to find on the shelf?*

- ☐ Yes, frequently
- ☐ Yes, Occasionally
- ☐ Rarely
- ☐ Maybe
- ☐ Never

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