

Report On
Factors Driving Cigarette Sales in British American Tobacco
Bangladesh

By

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

BRAC Business School
BRAC University
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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.

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Letter of Transmittal

6th January 2020

Ms. Fabiha Enam

Senior Lecturer and Assistant Proctor

BRAC Business School

BRAC University

66 Mohakhali, Dhaka

Subject: Submission of Internship Report

Dear Madam,

I am extremely pleased to submit my internship report entitled "Factors driving cigarette sales in BATB." I've been allocated to British American Tobacco's Head Office and I worked with utmost dedication during this four-month period. I tried my best to meet the needs of the course and to obey all the guidance provided by my supervisor in preparing the study. This internship program was very helpful to me as it gave me an insight to the practicality world and I'm sure it will help me succeed in the future in my career.

I trust that the report will meet the desires.

Sincerely yours,

Md Rezwanur Rahman

16104099

BRAC Business School,

BRAC University.

Date: 6th January 2020

Non-Disclosure Agreement

This agreement is made and entered into by and between **‘British American Tobacco Bangladesh’** and the undersigned student **‘Md Rezwanur Rahman’** at BRAC University.

Student’s Full Name & Signature:

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Acknowledgement

First of all, I would like to express my gratitude to Almighty Allah for giving me the opportunity to complete my internship report and complete my internship tenure successfully, despite various challenges.

I would also like to thank numerous people who helped me to write my study directly and indirectly. I'd certainly like to start with Ms. Fabiha Enam, BRAC Business School Senior Lecturer and Assistant Proctor. I wouldn't be able to complete on time without her help. Her valuable input and encouragement made my work impeccable.

I would like to express my sincere gratitude to my supervisors at British American Tobacco Bangladesh, Mr. Akib Azmine, Mr. Ramim Ahmed & Mr. Rawnak Zaheen Wasi, for guiding me throughout my internship and making me better groomed.

Executive Summary

British American Tobacco Bangladesh is a company that has been in the market of Bangladesh for more than 100 years and has been serving the consumers with their international quality product throughout this time. Even though the demand for tobacco products is very high in Bangladesh but due to its adverse health effects the tobacco industry is a very regulated industry in Bangladesh. The Tobacco Act undertaken by the Bangladesh Government puts a lot of restrictions on the activities of the tobacco companies starting from marketing of their products to very high taxation and excise duty charges. But having considered all those factors the revenue earned by the tobacco companies is still very high, last financial year BATB was the highest tax payer by paying a staggering amount of Tk 19,133 core taka in taxes.

The aim of this study is to find out what are few of the factors that are driving the sale of cigarettes, by doing literature review on industry related articles and previous published papers I have narrowed down the factors to Price, Availability & Choices of Cigarettes. In addition, based on the literature review I constructed a questionnaire which was distributed via Google forms and 110 responses were collected. Before the survey was conducted, I made three hypotheses based on the factors which represented each of the factors. The information collected was then interpreted using SPSS software and results were drawn. I conducted a descriptive analysis, factor analysis, reliability test and regression analysis on the data set. The results were then interpreted and conclusions were drawn from the results.

Based on the coefficients table I found that the hypotheses related with price & availability being driving factors for sale of cigarettes were true as the beta value was positive and the T statistic showed a significance below 0.05. On the other hand, the hypothesis related with the third factor that is wide array of choices was proved wrong which means, a wider choice of cigarettes does not lead to an increase in the sale of the cigarettes.

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Organizational Overview

The voyage of British American Tobacco started as Imperial Tobacco Company (ITC) in 1902 and later became British American Tobacco after a successful joint venture between the United Kingdom; the Imperial Tobacco Company and the American Tobacco Company. During the British rule, the birth of Imperial Tobacco was in Calcutta and had a branch in Moulvibazar, Dhaka. Initially, the post partition trade was free, but by 1948, customs barriers disrupted the flow of trade between India and East Pakistan (current Bangladesh) resulting in a headquarters present in Karachi, and demand forced a factory built in Fauzdarhat, Chittagong in 1952.

From now on, Karachi provided material manufacturing services for East Pakistan and finally the production phase began in Mohakhali from 1965. The Indo-Pakistan war, however, interrupted India's resource flow, creating a fruitful opportunity for entrepreneurs to establish more factories in East Pakistan. Finally, after independence in February 1972, the name Pakistan Tobacco Company changed and was known as a Bangladesh Tobacco Company. In 1998, after reaching the required international standard and revenue stream and export quality, the company aligned its identity with the British American Tobacco group and adopted the name British American Tobacco Bangladesh (BATB).

At present, BATB has more than 1,000 employees and over 40,000 directly and indirectly employed people; farmers, distributors and suppliers. BATB is exporting tobacco to Austria, Poland, Russia, the United Kingdom and New Zealand. In addition, they will extend their export list to the Asian region. BATB has recently been awarded the title of Bangladesh's biggest employer.

Vision

"To become the best in the world to fulfill the consumer experience in and beyond tobacco"

The mission of British American Tobacco Bangladesh is to deliver on their obligations to society, while championing informed consumer choice BATB believes in ensuring that adults buying BATB products are fully aware of their options despite having to supply a range of products. We also claim the world is creating new problems and bringing us new opportunities as well. Such obstacles must therefore be met with plans and resources taken advantage of. It is also important to acknowledge the harm caused by their goods to the environment and to offer to society in order to minimize damage.

List of Tables

Table 1 (Demographic Factor Frequencies)

What is your gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	13	11.8	11.8	11.8
	Male	97	88.2	88.2	100.0
	Total	110	100.0	100.0	

What is your age group?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 - 24 years old	15	13.6	13.6	13.6
	25 - 34 years old	40	36.4	36.4	50.0
	35 - 44 years old	50	45.5	45.5	95.5
	45 - 54 years old	5	4.5	4.5	100.0
	Total	110	100.0	100.0	

What is your profession?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	20	18.2	18.5	18.5
	Service Holder	50	45.5	46.3	64.8
	Self Employed	37	33.6	34.3	99.1
	Unemployed	1	.9	.9	100.0
	Total	108	98.2	100.0	
Missing	System	2	1.8		
	Total	110	100.0		

Table 2 (Survey Questionnaire Result Frequencies)

You smoke on a consistent basis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.8	1.8	1.8
	Disagree	14	12.7	12.7	14.5
	Neutral	2	1.8	1.8	16.4
	Agree	42	38.2	38.2	54.5
	Strongly Agree	50	45.5	45.5	100.0
	Total	110	100.0	100.0	

Smoking gives you pleasure

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	2.7	2.7	2.7
	Disagree	1	.9	.9	3.6
	Neutral	10	9.1	9.1	12.7
	Agree	58	52.7	52.7	65.5
	Strongly Agree	38	34.5	34.5	100.0
	Total	110	100.0	100.0	

You buy cigarettes regularly

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	4.5	4.5	4.5
	Disagree	13	11.8	11.8	16.4
	Neutral	4	3.6	3.6	20.0
	Agree	35	31.8	31.8	51.8
	Strongly Agree	53	48.2	48.2	100.0
	Total	110	100.0	100.0	

Price is an important factor when it comes to buying cigarettes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.9	.9	.9
	Neutral	2	1.8	1.8	2.7
	Agree	32	29.1	29.1	31.8
	Strongly Agree	75	68.2	68.2	100.0
	Total	110	100.0	100.0	

Fluctuations in prices affect the buying pattern of cigarettes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	5	4.5	4.5	4.5
	Neutral	6	5.5	5.5	10.0
	Agree	49	44.5	44.5	54.5
	Strongly Agree	50	45.5	45.5	100.0
	Total	110	100.0	100.0	

Higher prices cause me to buy fewer cigarettes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	2.7	2.7	2.7
	Disagree	11	10.0	10.0	12.7
	Neutral	4	3.6	3.6	16.4
	Agree	49	44.5	44.5	60.9
	Strongly Agree	43	39.1	39.1	100.0
	Total	110	100.0	100.0	

Wide spread availability of cigarettes is important for me

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	3.6	3.6	3.6
	Disagree	1	.9	.9	4.5
	Neutral	6	5.5	5.5	10.0
	Agree	29	26.4	26.4	36.4
	Strongly Agree	70	63.6	63.6	100.0
	Total	110	100.0	100.0	

Good distribution of cigarettes throughout the country leads to more purchase

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.9	.9	.9
	Neutral	3	2.7	2.7	3.6
	Agree	36	32.7	32.7	36.4
	Strongly Agree	70	63.6	63.6	100.0
	Total	110	100.0	100.0	

I buy more cigarettes if I find it more convenient to purchase

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.9	.9	.9
	Disagree	14	12.7	12.7	13.6
	Neutral	7	6.4	6.4	20.0
	Agree	38	34.5	34.5	54.5
	Strongly Agree	50	45.5	45.5	100.0
	Total	110	100.0	100.0	

The number of options available for cigarettes affects my buying decision

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	2.7	2.7	2.7
	Disagree	17	15.5	15.5	18.2
	Neutral	9	8.2	8.2	26.4
	Agree	49	44.5	44.5	70.9
	Strongly Agree	32	29.1	29.1	100.0
	Total	110	100.0	100.0	

More choices of cigarettes lead to more purchase

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.9	.9	.9
	Disagree	5	4.5	4.5	5.5
	Neutral	4	3.6	3.6	9.1
	Agree	46	41.8	41.8	50.9
	Strongly Agree	54	49.1	49.1	100.0
	Total	110	100.0	100.0	

Wide array of options in cigarettes attracts new consumers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.8	1.8	1.8
	Neutral	4	3.6	3.6	5.5
	Agree	39	35.5	35.5	40.9
	Strongly Agree	65	59.1	59.1	100.0
	Total	110	100.0	100.0	

Table 3 (Descriptive Statistics)

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
What is your gender?	110	1	2	1.88	.324
What is your age group?	110	1	4	2.41	.782
What is your profession?	110	1	4	2.18	.734
Valid N (listwise)	108				

Table 4 (Residual Statistics)

Residuals Statistics ^a					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	5.8999	14.4303	12.3545	1.76583	110
Std. Predicted Value	-3.655	1.175	.000	1.000	110
Standard Error of Predicted Value	.204	1.158	.356	.147	110
Adjusted Predicted Value	4.3771	14.5512	12.3494	1.79947	110
Residual	-6.84459	4.41172	.00000	1.98918	110
Std. Residual	-3.393	2.187	.000	.986	110
Stud. Residual	-3.477	2.257	.001	1.013	110
Deleted Residual	-7.18681	4.69719	.00510	2.10415	110
Stud. Deleted Residual	-3.677	2.302	-.002	1.028	110
Mahal. Distance	.128	34.913	2.973	4.364	110
Cook's Distance	.000	.433	.015	.052	110
Centered Leverage Value	.001	.320	.027	.040	110

a. Dependent Variable: DDV

List of Acronyms

BATB – British American Tobacco Bangladesh

ITC – Imperial Tobacco Company

HO – Head office

PMD – Primary Manufacturing Department

SMD – Secondary Manufactory Department

EHS – Environment, Health & Safety

HPO – High Performance Organization

SLA – Strategrical Leadership Agenda

ASV – Added Shareholder Value

MAP – Marketing Accelerate Program

CBA – Cost Benefit Analysis

CEA – Cost Effective Analysis

HSO – Human Service Organization

IT – Information Technology

NGO – Non-Governmental Organization

EBP – Evidence Based Practice

QL -Qualitative Research

QN – Quantitative Research

ANOVA – Analysis of Variance

β - Power of Test

Chp1 – Generalities to the study

1.1 Introduction of the Study

As of late smoking has been growing in Bangladesh and as of last financial year BATB has been the highest tax payer among all the multinational corporations due to the immense amount of revenue generated by them through sale of their different types of cigarettes and through tobacco leaf export.

The Tobacco Act of Bangladesh prohibits any tobacco company from advertising their products but yet these companies have managed to increase their sale and this study highlights what are the major factors behind this increase in sales.

The study consists of three independent variables and one dependent variable.

Independent Variables	Dependent Variable
1/ Cost of the cigarettes	1/ Factors driving sale of cigarettes at BATB
2/ Availability of the cigarettes	
3/ Variety of the cigarettes	

1.2 Research Objective

The research was carried out to determine the following things –

1/ **To find the relationship between the pricing of the cigarettes and the sale.**

Price is an important factor when it comes buying any type of products but there are some products which are not affected by price fluctuations and are price inelastic. The study looks to find whether the consumers perceive the cigarettes as a price elastic or inelastic product.

2/ **To determine the relationship between the availability of cigarettes and product purchase.**

Availability of cigarettes are a concern for all the consumers because at times consumers are not willing to go out of their way to buy cigarettes but will purchase them if they find it in front of them or convenient to buy.

3/ **To determine whether a wide array of choice of cigarettes leads to greater sale.**

Consumer purchase behavior is affected by the number of options they are presented with as they can choose the products which better suits their needs, this also allows for the company to attract a wider and more diverse base of consumer through their different product offerings.

1.3 Research Question

The main research question here is ‘**What factors are driving cigarette sales of BATB?**’. Even though you won’t see any advertisement regarding any tobacco related products the sale of cigarettes has increased at an exponential rate over the past decade. The jump from fiscal year 2017 to 2018 was over 10% contributing over 2000 core taka in revenue to British American Tobacco Bangladesh. In the year 2019, BATB launched ‘Royals’ which is their low segment cigarette brand and it was the most successful cigarette brand launch in Bangladesh generating revenues higher than even projected by the company.

1.4 Scope of Study

This study could help to understand and interpret tobacco consumers behavior. In turn, this can help organizations to formulate their processes accordingly. It will also have evidence on whether what we believe to be the real cause of the consumption of cigarettes is the real reason behind it. The considerations discussed in this paper are derived directly from the target market and will therefore provide a better understanding of the analysis.

Any tobacco-related study will be able to use this paper to help. It will also help to understand the pathway through which the intake of tobacco starts. I also assume that this paper would allow British American Tobacco Bangladesh to recognize consumer behavior as all respondents are Bangladesh residents.

Chp2 - Literature Review

2.1 Theory

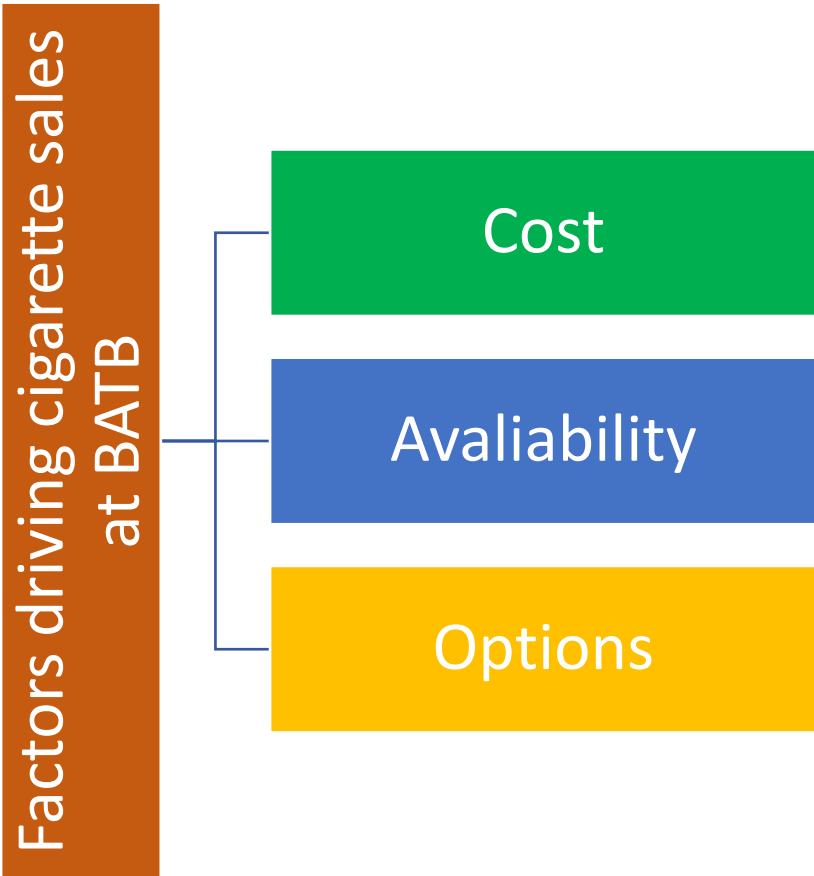
I have reviewed articles on the tobacco industry of Bangladesh and how it has been evolving over the past few decades. Furthermore, I have read scholarly articles on what are the factors that affect consumer behavior when it comes to buying a cigarette. Report on the tobacco industry of Bangladesh and the government regulations regarding this industry have also been studied. By reading all the industry analysis I have gained the holistic idea I needed in order to create the framework for my study.

2.2 Previous study

Reports on British American Tobacco Bangladesh and how the company operates and sale their products through trade marketing. United Nations report in factors that causes people to smoke more and why it has sustained over the past few decades. World Health Organizations journals on how tobacco is affecting the consumer and why people still buy it.

Chp3 - Research Framework

3.1 Framework of the study



Independent Variables	Dependent Variable
1/ Cost of the cigarettes	1/ Factors driving sale of cigarettes at BATB
2/ Availability of the cigarettes	
3/ Variety of the cigarettes	

3.2 Research Hypothesis

There are three hypotheses of this study

H1: ‘Pricing affects the purchase of cigarettes by the consumers’

H2: ‘Easier availability of the cigarettes generates more sales’

H3: ‘Wide array of choices of cigarette brands lead to more sales as the consumer gets more options’

Chp4 - Research Methodology

4.1 Methodology

This is applied research (Descriptive research) which is based on British American Tobacco Bangladesh as an organization to find a cause of a real-life situation which is the increase of cigarette sales. I have created the framework of the research and the questionnaire through literature review on similar topics related to consumer behavior and tobacco industry in Bangladesh.

I have chosen simple random sampling method and selected a sample size of 110 respondents. The distribution of the questionnaire is done through online google survey, the questionnaire consists of measuring scales which includes nominal scale, ordinal scale & 5 Point Likert Scale of measure for greater reliability.

Chp5 - Analysis and Interpretation of Data

5.1 Factor Analysis

Communalities		
	Initial	Extraction
You smoke on a consistent basis	1.000	.874
You buy cigarettes regularly	1.000	.865
Price is an important factor when it comes to buying cigarettes	1.000	.818
Fluctuations in prices affect the buying pattern of cigarettes	1.000	.502
Higher prices cause me to buy fewer cigarettes	1.000	.662
Wide spread availability of cigarettes is important for me	1.000	.613
Good distribution of cigarettes throughout the country leads to more purchase	1.000	.488
I buy more cigarettes if i find it more convenient to purchase	1.000	.633
The number of options available for cigarettes affects my buying decision	1.000	.617
More choices of cigarettes lead to more purchase	1.000	.780
Wide array of options in cigarettes attracts new consumers	1.000	.699

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.738
Bartlett's Test of Sphericity	Approx. Chi-Square	414.107
	df	55
	Sig.	.000

The KMO and Bartlett's Test shows the variation of changes made to the five factors provided in the study by the basic variables included. If the value is under 0.50 then the result of the factor examination won't be considered relevant. Bartlett's sphericity trial tests the hypothesis that our variables are random if the relationship network is a character lattice. Limited values (under 0.05) of the degree of essentialness indicate that a variable test with your knowledge might be useful.

The value of the test for the study shows 0.738 (.0.5) which means the data used is relevant for factor analysis and principal component analysis. The significance levels are also below 0.05 which indicates a relationship between the dependent and the independent variables.

Extraction Method: Principal Component Analysis.

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.665	33.317	33.317	3.665	33.317	33.317	2.784	25.305	25.305
2	1.656	15.058	48.376	1.656	15.058	48.376	1.665	15.137	40.442
3	1.309	11.899	60.275	1.309	11.899	60.275	1.618	14.710	55.152
4	1.022	8.361	68.636	1.022	8.361	68.636	1.483	13.484	68.636
5	.851	7.737	76.373						
6	.659	5.989	82.363						
7	.552	5.016	87.379						
8	.500	4.548	91.927						
9	.421	3.831	95.758						
10	.354	3.217	98.976						
11	.113	1.024	100.000						

Extraction Method: Principal Component Analysis.

In this study we used varimax rotation technique since the variables are known. The total variance explained table shows that from the data provided 4 factors were extracted and the corresponding cumulative variance is 68.636% which indicates the 4 factors taken accounts for 68.636% of the variance. Each of the 4 factors had a corresponding eigen value of over 1 and the rest of the factors were not taken into consideration.

Rotated Component Matrix^a

	Component			
	1	2	3	4
You smoke on a consistent basis	.914			
You buy cigarettes regularly	.924			
Price is an important factor when it comes to buying cigarettes		.880		
Higher prices cause me to buy fewer cigarettes		.707		
Good distribution of cigarettes throughout the country leads to more purchase			.538	
I buy more cigarettes if I find it more convenient to purchase			.755	
The number of options available for cigarettes affects my buying decision				.566
More choices of cigarettes lead to more purchase				.809
Wide array of options in cigarettes attracts new consumers				.678

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.

Each of the question under a factor is seen under the same table which indicates these questions are closely related to the factors they are under in the table.

DV1 DV3 – Under factor 1

PP1 PP2 – Under factor 2

AA2 AA3 – Under factor 3

CC1 CC2 CC3 – Under factor 4

5.2 Regression

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	CCC, PPP, AAA ^b		Enter

a. Dependent Variable: DDV

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.664 ^a	.441	.425	2.01713

a. Predictors: (Constant), CCC, PPP, AAA

b. Dependent Variable: DDV

Looking at the adjusted R Square value we can see the value in the table show .425 which indicates 4.25% variance of the dependent variable is explained by the independent variable.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	339.879	3	113.293	27.844	.000 ^b
	Residual	431.294	106	4.069		
	Total	771.173	109			

a. Dependent Variable: DDV

b. Predictors: (Constant), CCC, PPP, AAA

ANOVA model shows a significance value less than 0.05 (<0.05) which means the model of the study is significant at a 99% confidence interval.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.762	1.828		-.964	.337
	PPP	.665	.116	.722	1.418	.002
	AAA	.930	.125	.621	7.445	.000
	CCC	-.021	.114	-.015	-.183	.855

a. Dependent Variable: DDV

PPP (H1)

The coefficients table shows the independent variable PPP has standardized Beta value of 0.772 which means that there is strong and proportionate relationship between price and sale of cigarettes. Which indicates changes in price affects the sale of cigarettes, the T statistic show a significance value less than 0.05 (0.002) which means that the hypothesis H1 is supported by the study and Price does affect the purchase of cigarettes by consumers.

AAA (H2)

The coefficients table shows the independent variable AAA has standardized Beta value of 0.621 which means that there is strong and proportionate relationship between availability and sale of cigarettes. Which indicates changes in availability affects the sale of cigarettes, the T statistic show a significance value less than 0.05 (0.000) which means that the hypothesis H2 is supported by the study and easier availability of cigarettes generates more sales.

CCC(H3)

The coefficients table shows the independent variable CCC has standardized Beta value of negative (-0.015) which means that there is weak and inverse relationship between choices and sale of cigarettes. Which indicates choices of cigarettes does not affect the sale of cigarettes, the T statistic show a significance value greater than 0.05 (0.855) which means that the hypothesis H3 is not supported by the study and wide array of choices does not lead to more sales.

5.3 Reliability

Reliability Statistics

Cronbach's Alpha	N of Items
.811	2

DVV

The Cronbach's Alpha shows a value of over 0.5 (0.811) which means the variable DVV is reliable.

Reliability Statistics

Cronbach's Alpha	N of Items
.778	2

PPP

The Cronbach's Alpha shows a value of over 0.5 (0.778) which means the variable PPP is reliable.

Reliability Statistics

Cronbach's Alpha	N of Items
.600	2

AAA

The Cronbach's Alpha shows a value of over 0.5 (0.600) which means the variable AAA is reliable.

Reliability Statistics

Cronbach's Alpha	N of Items
.583	3

CCC

The Cronbach's Alpha shows a value of over 0.5 (0.583) which means the variable CCC is reliable.

Chp6 - Conclusion and Recommendations

6.1 Findings

The tobacco industry of Bangladesh even though restricted by many laws and regulations continuously generate a lot of revenue each year. The purpose of this study was to find few of the contributing factors which adds value to this sale of cigarettes at an exponential rate. Taking price, availability & choices of cigarettes into consideration the study was conducted and a survey was taken with a sample size of 110 respondents. The results show that price is a very important driving factor when it comes to selling cigarettes, fluctuation in prices heavily affect consumer buying patterns hence the cigarette companies strategically prices their products I order to promote more sales.

Looking into the second factor which is the availability of the cigarettes it is found from the study that it plays crucial role when it comes to generating more revenue for the company. Hence a good distribution network and good relationship with retailer is required by the tobacco companies in order to maintain continuous availability of their products and hence generate more sales.

Lastly looking into the third factor which is the choices of cigarettes it is found a wider array of choices does not necessarily generate more revenue as shown by the results of the data analysis. This is mainly due to the fact people stick to the brand they prefer most of the time hence even the presence of a new brand won't cause them to switch. If the brand they want is not in the offering they won't buy the product even if there are other choices present.

6.2 Conclusion and Recommendations

To conclude this study was done in order to find few of the driving factors which is responsible for driving cigarette sale, the factors were chosen after conducting literature review on the industry and related previous studies. A questionnaire was made based on literature review in order to find what the consumers thought about each of the factor's contributions. After collecting all the data and interpreting it we came to the conclusions two of the factors chosen which are Price & Availability does affect the sale of cigarette while the factor Choices does not affect the sale of cigarettes.

Since tobacco is a very regulated industry in Bangladesh and the companies cannot market their product, I would recommend them to carry out extensive market research on their target group in order to understand what the consumer want and what factors are helping them make the purchase much easier and on a consistent basis. A simple talk with the retailers would also allow tobacco companies to gain valuable insights about their consumers and their buying patterns. This valuable information can then be used by the companies to better sale their products in the market.

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Appendix A

Survey Questionnaire

1/ What is your gender?

1. Female
2. Male
3. Others

2/ What is your age group?

1. 18-24 years old
2. 25-34 years old
3. 35-44 years old
4. 45-54 years old
5. 55+

3/ What is your profession?

1. Student
2. Service Holder
3. Self Employed
4. Unemployed

4/ You smoke on a consistent basis

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

5/ Smoking gives you pleasure

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

6/ You buy cigarettes regularly

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

7/ Price is an important factor when it comes to buying cigarettes

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

8/ Fluctuation in prices affect the buying pattern of cigarettes

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

9/ Higher prices cause me to buy fewer cigarettes

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

10/ Wide spread availability of cigarettes is important

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

11/ Good distribution of cigarettes throughout the country leads to more purchase

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

12/ I buy more cigarettes if I find it more convenient to purchase

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

13/ The number of options for different cigarettes affects the purchase decision

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

14/ More choices of cigarettes lead to more purchase

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

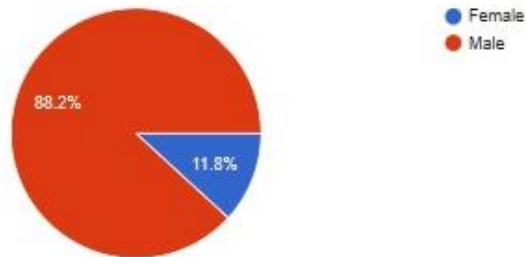
15/ Wide array of options of cigarettes attracts new types of consumers

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

Appendix B

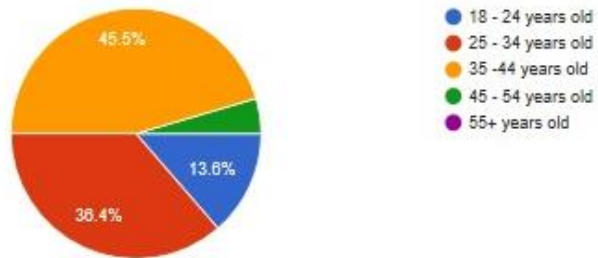
What is your gender ?

110 responses



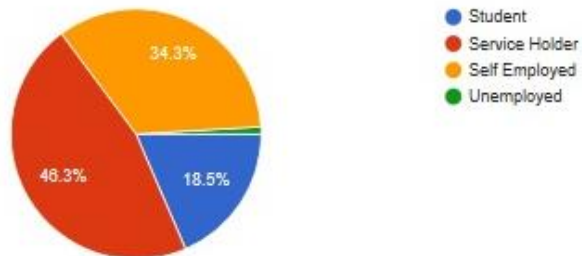
What is your age group?

110 responses



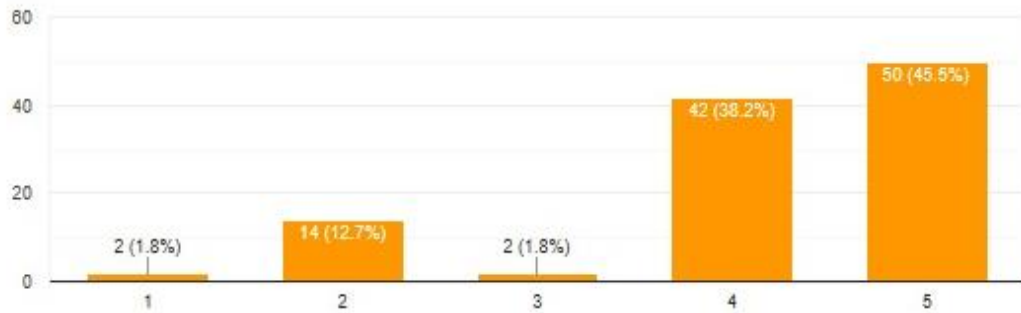
What is your profession?

108 responses



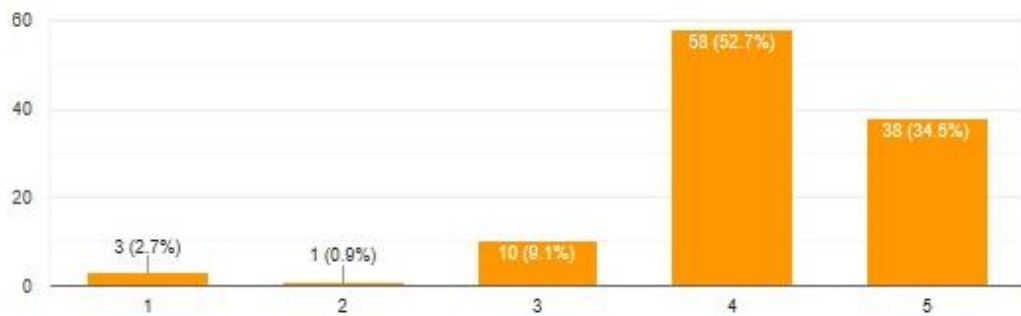
You smoke on a consistent basis

110 responses



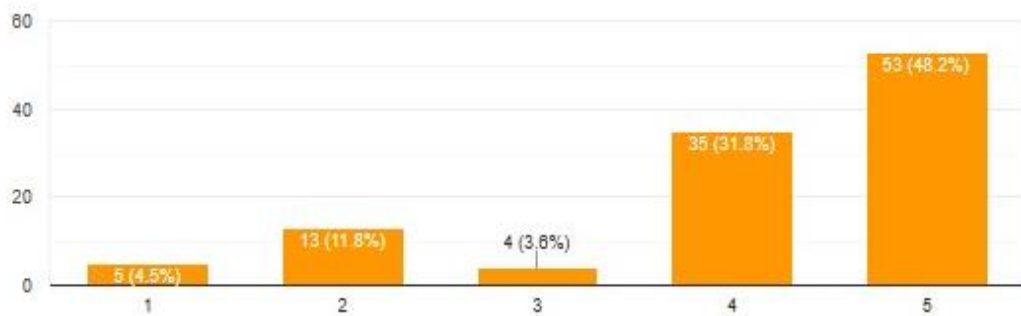
Smoking gives you pleasure

110 responses



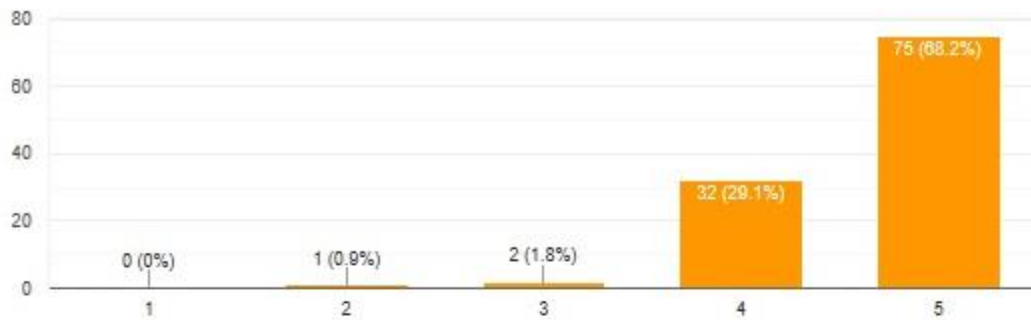
You buy cigarettes regularly

110 responses



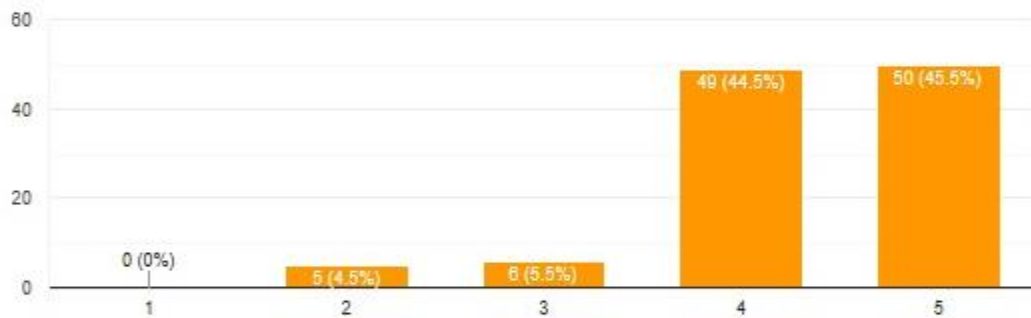
Price is an important factor when it comes to buying cigarettes

110 responses



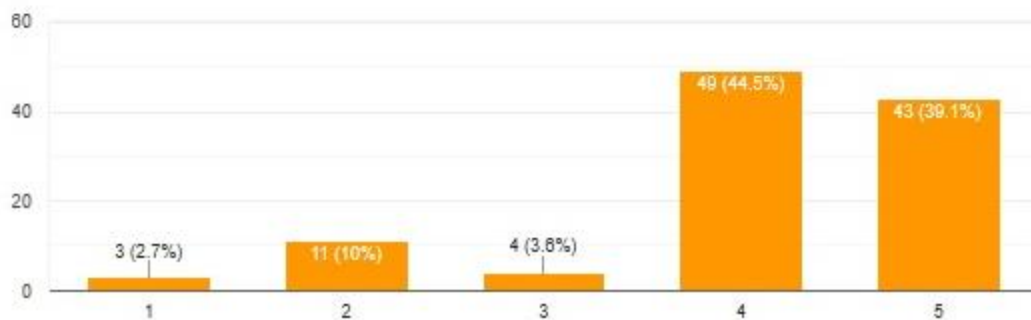
Fluctuations in prices affect the buying pattern of cigarettes

110 responses



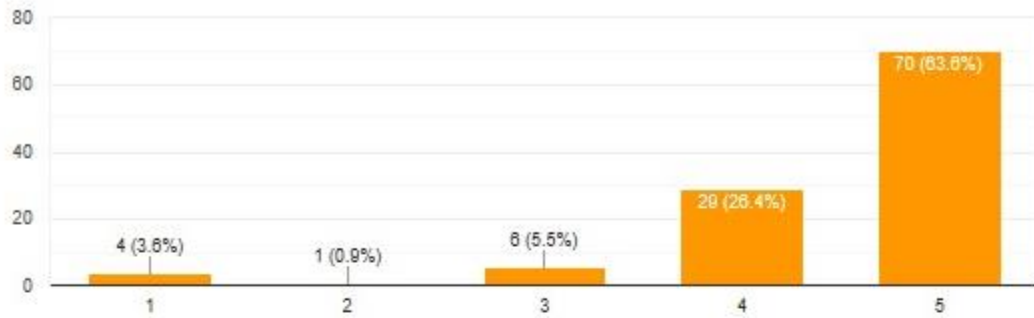
Higher prices cause me to buy fewer cigarettes

110 responses



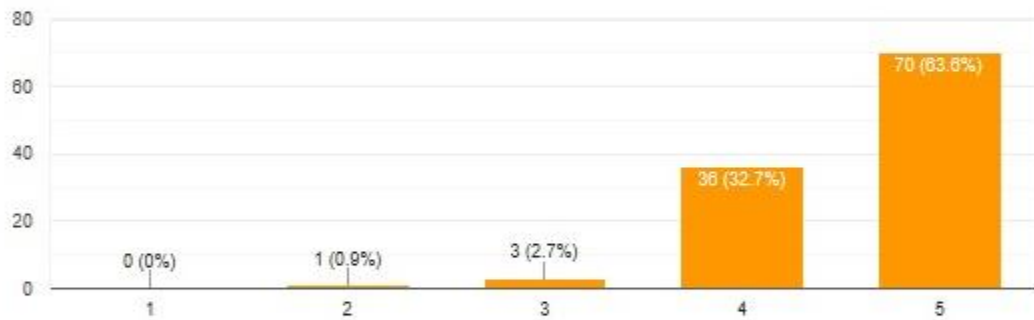
Wide spread availability of cigarettes is important for me

110 responses



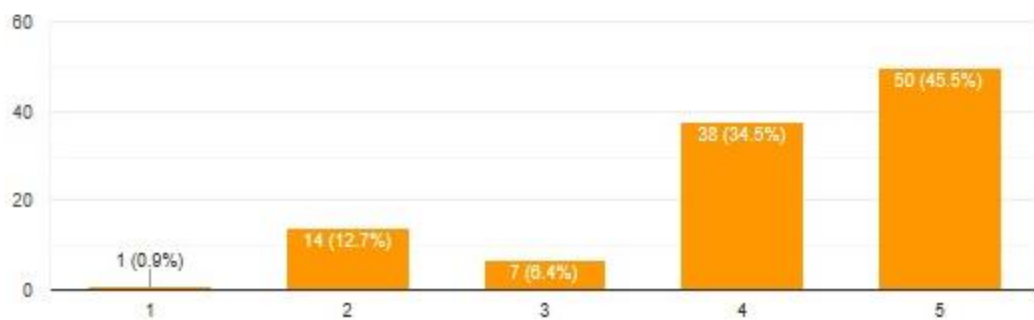
Good distribution of cigarettes throughout the country leads to more purchase

110 responses



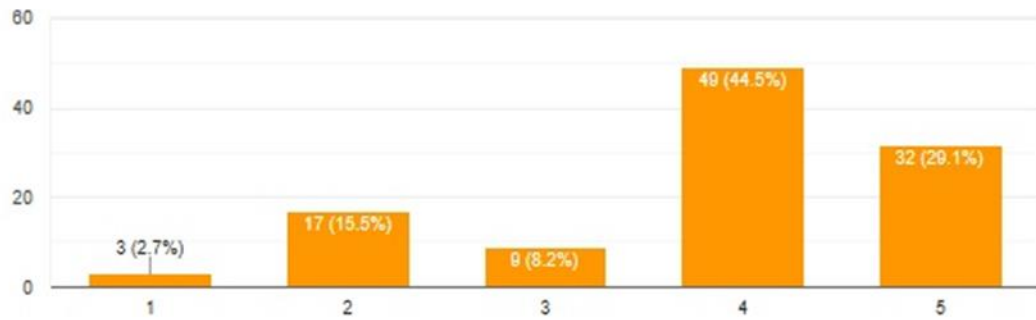
I buy more cigarettes if i find it more convenient to purchase

110 responses



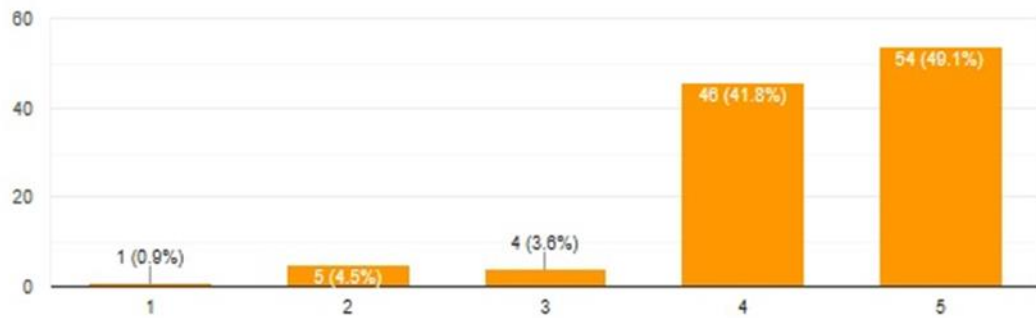
The number of options available for cigarettes affects my buying decision

110 responses



More choices of cigarettes lead to more purchase

110 responses



Wide array of options in cigarettes attracts new consumers

110 responses

