

Route to Market Analysis of Arla Foods Limited





Internship Report on

Route to Market

From

ARLA Foods Bangladesh Limited

Submitted to-

Ms. Tania Akter

Lecturer

BRAC Business School

BRAC University

Submitted by-

Robiul Hossain

ID-14204078

BRAC Business School

BRAC University



Letter of Transmittal

29th November 2018

Ms. TANIA AKTER

Lecturer

BRAC Business School

BRAC University

Subject: Submission of Internship report.

Dear Madam,

I would like to submit my report named “Route to Market” which is prepared as a part of academic requirement for BBA Program of BRAC University.

I have successfully completed my internship period of 3 months at ARLA foods Bangladesh Limited. In preparing this internship report, I have complied with the instruction of my organizations supervisor while at the same time I tried to follow the guideline given by you. I also tried to implement the marketing and sales concepts that I learned throughout my BBA program. I will be glad to clarify any discrepancy that may arise in the overall report.

Thank you for your kind cooperation in this period.

You're sincerely

Robiul Hossain

ID- 14204078

BRAC Business School

BRAC University

ACKNOWLEDGEMENT

At the beginning of preparing this internship report, I want to convey gratitude to almighty Allah for the blessings upon me completing this report. This internship report is an outcome of the effort of many people. For this, I am grateful to many people who helped me to organize the report and their kind suggestion and cooperation for this. I have received many advice and help from numerous amount of people. I would like to take the opportunity of thanking them.

I would like to thank my academic supervisor Ms. Tania Akter; Lecturer, BRAC Business School, BRAC university for providing me all the necessary help for completing this report. Thank you so much madam for all the assistance and guideline in last three months. I am also thankful for your patience that you have shown throughout the internship period.

I would like to thank Hossain MD Ruhin Sabbir, Route to Market manager, Arla foods Bangladesh for entrusting me with such an important task and allowing me to work like a regular employee with freedom. Thank you very much for the guideline and care which enabled me to sharpen my skill at the top level. I would like to show my gratitude to you because of the unique learning. Moreover, I would like to thank Md Mahbubur Rahman, Sales data analyst for helping me with so many advices and learnings.

Lastly, I would like to thank all the ARLA member for making my internship journey a rememberable one. Thanks for being so much generous to me and the learnings.

Executive Summary

Arla, one of the most renowned nutrition company with a tagline of “close to nature” drives the company to provide the customer with the best testing and quality food choices in a wide range of dairy category. The actual meaning of Arla is morning which indicate fresh and natural.

Arla is 4th largest dairy food producer in the world and operating for more than 130 years. Though People of Bangladesh consuming Dano since 1962 but ARLA foods started in 2014. It just a start of the company in Bangladesh. Within three years Arla foods obtained 25% market share and obtained 2nd position. Moreover, it won three best brand awards consecutively.

Today Arla foods limited is strongly positioned in market to go through its policy of constant innovation and renovation, concentrating to its core competency and commitment to high quality, with the aim to provide the best quality milk product to different aged people in Bangladesh. Arla is committed to increase the nutrition level in Bangladesh.

Arla foods limited started the Route to Market department for the overall development of sales force while reducing the cost. From the beginning, the RTM department has shown much potential and became a vital part of the company. When other company is going to third party for these kind of assistance, Arla started operating the department on their own. It ensures the easiness for the sales force and make sure that they are getting the reward that they deserve. RTM enables the company to reduce cost in unnecessary plans and steps.

Though this report is not only about the route to market but also about the marketing strategies and the alignment of these two. I tried to correlate these two functions and tried to prove that it is possible to grow on a higher rate with a combined strategy. This reports also includes the ATL and BTL strategies so that the correlation can be proved. The study is divided into several parts including introduction, objective of studies, methodology of study, limitation of study, company overview and implementation part, finding of the study, recommendations and conclusion.

Table of Content

Chapter	Description of chapter	Page
1	Chapter 1- introduction	0
	Introductory statement	0
	Letter of transmittal	0
	Acknowledgement	0
	Executive summary	0
	Table of content	0
2	Chapter 2- Company Overview	
	Introduction and Origin	1-3
	Mission	4
	Vision	4
	Strategies	4
	Organogram	5
	SKU wise product and Price	6-8
	Objective	9
	Methodology	10
	Literature Review	11
3	Job Description	12
	Chapter 3 - Route to market	
	Marketing structure	13
	Above the line, Below the line	13-14
	Digital Marketing	15
	Route to market	16-21
	Aligning RTM with Marketing	22
	Findings	23
4	Personal Experience and Learning	24
	Chapter 4 - Conclusion	
	Recommendation	25
	Conclusion	26
	References	27

Chapter 2

Introduction

Arla Foods is the largest Scandinavian milk producer of dairy products and 4th largest dairy product manufacturer in the world. The company was established 130 years ago as a cooperative endeavor to establish a structure for common dairy farms. The continuous development and improvement made Arla Foods as one of the largest company in the world.

Every day at Arla foods is a new opportunity to think about the existing product and generating new ideas for future. Not only company is dedicated to make the best quality product for its consumer using new technology everyday but also to uphold social responsibilities through delivering healthy and natural foods to the consumers. As a part of global initiative, there is a consistent attempt to make the world a healthier place to live.

Arla has achieved a lot in this long journey of 130 years which includes many awards and recognition but it's still a long way to go and become the no 1 dairy company in the world. The mission of Arla food is simple” be a global leader in the dairy industry by dynamically shaping the future of dairy products and its consumption”

Arla product have made a big impact in the minds of Bangladeshi customer for more than 5 decades with premium quality and taste. People have adopted the brand very well because of the value that company providing for many years. The company is growing everyday according to a very well-structured plan. Though we believe there are many things to do for achieving the overall goal of ARLA.

Origins of Arla Foods

In 1880s, the farmer of Sweden and Denmark established an idea to cooperate and invest in dairy facility. The first dairy was established in Sweden under the name Arla Mejeriförening at 1881 and the second one established in 1882 at Denmark.

On 1915, Farmers from Stockholm created the largest cooperative dairy organization which used to sell the dairy product at the chain shops. The merge between Arla and MD foods in 2000 led to the creation of what we know today as ARLA foods. Eventually it speeded to other countries and made itself as one of the biggest brand in the world. Now Arla foods is operating at 30 countries with over 19000 employees. Now the company is comprised of 13000 farmers who are the actual owner of the company.

Arla in Bangladesh

The first product of Arla which came to Bangladesh is the powered Dano when the brand was under MD foods. Dano milk powder was imported from 1962-1970 by various businessman when the country was considered as a part of Pakistan. Md foods recognized the market potential from then. So, they started their liaison office to track market activity of Bangladesh Market, eventually leading to a letter of credit being authorized from Bangladesh to Denmark. In 1995, Mutual Trading was given the full authority to import powered Dano. In 1998, They started the production facility in Bangladesh to meet international standard. In 2011, Arla foods separated from Mutual Trading and started to sell product as Arla Foods Bangladesh. Now it's under Danish management and controlled globally. Arla is increasing the product line very fast to ensure the present of each dairy product.

Company Overview

Arla food is dairy cooperative, owned by over 12500 farmers all over the world. The philosophy of Arla foods is to produce natural and healthy dairy product for the customers. In 1880s when dairy farmers from Sweden and Denmark joined together to produce and provide the best quality milk product in the world. The revenue generated by the company goes directly to the owners. It ensures the equal distribution of the profit from each liter of milk. It's the strategy that made Arla so popular between European farmer in a very short period. Being a farmer owned company, they are committed to high quality product, high standard of animal welfare and food safety.

Arla food is an international co-operative based in Denmark and the largest producer of milk in Scandinavia. Arla food was formed as the result of merger between Swedish dairy cooperative Arla and Danish dairy company MD foods on 17 April 2000. Arla kept its relationship with customer throughout the world in a very smooth way. Arla foods Bangladesh started operating under Danish management from 2014. Since then ARLA is touching new milestone every year.

There are different strong competitors in Bangladesh. They are Marks, Diploma and Fresh. Arla haven't been the market leader yet but under the Danish management, Arla is moving very fast toward the market leadership.

Mission, Strategies and Vision

Mission

The mission is to ensure the highest value for the farmers link along with creating opportunities for their growth. As a cooperative milk producing company, our task is to ensure that we can make as much value as possible for the milk producers and thereby achieve the best price for their milk- for both owners and other suppliers.

Vision

The vision is to be the leading dairy company in the world by creating considerable value and proactive market leadership to obtain the highest available milk price. Our aim is to maximize the price get into owner's hand. For fulfilling the objective, we are determined to create the added value and demonstrate the proactive market leadership. Being the market leader means a very strong negotiation position. WE want to be the most attractive dairy milk company for both our owners and employees and for our customers and suppliers

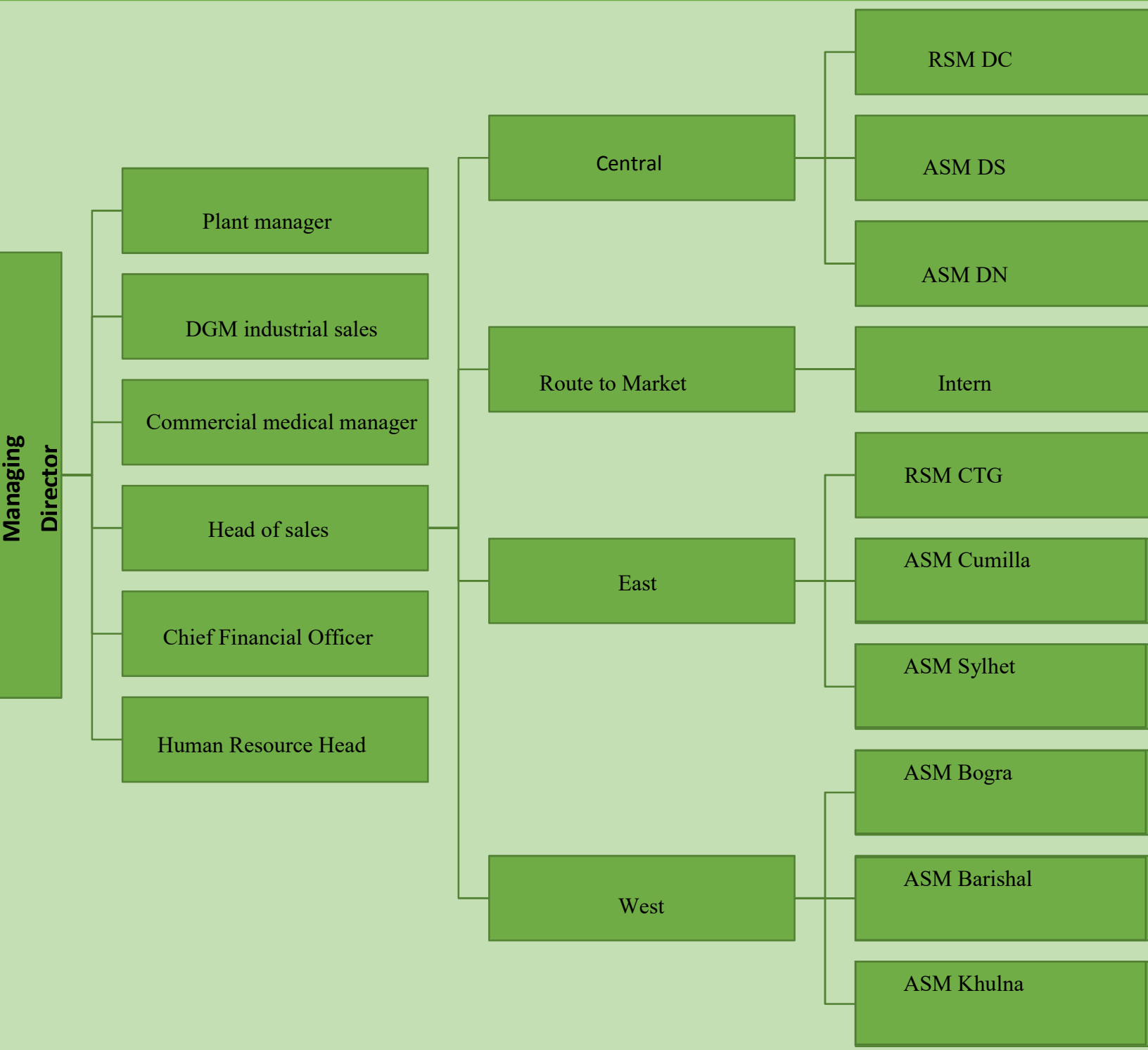
Strategies

The following strategies are used strategically for success

- Product Quality Assurance
- Innovation and Renovation
- Customer Relationship
- Research and Development

Source- Arla amba Website

Organogram of Arla foods Bangladesh



Arla Products

- **Dano Full Cream Milk Powder-**

Give your family the fundamental vitality and sustenance they require with Dano full cream milk powder. This is the most sold and nurtured product of the company. Arla see this as their mother product though they also focus on the product as well. It can be found as both regular and instant form. This highly notorious product has an identical composition of cow's milk-not to mention the creamy flavor. FCMP is also rich in vitamin A and d3 which contain a high level of Calcium which is required for growth, development and maintenance of human's bone and teeth.

- **Dano Daily Pushti(DDP)**

Dano daily Pushti is affordable nutrition answer for the families. It contains Calcium, Protein and necessary vitamins and minerals which are essential for family health. It's more feasible for tea and milk-based product. One glass of nutrition cost 10 Taka.

- **Dano Fit**

This milk powder is very much necessary for the people who wants to keep their body fit. Dano fit has all the necessary material to maintain a healthy life. It only contains 0.1% fat. Moreover, it has calcium, vitamin A, vitamin D. The product name was Dano slim at first, but the name was changed.

- **Dano sterilized cream**

In addition to power product of the company, Arla also sells cream which names Dano sterilized cream. It's a regular product with rich flavor. This cream can be used to make cakes, faluda, korma and all kinds of sweets what Bangladeshis love very much.

- **Dano MOM**

Dano Mom is milk based nourishing supplement product which is filled with fundamental vitamin and minerals. It's for the women who are intending to become pregnant or women who are pregnant and ladies who wants to breastfeed their kids. It meets international hygiene and nutritional quality. A full glass of Dano Mom satisfies the necessity of 100 % vitamin D, Folic acid, Iron, Calcium,70% zinc and other necessary supplements.

- **Dano Captain**

This is the new attachment in Arla foods Bangladesh. A rich chocolate milk powder specially made for growing kids. These is the first of its type in Arla history. It's a mixture of sugar and chocolate milk.



SKU wise Product and price

2.2

Brands	SKU Name	(Taka)
	Dano Power - 2.5 Kg	1,500.00
	Dano Power - 1.5 Kg	850
	Dano Power - 1 Kg	590
	Dano Power 1 Kg Pillow Pack	575
	Dano Power - 500 Gm	298
	Dano Power Classic - 400 Gm	248
Dano Power	Dano Power - 400 Gm	248
	Dano Power - 200 Gm	135
	Dano Power - 100 Gm	70
	Dano Power - 20 Gm	15
Daily Pushti	Dano Daily Pushti - 2 Kg	745
	Dano Daily Pushti - 1 Kg	375
	Dano Daily Pushti - 500 Gm	199
	Dano Daily Pushti - 400 Gm	165
	Dano Daily Pushti - 325 Gm	150
	Dano Daily Pushti - 250 Gm	115
	Dano Daily Pushti - 200 Gm Pouch	95
	Dano Daily Pushti - 200 Gm BIB	99
	Dano Daily Pushti - 100 Gm	48
	Dano Daily Pushti - 20 Gm	10
	Dano Daily Pushti - 8 Gm	5
	Dano Captain	Dano Captain Choco 150gm
Dano Captain Choco 30gm		15
DanoCaptain Choco 12gm		8
Dano Fit	Dano Fit 350 Gm	295
	Dano Mom 360 Gm	450
Deelac	Deelac 1 BIB - 180 Gm	220
	Deelac 1- 400 Gm	530
	Deelac 2- 400 Gm	530
UHT	Full Cream UHT Milk 3.5%	198
	Low Fat UHT Milk 1.5%	198
	Skimmed UHT Milk 0.3%	198
	Lacto free UHT Milk 3.5%	248
	Organic UHT Milk 3.5%	248

Objective of the studies

Main Objective

The main objective was to find out and understand the role of Route to Market and how RTM is changing the overall performance of the company. Moreover, how exactly Route to market contribute towards increasing sales.

Other Objectives

- To investigate the alignment between Route to market and Marketing department of Arla Foods Bangladesh Limited.
- To find out how Route to market helps in doing all level of marketing.

Methodology of the study

The study would be Qualitative in nature. Thus, Methodology included direct observation, face to-face discussion with customers & the brand promoters of Dano Power in the targeted market place.

Primary Source of data Collection

- Primary data are collected from the field force and different Arla foods employees.
- Primary data consist many observations which were taken directly from Route to market manager.
- Personal observation while doing internship.
- Feedback from Sales representatives and Territory officers throughout Dhaka city.
- Consumer Feedback.

Secondary Source of Data Collection

Secondary data are collected through 3 ways. They are-

- Official website of Arla Foods Bangladesh and Arla foods internal Website.
- Achieved files of Arla Foods Bangladesh
- Different milk-based paper and Journals.

Literature Review

In 2015, Lydia Gordon wrote about three key areas to consider when entering into new market by following Route to Market analysis. She mentioned that Retail choosing the right retail channel and the best retailer for it can be a key determinant of success when entering a new market.

Choosing the distribution option should be the priority. Anyone must think about the biggest distribution system first which is widely popular. Moreover, it's important to understand the audience of the product. Evaluating the distribution channel can ensure the distribution better.

Step two is all about identifying the strongest distribution channel. She added an example that if someone buy dishwashing detergent then they would go to stores. So, the target will be the store first. A producer must think about the market share each distribution system can glamorizer the highest priority market should get highest importance. Choosing the distribution channel is vital because it can change the way of business.

In the third step Gordon focused on prioritizing the potential retail partners. After deciding the channel, it's important to find out the perfect retail partner. The retailer market always changes. Supermarket was giant few years back but there could be new potential retailer who is doing better than the supermarket. It's important to think about the partner with who the business can go further.

Overall, it's important for companies to reach the customer through perfect route to market channel.

Gordon, Lydia. "Three Steps for Creating a Successful Route to Market Analysis." *Euromonitor International Blog*, Euromonitor International, 25 Jan. 2018, blog.euromonitor.com/three-steps-for-creating-a-successful-route-to-market-analysis/.

Job Description

As a sales intern I had to do different types of work and activities which were very different from monotonous internship activities. The activities are mentioned below-

- **Collecting and compiling-** I had to collect the data from all 9 regions by communicating through email and telephone. Later I had to compile those data and made them presentable.
- **Analysis-** I often had to analyze many data to find out certain outcome from those files.
- **Helping in creating modules-** Route to market had to make different incentive modules for the sales representative force. I helped in making those modules by giving ideas and insights.
- **Distribution-** There are certain documents of company that need to be delivered to different destinations. I used to communicate with all the territory officers and vendors on a regular basis for the quality distribution of those particular products.
- **Projects-** I worked on different projects such as Arla Champions league which was a reward incentive model for sales representative and distribution houses. I was in charge of the program. I collected all the data from all the region and analyzed them and announced the winners.
- **Guidelines-** I made a guideline by which the Territory Officers can easily distribute the target between the sales representatives. It included the key performance indicators of the company.

I also attended different meetings to do these tasks. Moreover, there was many small jobs given by my supervisor at ARLA.

Chapter 3

Marketing structure and segmentation

It was not easy to set the structure of a big fast-moving consumer goods company. Mainly Arla have divided the whole country in 9 regions. Which are Dhaka Central, Dhaka South, Dhaka North, Chittagong, Comilla, Barisal, Sylhet, Bogra, and Khulna. There are 110 private distribution houses who sell our product on behalf of a certain percentage. The sales team contains 53 Territory Officers, 3 Regional sales managers, 1 route to market manager, one trade marketing manager and two heads of sales. The structure helps the company to distribute the product effectively and efficiently. Arla always tries to ensure the nutrition of all aged people all around Bangladesh. The first step of sales is called primary sales when distributors take the product from the company and the second phase is secondary sales which means selling those from distributor to customer.

Arla uses different types of marketing techniques to reach the consumer they are trying to target. Some of the marketing techniques are given below.

Above the line

Television advertisement

Arla broadcasts TVCs on a regular basis. We basically target family persons in the advertisement. Arla never stops the advertisement on television because it attracts the customer consistently. The return on investment is very high on the advertisements. We work with different agencies to conduct the advertisement.

Radio

We broadcast different advertisements on radio. Those advertisements contain different persuasive messages for the customer. We use slogans for each and every product to let the customer know about the benefits of the product. Different radio broadcasts our advertisement.

Newspaper

Arla is very consistent in publishing advertisement in newspaper. We gain a very good response through it. We mainly put our advertisement on front page if a new product comes. We also give advertisement on different magazine to increase our branding.

Above the line advertisement are broadcasted nationally and we are very consistent in promoting our brand all the time. We try to focus on our quality assurance and preciousness.

Below the line

Campaign

Arla conduct several campaigns all the time in the year. For example-Arla recently launched Dano Captain 4 months back. From then, the campaign is continuing in a regular basis in front of school and colleges as our target is children. We contacted vendor to do the campaign. They arranged the campaign with the technical help from marketing department. They went to almost every school in Dhaka city. They sold the captain as per glass. Then after certain time we calculated the return on investment and see the impact on the market. If the response is satisfactory then we continue the campaign, or we move to another segment.

Poster, Hanger, Dangler

Our sales force always carries these items to the local shops for doing the marketing. Posters are often pasted in front of the shops so that people can see the new exiting offer or what the product is offering. Hanger is used to hang our trial packs so that it can be visible to everyone. People tend to buy more product if there is any hanger or supporting materials. Retailer also become happy to see Hanger because it makes more space than before. Dangler are used for promoting directly. We normally place dangler near the shops. It attracts customer and make interest to buy the product.

We also do public relations, meetings and other engagement program which enhance our brand name.

Digital Marketing

Facebook, YouTube

Arla is focusing on Digital marketing most importantly. It's easy to reach target people. We make our advertisement short and try to give the message by doing search engine optimization. For example- Dano captain is made for children. So, we try to show them the advertisement by doing appropriate filter. Sometimes we focus some specific area to let our consumer know about what we are offering. The rate of return is very good. People responds to these messages very much. Arla also update the Facebook very frequently. There are different types of quizzes for the consumer online.

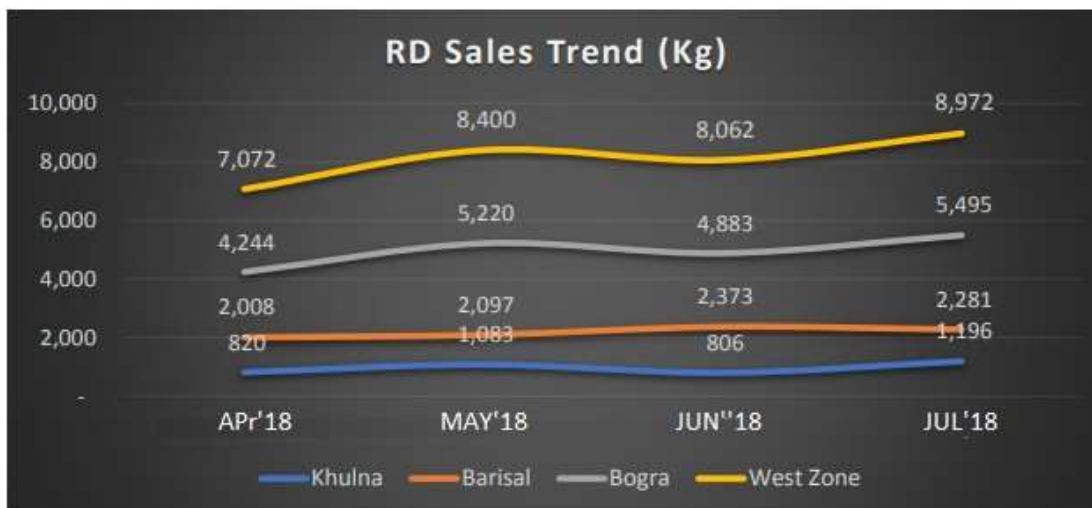
Dano Power Class

Recently Arla have started Dano power class for the JSC, PSC examinee. It conducted by Ayman Sadique who is very influential among the teenage kids. He tries to talk about different objective of the exam. He gives tips about how they can handle the pressure, do better result during the exam. The response is tremendous from the students. Dano is getting featured in their minds. In picture 3.1 there is an example of Digital Marketing (Power class)

Route to Market

Route to market was established to enhance the sales force automation by using different modules and ideas. It's a branch under sales department and supervised by head of sales directly. Route to market is not well established in Bangladesh but it's very much adapted worldwide. Route to market fills the gap between sales force and decision taking authority. Moreover, it gradually increases the productivity of the company and ensure quality distribution system. Here is a picture of Rural distribution system (3.2)

RD Sales Growth (Kg)							
Region	APRIL	MAY	JUNE	JULY	MAY18 MOM Growth	JUNE18 MOM Growth	JULY18 MOM Growth
Khulna	820	1,083	806	1,196	32%	-26%	48%
Barisal	2,008	2,097	2,373	2,281	4%	13%	-4%
Bogra	4,244	5,220	4,883	5,495	23%	-6%	13%
West Zone	7,072	8,400	8,062	8,972	19%	-4%	11%



3.2 Source- Internal Sources

For knowing route to market better we need to know the distribution system of Fast moving consumer goods first. Basically, Arla don't sell the product directly to the customer. There are two steps of selling product.

- **Primary sales-**

The product of ARLA directly goes to distribution house. The price level is different for distributors. Distributors are those people who delivers the product to the market. So, this is called the primary sales. Yet it's not in the hand of customers but Arla already sold their product.

- **Secondary sales-**

Secondary sales happen when the distributors sell the product to retailers. The product reaches shops to shops in this stage.

The objective of Route to market is to **ensure quality distribution while reducing cost.**

There is different task carried by Route to market in ARLA foods Bangladesh. They are-

Sales Force Automation-

Route to market has brought technology in sales to ensure better services. Arla introduced Compass which changed the dimension of sales force. The compass is the application for sales representative to take orders from retailers. Taking order manually takes a lot of time and energy but in Arla everyone believes in speed over perfection. So, the outlet coverage and expansion increased in a short amount of time. It's not only used in taking orders but also to find out market details. Through Compass we can find out the sales along with all the details. Compass also helps the SRs to keep track of their performance. It gives update of each sales and return from the market. Moreover, Compass helps in making all kind of reports including annual and monthly reports.

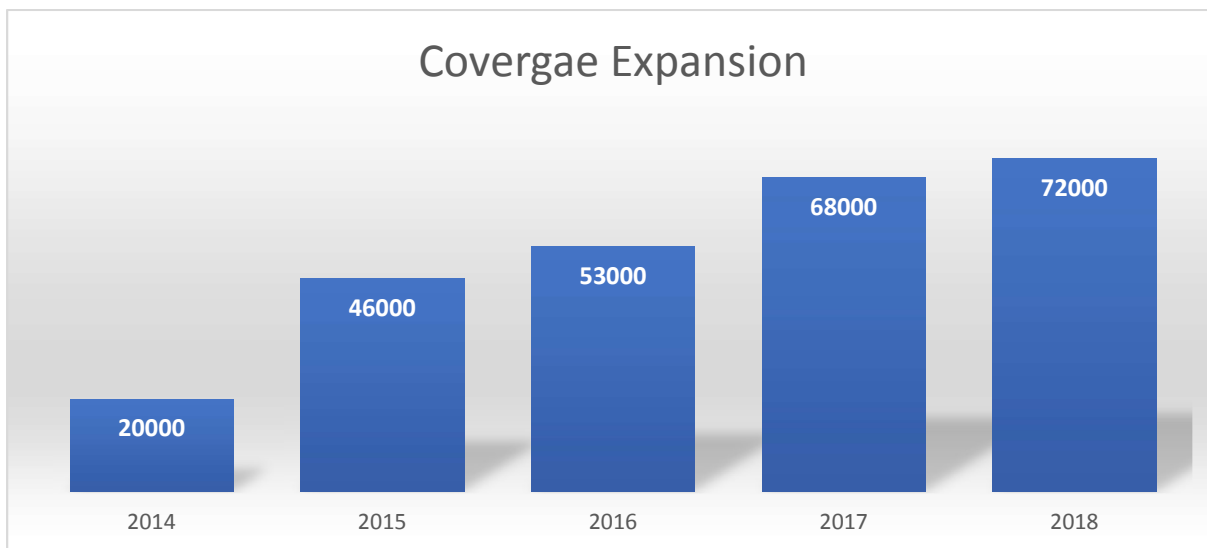
However, Compass only covers half of our area. We take manual orders outside the city area, but we are trying to ensure the full coverage in coming years. It's also cost company a lot of money. The return on investment is not the same but we are also increasing product line which will enable us to bring all areas under Compass application.

For non-compass area, we use call card which is a traditional way to keep track of our sales. Our sales representatives take orders in order sheet and entry the order manually. Which he later enlists in call card. Respective Territory Officer Collect those and give input online.

These are two ways of Sales force automation.

Coverage Expansion

Arla brought huge change in coverage expansion with the help of Route to Market. In 2014 Arla was regularly sold in total 36000 outlets but Route to market proposed an incentive model. It includes a special incentive for sales representative force for taking orders from new shops. The strategy worked very well for Arla foods as they expanded towards around 200000 outlets in 2018. RTM made the incentive model very lucrative for the sales force. For example – If any Sales person can take order from a new shop then he will get 20 takes instantly. We had so many gaps in expansion. SO it became a huge opportunity for them and coverage expanded in a huge ratio. Here is an example of coverage expansion (3.3). Another project under coverage expansion is Rural distribution. Distributing in Urban is much easier than the rural side. Reaching all level of customer is not easy task without a fantastic strategy. So, we made deals with local small distributors who have only coverage of 60-70 shops. They take products from all the companies but in a small quantity. This distribution system is changing many life's in rural places and ensuring nutrition for rural level people. Arla has set a different price level to ensure their benefit from the business.



3.3- Source- Internal Source

SR salary and regular incentive

Basically, SR means sales representative who goes to shop to shop for taking orders and messages from companies. Basically, they are not primarily recruited by company, but they get their salary from Arla foods. Route to market makes their salary structure based on different KPIs (key performance indicator) to ensure the best result. They get a fixed salary, travel and data allowance but the KPI performance bonus varies from one to another. Arla fix their KPIs and bonus at a certain time and handover Route to market for making incentive models. Here is an example of Incentive program (3.4)

SR Salary and Incentive KPIs – Dhaka - Compass					
SL #	Particulars	Low Slab	Strong	Exceptional	Remarks
1	Fixed salary	7000	7000	7000	Remained unchanged
2	Travel allowance TA, average BDT 95	2470	2470	2470	Remained unchanged
4	FCMP Volume	2000	2500	3500	Low: 95% achievement Strong: 100% achievement Exceptional: 105% achievement
5	FMP + Dano Captain Volume	1500	2000	3000	Low: 95% achievement Strong: 100% achievement Exceptional: 105% achievement Must achieve 80% volume target of Dano Captain
6	Outlet Call Rate (OCR)	1000	1500	2200	Low: 70% OCR Strong: 75% OCR Exceptional: 80% OCR
7	FCMP SKU Count	1500	2000	3000	Low: Achieve @ 70% of the placement target Strong: Achieve @ 80% of the placement target Exceptional: Achieve @ 90% of the placement target Target is to increase 1 FCMP SKU in each outlet. So, if an SR's base FCMP count is 1000 and total outlet is 300 then Oct'18 target FCMP SKU count will be 1000+300 = 1300
8	FMP SKU Count	1500	2000	3000	Low: Achieve @ 70% of the placement target Strong: Achieve @ 80% of the placement target Exceptional: Achieve @ 90% of the placement target Target is to increase 2 FMP SKU in each outlet. So, if an SR's base FMP count is 1500 and total outlet is 350 then Oct'18 target FMP SKU count will be 1500+350*2 = 2200
Total Achievable Income		16970	19470	24170	

3.4 – Incentive program. Source- Internal Source

Special Incentive Scheme

Arla always keep special incentive scheme to keep the sales force motivated. The previous incentive model is the regular one and stays same all time, but the special incentive scheme is occasional and more interesting. For example

Arla champions league is one of the special incentive scheme. It started in January and finished in October. It included different sets of targets.

- Expansion Target
- FCMP and FMP Volume
- Distributors Performance

For the expansion target, an SR must have to ensure new shops placement of a certain product. He can ensure limitless money by this expansion target. There is also target for Dane full cream milk powder and Dano Daily Pushti. If they can fill the target by 110% and 105% of these two products, then he will get a reward. The distributors can also win money from Arla champions league. Distribution house with highest growth in a month vs First 5 months average will win 5000 takas per month per region.

There are many different special incentive models created by Route to market to ensure best quality distribution.

Performance tracking

Route to market also does the performance tracking of Arlas sales force through different report and application. These documents help company to take any steps or decision. These documents include National KPI tracker, Arla premier league scorecard, monthly fact sheet etc. IF a TO does not perform well then, the authority can take actions. This also gives company an insight about the future. In 3.5 there is a clear picture about how ARLA perform the performance tracking.

এস,আর মাসিক পুরস্কার নীতিমালা



১। তৃতীয় এবং চতুর্থ কোয়ার্টারের জন্য এই নতুন কোয়ার্টারলি ইনসেন্টিভ মডালিটি প্রযোজ্য হবে।

২। মাসিক টার্গেট অর্জন করার পর মাস শেষে ২০০০ টাকা পুরস্কার প্রদান করা হবে।

৩। মাসিক টার্গেট অর্জন করার জন্য এস,আর কে কমপক্ষে ৯০% ২ FCMP প্লেসমেন্ট টার্গেট অর্জন করতে হবে।

৪। কোয়ার্টারলি টার্গেট অর্জন করার জন্য এস,আর কে মোট কোয়ার্টারলি টার্গেটের ডানো পাওয়ার ১০৫% এবং ডিডিপি ১১০% অর্জন করতে হবে। পাশাপাশি, এস,আর কে অবশ্যই কমপক্ষে দুই মাসের টার্গেট আলাদা আলাদা ভাবে অর্জন করতে হবে।

(3.5) Sources- Internal Website

Facilitate different training

Route to market arranges different types of innovative training program for the field force. RTM design the training program after doing some basic market research. The output of those training came out very successfully. RTM also make different types of manual for field force so that they can understand the commands very easily. Moreover, RTM also groom them on a regular basis, so they can be more proactive at market. RTM also arrange national territory officer meet in which RTM manager shares his insight with them and teach necessary steps to increase the sell while reducing the cost.

Aligning Marketing with Route to Market

Route to market helps the sales directly but it also has a great affiliation with marketing functions. It requires a lot of data for marketing plan execution. Route to market helps the marketing department with all those data's. For example. Arla wants to make a campaign in Rampura Area but before that they need to know the information about that particular idea. Route to market can identify the potential market gap and inform marketing department so that they can increase branding on that section. Route to market is also affiliated with marketing team about the POSM materials. They are hanger, Dangler, posters. Marketing department design these items after collecting information from Route to market. Route to market also helps marketing department in setting target customers and branding strategies. Here are some points about how route to market aligns with marketing.

- **Gap analysis-** Marketing department works with filling the gaps in the market. Finding out those gaps are one of the major work of Route to market. Route to market takes the data from all over the Bangladesh and analyze that.
- **Setting marketing strategy-** Arla often design many marketing strategies. In the process, Route to market held multiple meeting and set their opinion about the market. Marketing department takes the decision considering those opinion.
- **Simplify the processes-** Route to market makes many module and instruction. They always have to keep the marketing functions because both department wants better outcome for the company. Aligning marketing data ease the decision-making process.
- Marketing data helps the sales too. Marketing department find out the possible target market and the target customer. So, the sales drive can put the efforts in those sectors.
- Sales force helps the marketing team in implementing the BTL activities such as different campaigns in various area.

Findings

Route to market have changed a lot of scenario in Arla foods limited. The alignment with marketing department have helped Arla foods growing. Here are some points of my analysis. –

- Driving total sales force by different manuals and guidelines. These guidelines are very important to ensure proper feedback of the market.
- The incentive models motivate the sales representatives to work harder in the market. Moreover, it helps company to keep them for a long term.
- Different training enables our sales force to work in effective and efficient way. It also helps them managing their times.
- Different market activations got successful because of the sales information through Route to market.
- The information collected through different tracker from the territory officer enable the company to learn and analyze more of the market.
- The compass has saved a lot of time in terms of taking orders and data availability. Any data can be accessed at any time and Arla has all the root information's about the market because of the compass.
- The coverage expansion has a growth of more than 100 percent in recent years because of the incentive scheme directed by Route to Market.

Overall Route to market are doing variety of jobs for automating the sales force. It saves a lot of money for the company by finding out the effective way in an efficient manner. The collaboration with marketing have made it easy to reach the customer easily.

My personal Experience and learning

I am working here for couple of months. The learning that I got from here is invaluable for me. It difficult to understand any organization in a short amount of time but the experience that I got in priceless.

Getting an opportunity to work under sales group was the most fortunate thing. As a student of marketing, I worked very closely with sales department which is a vital element of Marketing. I am learning since the first day of the internship period.

I was sent to a distribution house to watch the distribution house practically and then I had to complete several books about the department. I was given tasks after completing these steps. Not many companies treat their interns like this. This job helped to find the problem along with the solutions. Moreover, I learned how to work under extreme pressure. There was many complex job to do but it was never hard because of the consistent assistance from other colleges. Arla strictly maintain multinational culture which has created a very friendly environment throughout the premise. Everyone helps others best way possible.

I also worked with some projects which was very difficult but my Supervisor who is Route to Market manager Hossain Md. Ruhin Sabbir guided me best way possible. I want to thank him for the opportunity of working in such big projects and helping me in those. He explained every task very carefully and helped in every task.

I was much fortunate to work under Route to Market. It changed my professional skill level.

Recommendation

During my work at Arla foods Bangladesh, I observed the inner working of some of the aspects of the company and I learned about business on a large scale. Based on my limited experience here are some recommendations.

Work sometimes goes beyond office hours of 9am to 6pm due to work pressure. Overtime pay could be a great motivation for that. Dano is not getting market share like other competitors. The price should be more competitive. There should be gift and incentive system for distributor on a regular basis so that they can be more active on selling our product. The display system should be handled more effectively. Advertisement for other product should be increased so that we can ensure the sale of unfocused SKUs. Majority consumers purchase milk powder nearest convenience shop. When preferred brand is not available they find another shop. So, company should ensure the availability of the product to pocket outlets because most of the outlets are under the distributor of the company, but they do not cover fully. Distribution policy need to develop.

Conclusion

Arla is well developed dairy product distribution company of Bangladesh. Arla is going forward with top speed. Its ensuring the commitment of selling highest quality product to its consumer. Arla is well positioned company and going forward with constant innovation, concentrating on its core competencies and commitment for the quality. People adopted Dano as one of the most reliable brand. So Arla is always prepared to give its consumer the best quality.

References

The references were created by following APA Citation.

- Origins of Arla Foods. (2018, November 1) retrieved from <http://www.companyhistories.com/Arla-Foods-amba-Company-History.html>
- Our Mission and strategies(2018, November 1) retrieved from <https://www.arla.com/company/strategy/mission/>
- Our Vision (2017,November1) retrieved from <https://www.arla.com/company/strategy/vision/>
- Company Overview. (2018, November 1) retrieved from <https://www.arlafoods.com.bd/company/unser-unternehmen/history/>
- Arla products. (2018,November 1) retrieved from <https://www.arlafoods.com.bd/brands/arla-dano/>
- Introduction and Company information's. (2018,November 1) retrieved from https://en.wikipedia.org/wiki/Arla_Foods
- Route to Market and market structure (2018, November 1) Retrieved from [Internal Website of Arla Foods Bangladesh.](#)
- Marketing structure (2018, November 1) Retrieved from <https://www.facebook.com/pages/Arla-Foods-Bangladesh/363660620819285>
- Gordon, Lydia. "Three Steps for Creating a Successful Route to Market Analysis." *Euromonitor International Blog*, Euromonitor International, 25 Jan. 2018, blog.euromonitor.com/three-steps-for-creating-a-successful-route-to-market-analysis/.
- Other data gathered from Companies Internal Website. Only company employees can access them within the company.