



Internship Report

On

“Retail Chain Management of IGLOO”

Submitted to:

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Letter of Transmittal

17th December, 2018

Mahreen Mamoon

Associate Professor

BRAC Business School

BRAC University

Subject: Submission of Internship Report.

Dear Madam,

With due respect, I am stating that I have completed my internship at **IGLOO**, a concern of Abdul Monem Ltd (Ice cream and Milk Unit) as a requirement of my graduation. The topic on which I have made my report is “Retail Chain Management of IGLOO”. I am glad to get the opportunity to work in this leading business conglomerate of our country.

In addition to that I am feeling blessed to complete this report under your supervision. Your guidance showed me the way I should collect my data, find out the market gaps and proceed my report that helped to make this report informative and efficient. Within some limitations, I have tried my best to evolve my learning thoroughly in the journey with IGLOO efficiently and to end up with this report according to your instruction. I hope this report will meet your requirement.

Sincerely yours

Riad Hasan

ID: 14304109

BRAC Business School

BRAC University

Letter of Endorsement by the Supervisor faculty

This is to certify that Riad Hasan, ID: 14304109, BBA Program, BRAC Business School, BRAC University has done this report on “Retail Chain Management of IGLOO” for the purpose of completing BBA internship program. I accept this report as final internship report.

I wish prosperity in his career and life.

Mahreen Mamoon

Associate Professor

BRAC Business School

BRAC University

Acknowledgement

First of all, I am grateful to almighty Allah for making me able to prepare this report with the assistance of some wonderful people. My gratitude to my respected supervisor faculty Mahreen Mamoon, Assistant Professor, BRAC Business School, BRAC University for her guidance. Without her instruction, I would not be able to prepare this report. Her instructions and fruitful criticisms showed me the way of collecting data, the area I need to explore and the way I can overcome my limitations.

Special thanks to GM Kamrul Hasan, CEO, IGLOO Ice Cream and Milk Unit for giving me the opportunity to work in this leading brand.

I am blessed to have Asif Mahmood Abbas, Deputy Manager, Business Strategy and Innovation, IGLOO Foods Ltd as my organizational supervisor who have taken me to this platform and instructed me to perform. He motivated me to be done with my responsibilities with flexibility even in a crucial environment. Moreover, he taught me some core business strategy of IGLOO and shared his experiences that enriched my knowledge. All the time he was there for me to help in my learning and preparing this report.

I would also like to show my gratitude to Sumit Chakraborty, Brand Manager, IGLOO Ice Cream & Milk Unit from whom I have learned marketing strategy of IGLOO Ice Cream and insight of Ice Cream industry. Furthermore, I am glad to have the association of Laizu Mehzabin, Brand Officer, IGLOO who showed me the retail chain of IGLOO Ice Cream. In addition to that, she gave a glimpse of the scenario about challenges in retail chain.

Besides, thanks to the respected Dealers, Territory Sales Officers and Delivery Sales Representatives who shared about their responsibilities and challenges of their daily life in sales operation.

Thanks to all my colleagues for their wonderful cooperation. I would face more difficulties without their association. I am blessed to have these wonderful people as my colleagues.

Executive Summary

This report is about the whole scenario of retail and distribution operations of IGLOO ice cream. In this report, I have tried to demonstrate the challenges IGLOO faces in retail operation, the gap between the expectation and reality of retailers, the perception of retailers towards IGLOO as well as the satisfaction level in terms of support from the company for the retailers. I went for market survey till the time of preparing this report and ended up with 277 respondents among Dhaka city. Lack of strong distribution channel, challenges to maintain proper cold chain, the complains against dealer support, company support, as well as rude attitude of Delivery Sales representatives have also been found out during my survey. Although the demand of IGLOO is getting higher because of its synonymous taste and quality over decades but IGLOO is in threat to lose market share as many retailers are about to divert from IGLOO to other rivals due to lack of enough support from IGLOO. These dissatisfactions of retailers are being taken as opportunity by other competitors. They have started to offer more convenient services to the retailers. Despite having dissatisfaction, most of the retailers still want to do business with IGLOO. They want immediate execution of actions against complains raised by them. The complains and opinions remain understated, they perceive. Moreover, they cannot think they are the member of IGLOO family. In this circumstances, faster and most convenient services must be assured, a strong integrated communication and interactions between company and retailers must be developed. IGLOO should approach in such a way so that the retailers can also go with the company to achieve the goal as whole. In this report, I discussed about the problems faced by dealers and retailers, what the dealers said about reason of these problems, the suggestions given by some retailers, and recommendations on basis of this report.

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Organizational Overview

Introduction

IGLOO is a concern of Abdul Monem Limited (AML), which is one of the leading business conglomerates of Bangladesh. AML started its journey in the year 1956 with a promise “*Touching lives..... Building capabilities*”. The Chairman and Managing Director Mr. Abdul Monem is now operating this business along with his two sons Mr. A.S.M. Mainuddin Monem and Mr. A.S.M. Mohiuddin Monem designated as Deputy Managing Director successfully. The core strength of AML is integrating resources to complete high quality infrastructure projects financed by World Bank, ADB, JICA etc overcoming the barriers thus illustrates their promise of building capabilities.

After being able to meet the international standards of quality and services in infrastructure building industry, they moved forward to other business to deliver quality products and services. AML has gained the authorization of being bottler of Coca-Cola, Fanta and Sprite. In the year 1982, AML acquired the bottling plant from K. Rahman and Company and started its operation. In 1964, AML started to produce ice cream, which is now number one ice cream brand named IGLOO in Bangladesh. Later, they started to expand business operations through introducing Igloo milk and dairy products, Igloo food items and snacks, AM Sugar Refinery Ltd, AM Rice Bran Oil, Service Engine BPO, AM Securities and Financial Services Ltd. They also have become manufacturer of pharmaceuticals, maker of auto bricks, bitumen and other selected construction materials. Mr. Abdul Monem established Adbul Monem Economic Zone (AMEZ), one of the private economic zones of Bangladesh located in Daudkandi, Munshigonj on its land of 216 acres.

At present 10000+ highly skilled workers are currently working at AML. AML is putting vital social impacts through delivering high-quality services, products and creating employments. Moreover, it takes pride for their contribution to the society through corporate social responsibilities also. Their ultimate focus is to deliver value added products and services using country’s valuable resources that would contribute to the economic, social and environmental progress of Bangladesh.

Vision

The vision of Abdul Monem Limited is to contribute to the economic, social and environmental progress of Bangladesh through creating value added products and services utilizing our national resources.

Mission

AML excels to develop and deliver value added goods and services to their esteemed customers, consistently outperform their peers, build sustainable relationship with their stakeholders, provide a dynamic and challenging environment for their employees and aim to achieve incremental growth of our business thereby having a positive economic and social impact on the community and the nation.



Monem Business District (Head Office: Abdul Monem Limited)

Corporate Profile



| | |
|-------------------------|--|
| Name of the Company | Abdul Monem Limited (AML) |
| Year of Establishment | 1956 |
| Status of the Company | Private Limited Company |
| Country of Registration | Registered under Registrar of joint Stock Companies, Dhaka, Bangladesh |
| Number of Employee | 10,000+ |
| Corporate Head Quarters | Monem Business District, 111, Bir Uttam C.R. Datta Road, Sonargoan Road, Dhaka-1205. |
| Telephone | +88 (02) 9632011-13, +88 (02) 9675955 +88 (02) 9632304-10, +88 (02) 58610679 |
| Fax | +88 (02) 9632315-17, +88 (02) 9668638 |
| E-mail | info@amlbd.com |
| Website | http://www.amlbd.com |

Business Concerns of AML



AML Construction

Abdul Menem Limited possesses the country's largest construction fleet. AML belongs the reputation for delivering quality service, on time project completion and meeting set construction standards. The service they are offering are:

- Highway construction
- Bridge & Flyover construction
- Metro rail project
- Building construction including MEP work.
- Airport infrastructure like Terminal building, Runway, Apron including AGL and Nav-Aid works.
- River dredging
- River bank protection work
- Land development

Over few decades it has been developing many construction projects of Bangladesh such as

- Mohakhali and Sayedabad Inter District Bus Terminal
- Construction of 6-lane Mohipal Flyover on Dhaka – Chittagong National Highway at Feni
- Construction of Service Area 2 under Padma Multipurpose Bridge Project
- Osmani Airport at Sylhet

Apart from these, AML is currently involved in many high way and construction projects of Bangladesh.



Igloo Dairy Milk

In order to support the production of Igloo Ice Cream as well as deliver pasteurized milk to the consumers considering per capita milk consumption and the necessity of nutritional value in national diet, Igloo Dairy Milk was established in 2004. It can process 14,000 litres per day including mango and chocolate flavoured milk.



AM Beverage Unit Coca-Cola

In 1982, Abdul Monem Ltd started bottling Coca-Cola, Fanta and Sprite as an authorized bottler. The bottling operation was started after acquisition of plant belonged to K. Rahman Khan & Company by AML. The President of Coca-Cola awarded AML in 1990 with “President’s Turtle Award” in recognition of its contribution to positioning the brand which is the most prestigious award for bottlers by Coca-Cola.



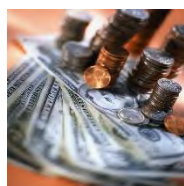
IGLOO Foods Limited

Igloo Foods Ltd distributes snacks items such as French fries, potato wedges, curly fries, criss cut, hash browns, etc of ConAgra Foods, U.S.A. Besides it introduces two brands Nature fresh and Delifrost for manufacturing and distributing frozen foods such as momo, samucha, singara, sping roll etc.



Danish Bangla Emulsion Ltd

DBEL is joint venture company between Abdul Monem Ltd and ENH Engineering A/S, Denmark. It produces bitumen emulsion of international standards by a fully automated plant used in the construction of road and air field runway work.



AM Securities and Financial Services Ltd (AMSFSL)

AMSFSL is the largest stock brokerage house of Bangladesh with a diverse clientele of institutions, high net worth individuals, foreign funds and retail investors.



Abdul Monem Sugar Refinery Ltd

In 2006, Abdul Monem Sugar Refinery Ltd started sugar refining operation with annual capacity of more than 3,00,000 metric tons sugar in the name of **IGLOO Sugar**. It is the first ISO 22000-2005 certified refinery company. IGLOO Sugar is also reputed for delivering cleanest sugar producing in most cost-effective manner as well as professionally managed one compared to the other existing refineries in the country in the meantime.



AM Energy Ltd

In 2015, AM Energy Limited was established as a captive power generating plant located at the bank of the Meghna river on land of 1.73 acres. It was designed to generate 10MW by steam turbine. Now it belongs 6MW capacity with 3.5MW maximum power generated. 2.5MW is supplied to Abdul Monem Sugar Refinery Limited for the factory operations and 1MW is transmitted to REB-Rural Electrification Board.



Novus Pharmaceuticals Ltd

In order to fulfil the need of proper medicine, Novus Pharmaceuticals Ltd was established in 2008.



AM Asphalt & Ready-Mix Concrete Ltd.

In order to supply high quality concrete mix for the infrastructure and construction projects of Abdul Monem Ltd and other private contractors and builders Abdul Monem set up AM Asphalt & Ready-Mix Concrete Ltd.



AM Auto Bricks Ltd

AM Auto Bricks Limited

AM Auto Bricks Limited is producing and delivering Auto Bricks located at near of Meghna Ghat (South), Choto Raypara, Gazaria, Munshigonj.



AM Bran Oil Company Ltd.

AM Bran Oil Company Ltd introduced “Nature Fresh Rice Bran Oil” to provide healthy and heart friendly oil to the consumers which is a joint venture operation with Surin Bran Oil Co. Ltd, Thailand.

Service Engine BPO



Service Engine BPO (Business Processing Outsourcing) is a joint venture organization with a US firm which the first business process outsourcing company in Bangladesh. It provides solutions in the areas of Interactive Marketing, Quality Assurance, Software Web development, Accounting, Back Office Processing, Digital Advertising Operations, Risk Compliance Services, Mortgage Operations and Servicing.



Monem Business District

Monem Business District is the corporate headquarter of Abdul Monem Ltd. Other than AML, Monem Business District is the corporate office of many renowned organizations. It is situated in Kawran Bazar, Dhaka with 6,05,000 sq. ft of total floor area including 4 basements.

IGLOO Ice Cream



Abdul Monem Ltd started offering high quality ice cream with wonderful taste in 1964 with a slogan “A World of Great Taste” in the name of IGLOO. Over few years, IGLOO is reputed as the number one ice cream brand in Bangladesh

Achievements and recognitions

- The President’s Awards
- The longest TAX payer award (5 times in a row including 2018)
- The longest VAT payer award
- IFAWPCA gold medal
- Business person of the year 2008, Bangladesh
- Commercially important person of 2010, 2011 & 2012
- Excellence for business performance from Jamuna Bank ltd
- Igloo- No.1 ice-cream brand by Bangladesh Brand Forum
- Other recognition from various Government departments for business performance, corporate governance and contribution to national development

Partners of Abdul Monem Limited





Overview of IGLOO

Introduction



Over more than 50 years, IGLOO has been contributing to the ice cream industry of Bangladesh tremendously through offering high quality ice creams with great taste in higher sales volume. The journey was started in 1964 with a slogan of “A World of Great Taste”. Still IGLOO is fulfilling its promise through delivering tasty ice cream made from best ingredients. It has been reputed as no.1 ice cream brand of Bangladesh in a row recognized by Bangladesh Brand Forum.

In recent years, total revenue in ice cream industry of Bangladesh is around 1200 crore BDT and Igloo belongs around 40% market share of total ice cream (Ice cream market still remains untapped, Daily Sun, March 2018). Igloo is moving forward to grab majority sales revenue of total market through expanding their number of consumers.

In order to deliver the products according to its slogan, it never compromises taste and quality. The ingredients are imported from Belgium, Australia and New Zealand preferring to its motive. The most modern machineries and technologies are being used for manufacturing. The facility is producing around 20000 litres of ice cream per day.

Considering constantly changing of consumers’ minds, Igloo has been introducing ice creams in newer formed, shaped and flavoured. The consumers nowadays tend to have coffee and so Igloo has introduced coffee ice cream naming Ice Café, tend to buy cakes for celebration and so Igloo has come up with Cake Ice Cream and with more product line extension.

Consumers of Bangladesh still consume ice cream occasionally mainly in summer. But ice cream is a product of fascination in winter also. Igloo is now pushing the consumer to have ice cream other than occasion even in winter. Moreover, the cultural practice of eating sweets

in every occasion has been going over more than a century in this country. Considering the trends and cultural values of consumers, IGLOO has come up with a new additional pay of line as an Integrated Marketing Communication (IMC).

The new pay of line as IMC of IGLOO is

“যেখানেই মিষ্টি মুখ সেখানেই ইগলু”



In order to let the consumer practice to have ice cream also in occasion, IGLOO has introduced ice cream in different forms such as Kheer Malai, Doi Ice Cream, Black Forest, Horlicks Ice Cream, Blueberry, Ripple Cake etc.

Quality Certification

- ✓ **Halal Certified:** Certified by “BSTI” as halal ice cream.
- ✓ **HACCP Certification:** Igloo Ice Cream has been certified by Hazard Analysis Critical Control Points (HACCP)
- ✓ **ISO Certified:** ISO 22000: 200 Certified, Food safety management systems required for a food manufacturer.
- ✓ **QCS (Quality Control System):** well trained personnel professionals have been appointed to ensure the quality of our product.

Achievement



IGLOO has been awarded as no.1 ice cream brand in Bangladesh for four times in a row by Bangladesh Brand Forum.

Product line and Categories

Igloo always approaches according to the demands of the customers as well as let them enjoy the taste they never have had before concerning their buying power. Igloo is now offering more than 50 items of ice cream to grab all sort of consumers. Considering the choice and buying power of the customers, Igloo has divided their ice cream into three categories.

Economy

Ice creams from Economy class are sold mostly because of its low price. It includes-

Cups (Vanilla, Strawberry, Chocolate and Mango),
 Chochar, Mini Chochar, Shell & Core, Lolly- Lemon,
 Lolly- Orange, Dudh Malai,

1.5 litre- 2 litres Box (Vanilla, Strawberry, Chocolate
 and Mango)



Main Stream

Ice creams in this category are also very popular specially to young generation. It consists of



Cornelli Classic, Cornelli Classic (Mini), Cornelli Premium, Belgian Chocolate, Belgian Chocolate (Mini), EGO, MEGA, Macho, Almond Split (Exotic Bar), Swiss Chocolate (Exotic Bar), Sweet Heart, Mango Melody, Piata Passion, Strawberry Sparkle, Choco Cheers, Caramel Combo, Coconut Cooler



Premium

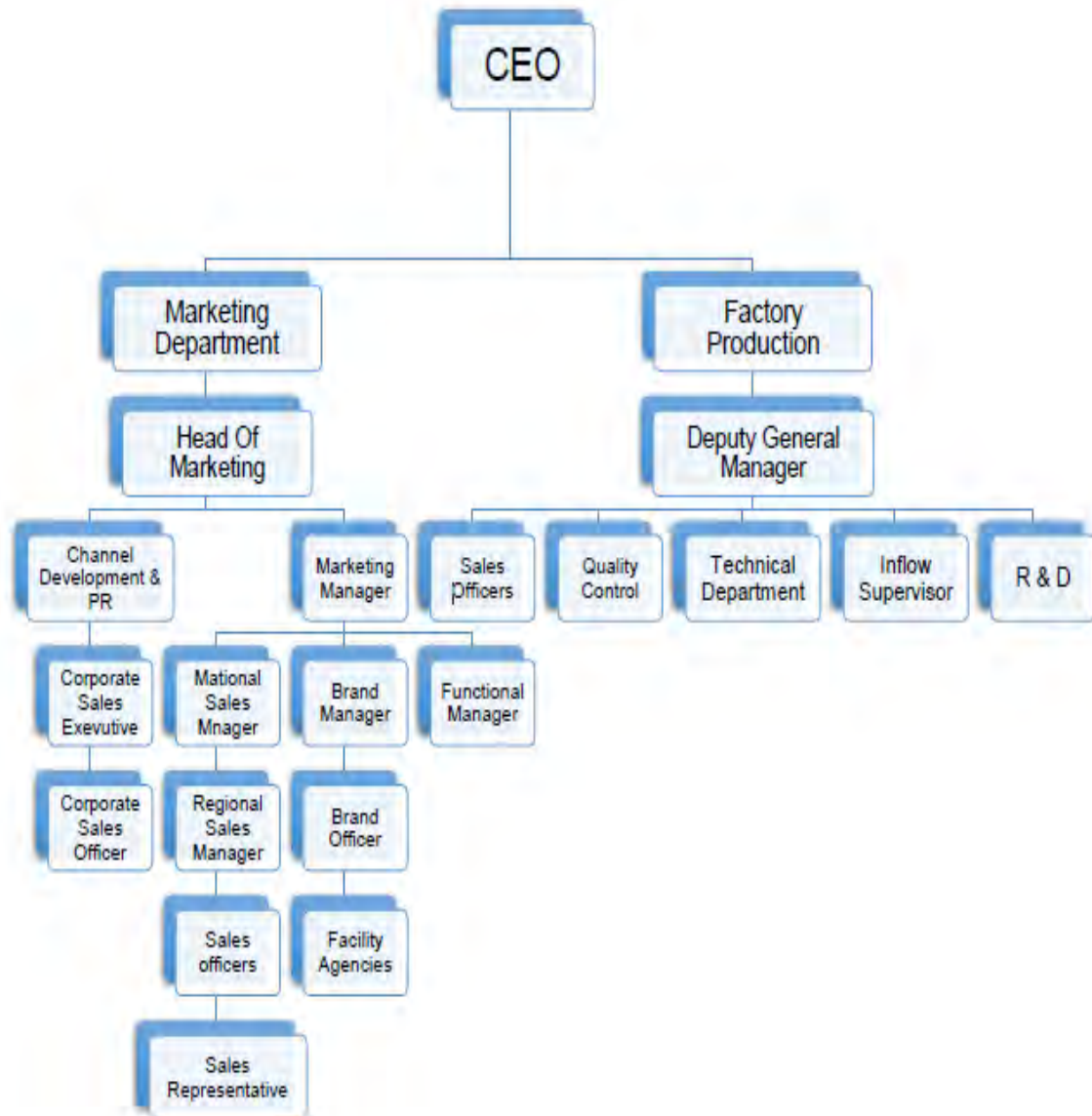
Ice creams from these categories are for the premium customer. Price of these products are very high. Premium offerings are Ice Café (Paper Cup), Nutricks (Paper Cup), Black Forest, Horlicks Ice Cream, Peanut Butter Cream Cup, Chocolate Fudge

Brownie, Chocolate Milk Shake, Mango Milk Shake, Yoghurt Milk Shake, FIRNI, KHEER MALAI, RASH MALAI, DIET VANILLA, NAWABI, MITHAI, LASSI, Gold: Blueberry Yoghurt, Gold: Chocolate Chips, Cookie Dough, Gold: Butter Pecan, Ice Cream Cake, CIAO BELLA (5 Liter), Butter Scotch.

Competitors



Organogram of Igloo



INTRODUCTION

Rationale of the study

In order to sustain the business and grab the position in a very competitive market, most convenient service must be assured. In some industries like ice cream industry, the convenience issue needs to be more concentrated in retail chain management as retailers play a vital role in consumers decision making process. That is one of the reasons I have worked with retail chain management of Igloo.

The size of ice cream market is getting bigger day by day. Recent years, approximately 1200 crore ice creams are sold, that is a great contribution to the nation's economy. If this industry works more sincerely, this area will be flourished more.

In a very highly competitive market, retailers can be used as promotional tool since they most of the time provoke the consumers to purchase a brand. The problems of a brand associated with retail chain let the retailers face inconveniences and thus they get demotivated to do business with that specific brand. So, a smooth environment must be made for the retailers to deal with the company.

Maintaining a strong logistical support is also a big challenge. If the retailers lack logistical support from a specific brand, there will be created an ease of new entry of another in a retail shop. At this point, retailers must feel that a company is always by their side.

Considering the importance of the retailers in retail chain associated with the success of the company, I have gone for doing my research in retail chain management of IGLOO.

Objectives

The main objective of preparing this report is to identify the problems associated with retail chain management.

The other objectives associated with this report are:

- Identifying the problems retailers face
- The factors affecting relationship between retailers and IGLOO
- Understanding the expectation of retailers
- Challenges in maintaining strong logistical support in retail chain
- The scope in ice cream industry

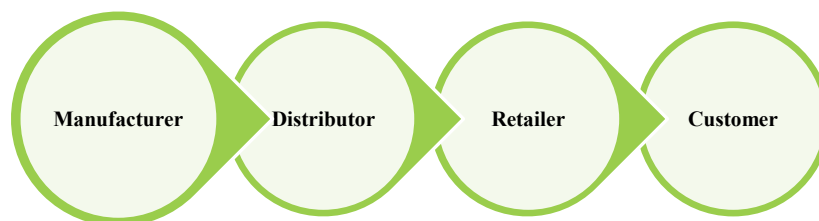
Scopes of the study

This report will illustrate the challenges Igloo face in their retail operation and help in building a sound relationship with retailers. In addition to that this report will give the following scopes:

- The understanding how the complications may rise in the relationship between retailers and a company
- Insight of the retail chain management at Igloo
- The knowledge how the retailers should be treated
- A glimpse of scenario how other competitors is trying to grab the market
- Idea generation to develop retail marketing
- Grab the broader number of consumers and retain them
- This report may also help in strategic planning of IGLOO to stay ahead from the competitors

Background of the study

Igloo maintains a distribution chain consists of distributor, delivery sales representative and retailers to deliver the product to the final consumer. Across the country, Igloo is delivering ice cream to the retailers through 376 dealers.



Distribution chain of IGLOO

From the factory, ice creams are distributed through the following operational centres:

Dhaka: Covers Dhaka and adjacent sub base markets

Chattagram: Covers South and South East part of the country

Cumilla: Covers the eastern part of the country

Khulna: Covers the South and South West part of the country

Rajshahi: Covers the Northern part of the country

In Dhaka, there are 23 distribution points delivering ice creams to 8,000+ retail stores. To begin with, I would share my duties at Igloo. Till preparing this report, I was sent to the retail stores under 6 distribution points in order to survey. This is very insightful experience that has taught me the retail management and aspects of retailers.

During this survey, many complains were raised from retailers. They are facing some inconveniences that make them dissatisfied towards the company. The major problems evolved from the surveys are

- Negligence of taking back the damaged ice creams
- Lack of enough delivery in proportion to demand
- Delivery sales representatives get out of reach from some retailers
- Many retailers demanded for bigger freezer
- Rude attitude towards retailers of some Delivery Sales Representatives
- Some are deprived of getting promotional messages via phone
- Some highly potential retailers are not provided credit support from the dealers
- Company does not tend to take immediate action
- They are not being treated as they are supposed to be
- Reallocation of freezer is needed. Some retailers keep the freezer useless but on the other hand some potential retailers are not getting freezer demanding for many times.
- Lack of enough maintenance service of freezer from where sometimes damaged product issue is created
- The branding element like sticker for the retailers who belong their private freezer are not offered properly
- Most of the retailers do not know how to reach the company via official hotline number

Apart from these sometime delivery sales representatives cut away taking money from retailers that makes the dealer face in huge loss.

My job responsibilities at IGLOO

Till the time of preparing this report, I was instructed to visit retail stores under 6 distribution points located at Panthapath, Jigatol, Azimpur, Mirpur, Badda and Shantinagar. I have visited 277 retail stores in order to survey. Also, I had informal discussions with retailers, dealers,

delivery sales representatives as well as company officials to find out the challenges faced by the company, the perceptions of retailers, their expectations from company, the statements of problems embedded in retail chain, the cause and effect or the problems stated by dealers and delivery persons. After that, I gave input of data for future action and the highlighted the significance problems for immediate action taken by CEO. I have had a session of sharing our findings with my organizational supervisor and CEO weekly.

Literature review

Enough support for retailers from the company is a major issue that affects the customer purchase decision sometimes and that is why some of the authors highlighted the “measurement” of the service in order to find the gap between customers “Expectation” & “Actual Service” offered by the company with the help of few dimensions (Parasuraman et al., 1985, 1988, Jain & Gupta, 2004, Mudie and Pirrie, 2006).

Service awareness and company image plays significant role in the relationship marketing, according to some researchers (Tepeci,1999, Berry et al., 1988, Schiffman & Kanuk, 1994). Other factors include Employee Satisfaction, Service Knowledge of the employees and the interaction between customer and employees (Bishop,1990, Raymond & Tanner, 1994,

Heskett et al.,1994, Harter et al., 2002, Liao & Chuang, 2004). Customer Loyalty Programs & Service Recovery system also helps building long term relationship (Sparks, 1993, Grönroos, 1988, Gilly, 1987). The relation among sales force, retailers and customers must be smooth and interactive.

The term "Relationship Marketing" discussed in the services marketing or the first time in a 1983 paper by Berry (Barnes, 1994, Grönroos, 1994). From that time, the idea of relationship marketing among retail chain are being practiced as a tool of building long-term relationships with the customers and has found its own place in marketing theory and has become a vital part of standard textbooks on marketing (e.g. Kotler 1997, 36-61).

Methodology of the study

In order to prepare this report, I had to visit 277 retail stores under 6 distribution points for data collection through survey. Those are my primary data of this research. The retailers shared their aspects in detail along with leaving some recommendation for the company. The

retails Besides, I also had some conversation with dealers and delivery sales representatives to find out the reason of the complains stated by retailers. Apart from this, I got some data from my supervisor and his colleagues.

As secondary data, I used company official websites and a report of overview of the company prepared by the organization. Furthermore, I visited some online newspaper where I found some statement by the CEO.

I was also given a questionnaire format for survey which includes 23 variables about the freezer code given by IGLOO, the shop details, the retailer information, number and status of igloo freezer as well as stock of inventories, the number and status of freezer of other competitors, ice cream merchandising and a comment section.

Limitations

I faced some difficulties in doing survey such as

- Time is the major constraint in making this report. As I started my internship a little late, I had very limited time to deal with my report
- Since the winter is coming, the demand of ice cream has started to fall. That is why the sales volume of some retailers could not be assumed properly
- Some retailers were unwilling to share his problems and phone number
- Some are so fed up that they did not want to even talk as they thought it is useless
- Some retailer even reacted a little bit rudely

Analysis and interpretation

Retail chain operation of ice cream is pretty much challenging in terms of maintaining a proper complete cold chain, having a huge logistic fleet, logistics support, service to the retailers. Moreover, a strong communication and interactions are also major issues. Referring to the problems I have discussed earlier, the analysis and interpretations have been demonstrated here:

Negligence of taking back the damaged ice creams

Most of the retailers claim that dealers neglect to change damaged items. Some damaged goods are kept for 1-3 months at retail stores. Sometimes some damaged items are changed cutting the money down from the price.

Here retailers stated that the money should not be cut down while changing the damaged items, but the dealers said that it occurs when the retailer seem to be violated the return policy. The return policy is, the product should be returned through cutting the money down if

- The products get damaged in case of excessive load of products in freezer
- The retailers switch off the freezer concerning electricity bill
- Keeping the freezer in direct sunlight that make the product damage
- Carelessness in the merchandising of ice cream

The dealers point out these facts to the retailer whereas the retailers claim they do not violate the policy.

Lack of enough delivery in proportion to demand

In some areas where the demand is very high, the dealers are unable to deliver the enough product according to some retailers. Anwar Hossain (retailer, Bikrampur General Store, West Rajabazar), Riazuddin Ahmed who is the owner of biggest departmental store in his area (Mohona Bazar, West Rajabazar), Mizan (retailer, Mizan Centre, West Rajabazar) and many retailers complained that they are not given enough ice creams in proportion to the demand. Besides, they also tend to buy in bulk while an offer for the retailers, but the sales representatives state the shortage of inventory in dealer point.

In this case, a dealer partner of Hamza Enterprise, Panthapath said to me that “We keep enough inventory and try to reach the maximum number of sales that maximizes our profit. So, why wouldn’t we like to supply to the retailers? Right now, there are ice creams of 60 lacs taka and usually I hold the inventory in this volume. The fact is, it occurs when a retailer owes a big payment to dealer and place a bulk order again before paying the previous bill. Even in some cases, the I do not deliver the products also to those retailers who keep a very few amounts of payment left. The reason is the unfair attitude of the retailers in making payment.

Another crisis he mentioned regarding delivery sales representative. When a delivery sales representative (DSR) resigned from his job or go to leave for emergency and sickness, the dealers get into a trouble to support another DSR as back up. Hence, a distribution gap is created, and the retailers consider it as mismanagement. In this situation, dealers hardly send another DSR to that area. Hence, the retailers perceive that the distribution channel of IGLOO is very weak.

Delivery sales representatives get out of reach from some retailers

I have mentioned earlier why sometime the DSR get unavailable. Apart from this there is another issue in case of new retailers. The sales force does not tend find out the new retailers who eagerly want do business with IGLOO. Besides, some retailers did not sell ice cream ago but now they are doing. They tried to get IGLOO ice cream for many times. That is why many retailers are now selling other branded ice cream instead. But still they are interested to sell IGLOO.

Demand for bigger/New freezers: Reallocation of freezers

So many retailers are demanding for freezer. Some of them demand for a new freezer as the current one is almost damaged. Some of them demand for bigger one in exchange of current freezer and some demand for smaller one in exchange of their bigger one. Besides, many retail stores have been recently opened where the retailers are highly interested to get an IGLOO freezer to sell Igloo ice cream.

Here, proper allocation of freezers is a major issue considering their actual needs. Some freezers are being kept unused but on the other hand some potential retailers are asking for a freezer to meet high demand of IGLOO ice cream. Besides, there are some retailers who need smaller freezer and others need bigger one. So, the freezers need to be reallocated at this time.



Jashim Store

Location: 42/3, RND Road, Lalbagh

Freezer status: Useless for long

Survey code: AAO3005



Alamgir Store

Location: 40, RND Road, Lalbagh

Remarks: Sells Bloop because of not getting IGLOO

Survey Code: AAO3004

In the previous picture, we can see an IGLOO freezer is being kept unused but on the other hand another retailer asked for a Igloo freezer many times and then he had to take Bloop's one instead. This case happened in a same territory zone.

Glimpse of other scenarios in the same territory zone regarding allocation of freezer:

| Survey Code | Shop name | Location | Freezer Status | Remarks |
|-------------|-------------------------------|---------------------------------------|------------------------|--------------------------------------|
| AAN2201 | Shafa Corner | Shidhheswari Road, Opposite to VNC | 200 litres Useless | X |
| AAN2217 | Shidhheswari General Store | Beside Shidhheswari Boys School Gate | 260 litres, Damaged | Demands a new one. Very high demand. |
| AAN2213 | Boro Bari Dot Com Dept. Store | Shidhheswari Road, Sudhi Somajer Goli | 260 litres | Needs a bigger freezer. |
| AAN2504 | TBL Supershop | 30, Chamelibagh | 300 litres | Needs a smaller freezer |



Tollabagh, Sobahanbagh, Dhaka.

Freezer status: Filled with milks and soft drinks

This is another case where company objective is denied here.

In addition to that, the freezers which have got some defects are neglected to repair.

Some are deprived or getting promotional messages via phone:

The reasons might be

- the owner of the registered phone number kept in database are no longer in that store
- The phone number of new retailers are not officially registered
- Retailers asked for registering their number, but sales person did not forward this message.

Some highly potential retailers are not provided credit support from the dealers

Retailers sometimes want to keep more stock due to high demand but unable to make instant payment. Hence, they wish to have credit support from the dealer but in some situations, the dealers deny. That creates dissatisfaction among retailers. A dealer of Panthapath DEPO stated that it happens due to the unfair attitude of the retailers in making payment properly.

They are not being treated as they are supposed to be

Igloo lacks enough interaction with retailers, the retailers think. They cannot feel the company is always there for them to give immediate support. Moreover, most of them are not aware hotline number of the customers and sales support.

Rude attitude towards retailers

Interacting with retailers gently is also important in retaining the satisfaction o retailers. Many complained that some DSR are so rude to them. Even some DSR acts like more than the owner of the company, said by few retailers.

Stickers for private freezer

It is not possible to meet the actual demand of freezer. On the other hand, some retailers are keeping their private freezer at their will. Besides, some retailers who have IGLOO freezers and belong their private freezers also to keep other frozen items along with IGLOO ice cream. In these cases, they need stickers branded by IGLOO to paste on these freezers but most of them are deprived of getting it.

Findings of the study

After reviewing the information and practical experiences regarding the company profile, its retail operation, the aspects of retailers, factors affecting retail chain, I have got valuable findings. The main findings are

- The demand of IGLOO ice cream is very high. Consumers as well as retailers prefer IGLOO most.
- The size of the market of ice cream is getting broader.
- Despite of being dissatisfied to some extent, most of the retailers are willing to continue their business with IGLOO. They just want IGLOO to develop services.
- Many retailers dealing with other brands are also interested to divert in IGLOO.
- Igloo is always concerned about its taste and quality. It thinks beyond profit.
- The consumers' minds are constantly changing. The manufacturers must keep pace with the flow of their trends and choices. Igloo has been successfully practicing this concept.
- IGLOO is moving forward to divert the perception of customers. Still most of the consumers have ice creams occasionally. They eat ice cream for celebration as well as to get relief in summer. IGLOO is trying that people will consume ice cream habitually as like other general foods and snacks. In addition to that, it is also trying to place ice cream as desert instead of sweets.
- The market share of IGLOO has fallen in recent years due to the penetration of new rivals.
- Maintaining a proper cold chain is one of the biggest challenges in ice cream industry.
- Dissatisfactions in retail chain can affect a brand in terms of grabbing market share despite of having a strong Brand Equity.
- Essential supports the retailers pursue.

- Effective interaction with retailers must be assured so that they do not feel they are outcasted from the company. The sales force also should be concentrated here.
- The words of retailers are valuable for the growth of the company. The threats and opportunities also are stated by them
- The proper action must be taken immediately according to the claim of the retailers
- The retailers wish to have a sort of branding like sign board or sticker in their store to stay connected

Apart from these, I have also observed how other rivals is taking these challenges as their opportunities and trying to turn those into their strengths. Where IGLOO does not reach, other rivals like Bloop, Za'n Zee, Polar etc grab those shops. Besides, in order to penetrate the market, they tend to give more offer to the retailers. Thus, the mission of grabbing majority of market share is lagging.

Recommendations

Maintaining high quality and delicious taste is not the only key to success. The success also lies in the satisfaction level of retailers as a retailer is a **Gateway** of the company to deliver the products to the ultimate consumers. The retailers also play the role of brand promoter. A retailer himself is an informal commercial. So, the convenience factors for retailers beyond profit is also important. "To retain the independence is harder than to achieve. IGLOO is thinking they are no.1 ice cream brand, they belong strong brand equity, but this status will no longer exist if they do not develop the service quality in retail chain" a retailer opined.

In order to enrich the service quality in retail chain, some actions are required to be taken immediately on basis of this study:

➤ **A shared Organizational Goal**

Some of the workers of bottom line lack much dedication to the distribution operation as they think that they are doing their job in exchange of money. That is why, when a certain crisis is created, they are hardly convinced to give extra support. In order to overcome this challenge, the organizational goal must be shared within the entire workforce from top to bottom of the organization including dealers, sales officers and sales representatives so that each worker thinks that he/she is playing a vital role in fulfilling the organizational goal. Here, the goal will be taken as whole. Thus, they can think beyond their duty as workers which will drive

them to work spontaneously and give better support in terms of delivery. Moreover, the retailers must be engaged here by the company.

➤ **Strong motivation**

Many retailers claimed about the rude behaviour of DSR. In addition to that, when a DSR is unavailable for personal inconvenience, the dealers must request sometimes another one to support that area. They “Request” as some DSR deny doing that. This happens because of considering themselves outsiders of the company. In order to solve this issue, they need to be highly motivated so that they put the highest priority in delivery process. Moreover, having an interaction is also needed. Periodically, company should show the engagement with them.

➤ **Factors responsible for getting the ice creams damaged are to be clarified to the retailers**

During survey, I saw many shopkeepers keep other frozen items in the Igloo freezer beyond its capacity, keep the freezer in direct sunlight or made the freezer overloaded which are the causes of product damage. Hence, the price of damaged items is cut down that makes the retailers unhappy. Therefore, these factors must be clarified to them.

➤ **Freezer repairing service needs to be faster**

At present many freezers got defect and the retailers asked for repairing for many times but they failed. The technical support should be faster. This is another reason of creating the damaged product issue.

➤ **Reallocation of freezer**

As I have mentioned earlier regarding the allocation of freezer. This action must be taken in shortest possible time. This issue is one of the major factors of losing market share.

➤ **Delivering branding elements**

The factors of keeping of private freezers have been discussed earlier. It is not possible to meet the actual demand of the freezer. In this case, the retailers need to perceive that still they are the members of IGLOO. So, the stickers of the freezers branded by IGLOO must be pasted. Besides, some retailers can be provided sign board branded with IGLOO who cannot be provided freezer so that they can consider themselves as members of IGLOO as well as feel stay connected with.

➤ **Token of appreciation for feedback**

While survey, many retailers wanted to refuse to respond saying this survey is useless as they are done with this for several times before. Those who responded also stated this comment. So, the issue is “The company is unaware of them and they are not given importance”. But IGLOO is about to take actions against these complains very soon. The retailers will be given their expected support but perhaps they will not notice these were executed based on their opinion. So, a letter of appreciation to deliver thanks for their recommendation, selling IGLOO and the will to stay with IGLOO should be sent. Thus, they feel stay connected with and respected by IGLOO.

- Update the database of retailer for sending promotional message via phone
- The company high officials must be proactive as per retailers“ demand
- Provide the freezer sticker for the retailers who belong their private freezer are not offered properly
- Informing the retailers that they have a platform to leave them complains.
- The sales force needs to be pushed to find out new retailers.
- Giving a sign board facility will cover more branding that will put impact the retention to the customers.

Finally, the retailers must feel their claims have taken into consideration and Igloo will always be with them, prefers their conveniences as like thinks of the consumers. As a token of its action according the complains, the retailers should be given a card to show the regards and apologies. Thus, they will feel IGLOO appreciates them.

Conclusion

The competition in ice cream industry is getting higher day by. Ensuring the satisfaction level of retailers as well as maintaining high quality and delicious taste is affiliated with the success. The convenience of the retailers cannot be neglected in any way. So, assurance of retailer satisfaction is must. During my survey, I have found that despite having some dissatisfaction, most of the retailers are willing to do business with IGLOO. Those are selling other branded ice creams, still interested to sell IGLOO. This is a huge opportunity to expand their market share as well as the total size of market. Although IGLOO has a strong brand equity, most of the customer prefer IGLOO but retailers play a vital role in consumer decision making process. When a consumer goes to a retail shop to purchase an ice cream

without having preferred brand, he/she will take that one the retailer will suggest. Besides, when a consumer asked for a preferred branded ice cream, but the shop is out of stock, the retailers can sell other one if he/she is not loyal customer to that brand. Moreover, many retailers tend to stock those which are convenient to them. Therefore, considering these factors as market drivers, service quality in retail must be enriched. The gaps in retail management are taken as opportunities by other rivals. The whole chain should be illustrated as a family moving forward to common goals.

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Appendix

IGLOO Retail Survey

Freezer information

- IGLOO freezer code:
- Freezer type: 100 200 300 400 450 600

General Information

- Shop Name:
- Address:
- Territory:
- Distributor:

Contact Details

- Owner's name:
- Cell Number:
- Manager Name:
- Cell number:

Freezer survey

- Number of freezers:
- Number of Igloo freezer:
- Polar:
- Bloop/Goden harvest:
- Zaa n Zee/ Bellisiom/ Kazi:
- Lovello:
- Pran Jhotpot:
- Other deep freezer:

IGLOO Placement as well as other

| | | | | | | |
|---|----|-----|-----|-----|-----|------|
| Proper merchandising of Igloo Ice cream | 0% | 20% | 40% | 60% | 80% | 100% |
| Proper merchandising of Other Ice cream | 0% | 20% | 40% | 60% | 80% | 100% |
| Igloo ice cream in igloo freezer | 0% | 20% | 40% | 60% | 80% | 100% |
| Igloo ice cream in other freezer | 0% | 20% | 40% | 60% | 80% | 100% |
| Other ice cream in Igloo freezer | 0% | 20% | 40% | 60% | 80% | 100% |