

# Report On

## Marketing Strategies of Aarong based on different target market

By

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Islam 16104051

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

BRAC Business  
School BRAC  
University April  
2020

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## **Declaration**

It is hereby declared that

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

**Student's Full Name & Signature:**

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**Habib Muhammad Rusab  
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**Supervisor's Full Name & Signature:**

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**Muardul Mustakin**  
Senior manager,  
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Aaron  
g

**Non-Disclosure Agreement**

[This page is for Non-Disclosure Agreement between the Company and The Student]

This agreement is made and entered into by and between [Name of Company] and the undersigned student at BRAC University .....

## **Acknowledgement:**

First of all I would like to thank and convey my gratitude towards Almighty Allah for granting me with the opportunity to undergo this report and complete it successfully within the stipulated time satisfying all the guidelines provided. This report is an amalgamation of my brief experience at Aarong working as CRM intern for the period of January to March 2020.

I would like to thank Mr. Jubairul Islam Shaown, lecturer, BRAC Business School my internship advisor for his time, effort and insights that helped me curve my way out of this report simultaneously assisting me come to a concrete conclusion.

I would also like to thank my supervisor at Aarong Mr. Muradul Mustakin and my colleagues for their never ending support and guidance as a mentor and advisor helping me thoroughly with this project and more importantly helping me choose my topic of internship report and providing me with the necessary information needed to complete it. It is they who created an environment conducive of learning and growth.

## **Letter of Transmittal:**

Mr. Jubairul Islam

Shaown Lecturer

BRAC Business

School BRAC

University

Subject: Internship Report on Marketing Strategies of Aarong based on Different Target Segments.

Dear Sir

This has been my pleasure to submit my Internship report on marketing strategies of Aarong based on different target segments Aarong and under your supervision. The report that I have prepared has been a collection of what I have learned over the years and implementing that to solve a real life problem that exists in an organization like Aarong. I have tried to contribute my knowledge so that the problem can be addressed and an in depth analysis provided with relevant contributions. Along with that all the information used has been cited properly and the rest have been gathered through experience that I have gathered over the span of three months.

I hope my effort will satisfy the guidelines provided for this report. Sincerely yours

Habib Muhammad Rusab

Islam 16104051

BRAC Business

School BRAC

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## **Executive Summary**

In this report a brief overview of Aarong's major business practices in terms of marketing and human resource management has been provided and highlighted. Their internal strategic analysis mentioning their competitive position in comparison to their competitors has been discussed as well. Furthermore the values and culture of Aarong and how the two are interlinked with each other has been mentioned. The overview is likely to provide a general idea about how Aarong conducts their business and the strategies and philosophies practiced by them when it comes to doing business in a socially sustainable manner.

The research topic of the report has been about the effectiveness of the marketing strategies of Aarong and dissecting its current marketing strategies to see whether it's effective or not in helping it to reach its organizational goals and objectives. For doing so the 4 Ps of Aarong has been analyzed, and along with that the segmentation based marketing strategies currently used by Aarong such as geographic, demographic and other qualitative factors that comes into play while targeting customers has been assessed. Another dimension that has been brought in is the use of customer data to design marketing strategies.

The major findings of the research has been that Aarong's current marketing strategies are solely focused on industry standard practices because of which in most cases innovation and creativity becomes hindered. They also lack optimum usage of data analytics whereby customer data can be better utilized to form campaigns, advertisements etc. Market segmentation can be done in an even more focused manner whereby the exact target group can be considered for the advertisements that are likely to be projected towards them. They are also extensively focused on software and IT on certain aspects of marketing hence the lack of human intervention often makes the entire process a bit bureaucratic as the message takes a lot of time to reach the respective department. Lack of adequate market research has been another aspect that Aarong needs to exercise on in order to make efficient use of resources. A proper market research in the form of a focused group discussion may help Aarong to determine what tools to use for a specific campaign which will be suggested by the participants.

Lastly in order to judge the effectiveness of the strategies I have provided my own recommendations based on the areas of shortcoming and what new changes could be made in order to overcome that.

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# Chapter 1

## **1.1 Personal Information:**

Name: Habib Muhammad Rusab

Islam ID: 16104051

Program: Bachelors in Business Administration

Major/ Specialization: Marketing and Human Resource Management

## **1.2.1 Company Information**

Period: 29<sup>th</sup> December 2019- 29<sup>th</sup> March

2020 Company Name: Aarong

Department/Division: Customer Relationship Management

Address: B, Link Road, 346 Bijoy Sarani - Tejgaon Link Rd, Dhaka 1208

## **1.2.2 Supervisor's Information**

Supervisors Name: Muradul

Mustakin Senior Manager

Marketing and Sales

E Commerce and CRM

### **1.2.3 Job Scope- Job Description/ Duties/ Responsibilities**

#### **Data entry, cleaning, editing**

One of the major parts of my day to day job was to do data entry, data editing and data cleansing from Excel to ERP systems of the organization such as Aarong CRM. These then later got compiled by the ERP system as mentioned above and later got taken care of by me.

#### **Idea generation for marketing campaigns:**

Another part was generating ideas for different marketing campaigns such as Valentine's Day, Falgun. I had to do back end research work by looking at how other companies executed their campaigns and likewise develop similar plans for Aarong's campaign. Analyzing the feasibility of each campaign had to be done by me as well such as forecasting the boost in sales compared to the expenses incurred for execution of that campaign.

#### **Customer Service:**

Apart from that I also had manage and handle customer complaints which arose through ERP system called Cloud Cherry. These complains usually arose through various medium such as Facebook page, Call center, Outlet personnel, Aarong website etc.

#### **User acceptance testing:**

User Acceptance testing for Aarong website was also something that I got engaged into during my tenure there. We had to replicate the entire process that a customer had to undergo in order to complete a purchase through website. And in doing so we had to identify bugs and glitches that we may have faced in our attempt. Other than that we also had to provide feedback and suggestion on how the user experience could be enhanced. PowerPoint presentation making was a core duty that I had to perform when presenting or pitching an idea to my supervisor.

#### **Online research and analysis:**

Any sort of research finding had to be presented through PowerPoint presentations as well. I also had to conduct research work for several future projects that Aarong was planning launch in the near future and undergo feasibility analysis to test what changes and modifications were necessary to make it a success.

### **1.3.1 Students Contribution to the company**

My internship was for three months and it commenced on 29<sup>th</sup> December 2019 at the Aarong head office situated in Tejgaon industrial area. My department, Customer Relationship Management works in alliance with the marketing department and is mainly focused towards enhancing the customer experience. Most of the brand activation campaigns, customer engagement techniques, and creating content for the social media platforms, handling customer complaints and dealing with the customer experience are the major tasks.

After starting my tenure I got assigned a very comprehensive work role, few of the activities involved designing marketing campaigns such as Falgun campaign, Valentine's Day campaign and had my fair share of contributions there. Got engaged in ticket handling where I had to take care of all the complaints raised by customers through different platforms such as call center, Facebook, website etc. These complains fell under a very wide spectrum of problems ranging from product issues to updating mobile number in the system. These complaints had to be solved and the respective departments had to be informed.

Conducting user acceptance testing UAT was also a part of my work where I had to check on the glitch and errors faced by a customer while surfing through our website and informing those to the IT department so that necessary actions could be taken. New features were also added to the website such as different sort of pop up features just to make the user experience more pleasant and trouble free.

I also had to take part in designing activation campaign ideas for the loyalty programs offered by Aarong and Taaga so that it acts a reminder for the customers to update their status in the loyalty programs offered by Aarong.

Another significant part of my work had been to work with customer data and do basic level of data editing and data cleansing on large data sets. This led to working with the different enterprise resource planning (ERP) systems that Aarong has such as Aarong CRM software which is integrated software handling customer information which can later be used for different forms of segmentation such as demographic. My work mainly consisted of Club Taaga data sets which is a loyalty program managed by Taaga for their loyal top shoppers. Along with that I had to gain comprehensive knowledge of the different loyalty programs of Aarong and Taaga such as the different the points required to upgrade to top tier classifieds of the program.

### **1.3.2 Benefits to the student:**

#### **Gaining professional insights:**

As a part of the internship of the BBA program, working at Aarong has been a part of my learning curve. Implementing and executing my knowledge in real life scenario, dealing with problems did put me in challenging situations at time. Gaining key insights of different managerial roles in the organization has been part of the learning process. Along with that I got to engage in designing and executing marketing campaigns for different occasions such as Falgun, Valentine's Day etc.

#### **Honing key organizational skills:**

Followed by that I got to hone my interpersonal skills, communication skills etc. communicating and understanding your colleagues viewpoint had been crucial for surviving in an organizational setting. Meeting deadlines and scheduling work beforehand in terms of priority is another vital factor that has to be taken seriously in order to excel in the corporate world. Gaining a complete understanding of the task assigned before commencing it is something that has to be given importance. Simultaneously students also get to learn how to interact in a formal setting and understanding the other party's viewpoint. Students who are fresh graduates can also get to know about the dynamic traits that are demanded of them such as time management skills, multitasking etc. Punctuality is something that is highly appreciated in a work setting.

#### **Experiential learning:**

Experiential learning has also been a major factor in my three month tenure. Apart from theoretical knowledge I have been able to learn a lot through experiencing different functions of my job.

### **1.3.4 Recommendation:**

1. Job Shadowing and job rotation:

The recommendations to the company for future interns would be to involve them in a variety of jobs. Job shadowing would help the interns gain a deeper insight of the tasks that the position demands on a daily basis. Along with that job rotation could be done as well where the interns would be working with each employee of the department for a specific period of time which would enhance the learning of the interns and give them an edge in their job life. Interns can also be given hands on training on certain software's that the organization uses.

2. Consider interns as potential employees:

Secondly Aarong can also consider interns as potential employees and retain them if they can perform and achieve the goals and objectives set by the organization. And hence hire people as interns who would have the capability to become a full time employee.

The next part of the report takes a holistic view of the organization Aarong and discusses briefly the individual functional departments such as Human Resource Management, Marketing, Operation Management and Information system, an industry competitive analysis encompassing the SWOT analysis, 4Ps of marketing and the and the market positioning of Aarong and its strategic internal audit.

## **1.1 Objective of the study**

The objective of the study has been to identify and analyze:

1. The marketing strategies of Aarong based on the different target segments that they target as their market segment.
2. Each strategy has been studied in depth and based on the data that has been gathered from various sources such as company personnel, firsthand experience through work and analyzing the past advertisements of Aarong.
3. At the end I have tried to identify a gap and mention some recommendations regarding how this can be fulfilled and its existing resources can be better utilized to help Aarong reach its organizational goals.



## **1.2 Research Methodology:**

Research methodology for my report mainly consists of the sources which have been used to extract data needed for its completion. The two sources of data are primary source and secondary source.

The primary sources of data have been acquired through experience, conversation with colleagues, some first-hand data that has been handed down to me by my seniors etc.

Some secondary sources have been needed for the background information regarding the topic of research, through sources such as company website, online articles, journals research paper etc. Secondary sources for information are easy to collect but often can be said to be outdated and hence irrelevant. Therefore to keep this report relevant and accurate information exceeding a certain time span has not been used.

Some of those websites that have been used are Springer.com, papers.ssrn.com, sciencedirect.com, emerald.com, Aarong.com etc.

## **1.3 Limitations of the study:**

The limitations of the study have been that the internship was only for a brief period of time that is three months And reports as such demands extensive research and collection of data from multiple sources followed by multiple interview sessions with various personnel along with which I had to continue with my job and the daily tasks that were assigned to me. Hence time has been a constraint in preparation of this report.

A lot of information was not accessible because of confidentiality such as financial reports, accounting journals and ledgers, customer information etc. Hence certain topics could not be discussed elaborately. Such as the financial figures were out of access as it could pose threat for the company if in wrong hands. Thus, topic selection became narrowed down as well leaving me with lesser options to select from.

## **1.4 Scope of the study:**

The research topic that I have worked upon consists of the marketing strategies used by Aarong based on different target market. The scope of the study has been to analyze the effectiveness of the different marketing strategies used by Aarong for different target markets and look for any discrepancy and lacking that can be overcome in the near future. Hence after the completion of my study I have provided some recommendations and solutions based on my findings and in doing so I have figure out ways to improve current marketing practices of the organization.

In order to undergo a complete analysis I have gone through the major marketing concepts used by Aarong such as the 4Ps, segmentation marketing, digital marketing, the use of AIDA model in designing marketing campaigns and brand elements along with their existing marketing strategy all of which were scrutinized to make sure each of these aspects could be tweaked for achieving optimal results.

In the recommendation part of my report I have discussed elaborately about my findings and how each of these shortcomings can be improved and also talked about industry practice where it has been thought to be of relevance.

## **Significance of the study:**

The study that I have conducted on Aarong's marketing strategy will help a myriad of industries in identifying their weakness and lacking in designing effective marketing strategies for each of the target segments along with that it will also provide ways to overcome the shortcomings. My entire report has been based on Aarong which belongs to the fashion industry and the retail industry as well apart from that the E commerce industry has been a part of my study as well because of Aarong's presence online. My recommendations and solutions can be said to be relevant for a lot of industries apart from the aforementioned ones because the process can be tweaked and applied to almost all the industries that are dependent and driven by successful marketing strategy.

## Chapter 2

### **2.1 About Aarong:**

Aarong which translates to ‘village fair’ in Bengali is Bangladesh’s most popular lifestyle retail chain. This ethical brand began in 1978 as a humble means to empower rural artisans to rise above poverty. Today, with 20 retail stores across Bangladesh and over 100 fashion and lifestyle product lines, Aarong supports 65,000 artisans with fair terms of trade. Revolutionizing the retail industry with high standards for quality and artistry, this iconic brand blends the traditional with the contemporary in ways that never cease to win consumer appeal both at home and abroad.

In 1976, when BRAC– the world’s largest development organization – engaged a small number of rural women to produce crafts, their only buyers were a few scattered retailers in Dhaka. Weeks, even months would pass between supply and payment, until BRAC intervened and established Aarong to pay the rural women for their goods on time. Over the past four decades, Aarong has carved out a unique market segment for handicrafts, reviving Bangladesh’s rich heritage and impacting the lives of more than 325,000 people through 850 small entrepreneurs and the Ayesha Abed Foundation. The foundation acts as Aarong’s production hub, where artisans find employment and access to BRAC’s holistic support including, maternal health care, hygiene awareness and subsidized latrines, micro-credit, legal aid, day care and education for their children.

From clay pots to diamond jewellery, and silk and cotton fabrics to brass and leather merchandise, Aarong’s vast range of innovative products, backed by a robust supply chain and distribution network, makes Aarong truly a household brand in Bangladesh. Its growing presence outside of Bangladesh – through fair-trade networks and the online shop– continues to broaden the market for Bangladeshi crafts globally, creating more opportunities for artisans to protect their age-old art and livelihoods.

#### **Values:**

Aarong being a concern of BRAC follows much of the same culture of BRAC itself. The fundamentals of its culture are based on its values which are integrity, innovation, inclusiveness and effectiveness. For example respecting individuals irrespective of the authority or position that person holds in the organization. Another of such policy is all inclusive policy where employees of all sorts starting from the support staff to the head management is addressed, conducted and has their meals together. Aarong an organization that led to prolific development and growth in the communities of the world which were severely

underdeveloped and deprived access of the basic necessities, with over 300,000 people across the country benefitting from their initiatives, their values remain a constant source of inspiration and pride for us.

They value innovation that creates opportunities for the poor to lift themselves out of poverty. We strive to display global leadership in ground-breaking development initiatives.

We value integrity, because transparency and accountability are the most essential elements of our work ethic. With clear policies and procedures, we continue to display the utmost level of honesty in our financial dealings.

They are committed to inclusiveness to ensure that they engage, support and recognize the value of all members of society, regardless of race, religion, gender, nationality, ethnicity, age, physical or mental ability, socioeconomic status and geography.

They value effectiveness in all their work, which constantly challenge them to perform better and to improve and deepen the impact of their interventions.

Colleagues, subordinates and supervisors are all addressed as Bhaiyas and Apa and even the support team of each floor and department. The office attire can be said to be semi, casual depending on the department where you are working. There are safeguard policies in regards formal to the tone, language and courtesy with which others have to be addressed. Lunch is served from 12 30 to 2 pm and can be availed by obtaining a ticket of Tk 45 the previous day. People also often bring their own lunch from home and have it with their colleagues in separate dining rooms which can be reserved at a prior notice. The work hours are quite flexible as the day starts at 8 30am and ends at 5 15pm but employees can punch in till 10am in order for it to be not considered as half day. Full time employees enjoy 5 days sick leave and 22 days paid leave in a year. Transportation is available for full time employees offering pick up and drop service.

Aarongs overall work culture is friendly and accepting of diversity. It is one of the most diverse organizations of the country in terms of race, gender, ethnicity, religion etc.

## **Aarong's Artisans:**

Aarong has had deep impact on the lives of its artisans bringing major transformation in their livelihood. Such is the case for Shondhya Rani Sarkar whose eyes light up when she speaks of how well her son is doing in school. When Shondhya first came to the Aarong Production Centre in Manikganj, he was a year old. The self-assured Shondhya of today was then a desperate young widow with no means to feed her baby.

She joined a local microfinance group of the NGO BRAC and was recommended for employment with a nearby Aarong production center, where women like her could earn a decent living without endangering and consequently uplifting their status and respect in the community.

Today, Shondhya is one of the most experienced block print workers at the center, training new recruits. Working 8 am - 5 pm shifts, six days a week, she earns a steady income that could easily rival that of any men-lead family's in her village. Her life is not easy, but Shondhya gains satisfaction from the thought that she has provided for her son and ensured a brighter future for him -- one that fifteen years ago had seemed to her an impossible dream.

Shondhya's story is hardly exceptional, but it is in the slow and steady changing of the lives of thousands of Shondhyas across Bangladesh that we are brought face to face with the true impact of an organization, which has so far come into the limelight only for its commercial success.

Potters, brass workers, jewelers, jute workers, basket weavers, handloom and silk weavers, wood carvers and leather workers and embroiders are but some of the skilled people who make Aarong what it is. Aarong supports 65,000 artisans, 85 per cent of whom are women. 30,000 of these skilled craftspeople work through the Ayesha Abed Foundation (AAF) 1 and its network of 13 production centers and 637 sub-centers spread across Bangladesh. The rest of the 35,000 artisans work in independent workshops and traditional family-based artisan groups and come to Aarong for support in marketing their products.

With the help of AAF, Aarong organizes and trains rural artisans, allowing them access to the market. The process follows several steps: First, a design team conceptualizes the season's designs which are then sent to the rural artisans for production. Aarong continuously develops the artisans' skills through training programmes, and conducts quality control of the completed items before they are bought at a fair price and sold across retail outlets in urban markets. Aarong strives to provide a uniquely Bangladeshi lifestyle experience while encouraging social change. A newly generated demand for Bangladeshi handcrafted products illustrates that Aarong has achieved this vision, and continues to challenge the retail industry with its sustainable fashion 'revolution'.

Aarong's strength comes from its teams of skilled artisans. We hold close the same mission that we started out with, to empower and include the most disadvantaged women. Every artisan who works in

Aarong-owned production facilities are also a client of BRAC's multifaceted development programs, with access to microcredit to pursue income-generating activities of their own. The stories of women like Shondya are etched and woven into every handmade novelty that Aarong sells.

### **Major Product Categories:**



**In depth product categories:**

<b>Men's Products</b>	<b>Women's Products</b>	<b>Home</b>
Panjabi Shirts	Sarees	Bed covers
T-Shirts	Shalwar Kameez	Table covers
Fatua	Kurta	Rugs
Kurta	Shawls/Scarves	Dining Lamps
Scarves	Shoes	Pillow covers
Sandals	Bags	Photo frames
Sherwani		
<b>Leather Products</b>	<b>Children Products</b>	<b>Jewelry Products</b>
Shoes	Clothes	Gold
Bags	Silver	Terracotta
Wallets	Toys	Pearl
Belts	Books	
Boxes	Shoes	
Photo Frames		
<b>Food</b>	<b>Herbal</b>	<b>Nakshi</b>
<b>Ceramics Products</b>		

**Major Outlets of Aarong:**

**Uttara  
flagship  
outlet**

**Sylhet Outlet**

**Halishaha  
r,  
Chittagon**

**Dhanmondi  
2 number**

**Bana  
ni  
outlet**

**Narayanga  
nj Outlet**

**Asadga  
te  
Avenue  
Outlet**

**Khulna  
Outlet**

**Wari Outlet**



## **2.2 Management practices of Aarong:**

Just like most other companies Aarong's human resource department focuses on maximizing employee satisfaction, minimizing employee turnover and designing training programs to enhance employee performance and productivity. They are also responsible for developing policies and practices related to employee holiday, leave, bonus, gratuity, compensation etc. The sorts of recruitment undertaken by Aarong HR department are regular, part time, temporary, contractual, project based.

Aarong recruits from external and internal source only. Internal source consists of recruiting through its own process and external means handing over the responsibility to external outside agencies to carry out the process.

Another major function of HR is employee appraisal whereby through the process of PMS, each and every employees of the organization are evaluated based on the objectives they were supposed to fulfill and based on that they get a raise or promotion. Through this process Aarong tries to identify the training and development needs, identify employees who have been under performer, employees who have exceeded their goals, and lastly establish a proper feedback system whereby employees can also raise any concern if they have in terms of their performance.

Compliance and separation management is a crucial element of HR department whereby individual and group behavior is consistently organized. It also encourages internal reporting and responses to complaints and conducting investigation where necessary.

Aarong goes through a series of steps while recruiting people for any position in the organization such as job posts, CV screening and a series of interviews involving people from respective department and the human resource department. After that if the candidate is selected then certain training and grooming sessions are undertaken to prepare the candidates for the job along with that they also conduct exit interviews when an employee is leaving so that exit happens in a formal and structured manner.

The probation period is as informed 1 year for regular employees and 6 months for sales associate and if the candidates can pass this period as per the policy then their job is confirmed.

## **2.3 Marketing Practices:**

Aarong from its inception has focused on quality in every aspect of its operation and that is very visible in the photo shoots and campaigns deployed by them. They always select the leading faces in the industry of social media influencers and models when it comes to showcasing their products. The marketing practices mainly followed by Aarong are significantly focused towards digital marketing. They have shifted their practice of marketing from conventional to online. Aarong spends thousands of Taka each month to run marketing campaigns on different social media platforms such as Facebook, Instagram, YouTube, Google etc. They also engage in different sorts of techniques such as Google Display Network, bumper advertisement on YouTube, Viber marketing etc. The launching of their mobile application and their E commerce platforms has leveraged Aarong's marketing aspect because customers can be targeted directly and their needs can be analyzed with time.

They also host different events associating with different marketing campaigns. After launching of Taaga a sub brand of Aarong they hosted a Bar-B-Q party inviting all of their loyal top shoppers and celebrated their loyalty. Marketing campaigns of Aarong can be said to be quite different from the usual strategies because they have a huge array of product line each of which is different and unique. Along with that they also host the fanciest fashion shows and events related to fashion which gives them a flamboyant image. Aarong's desire to become synonymous with fashion has given them a competitive advantage that other fashion brands of the country couldn't achieve.

The CRM department specifically deals with customer experience and acts as a think tank when it comes to idea generation for marketing campaigns. The entire process of customer management is also done by the CRM department along with customer engagement. CRM department of Aarong also manages partnership with other leading brands of the country such as Radisson hotel; Amari hotel, Berger Paints, Regent Airways etc and these alliances are used during various campaigns through which the brand image gets leveraged. Because of these brand partnerships customers also feel eager to purchase from Aarong as additional benefits can be reaped from the alliances formed by Aarong.

A lot of the topics and chapters covered here are from my own experience that I have gathered over the period of internship and hence there is a possible scope of bias towards a certain narration. Such as the marketing practices mentioned above are entirely from what I have seen and worked on hence is my personal observation only.

## **2.4 Finance practices:**

Relevant information could not be obtained from the organization Aarong due to confidential reasons and hence this section has not been elaborated.

## **2.5 Accounting practices:**

Relevant information could not be obtained from the organization Aarong due to confidential reasons and hence this section has not been elaborated.

## **2.6 Operations management and Information system:**

Aarong being one of the leading fashion brands operating in the retail industry is heavily depended on flawless and effective running of the operations management system. They have multiple enterprise resource planning systems which integrate and coordinate the entire supply chain process. As they have multiple product lines ranging from women's clothing line to men's clothing line and even household items hence such vast majority of items require constant monitoring and the inventory levels have to be kept on check. They also have a separate software system for keeping track of all the customers belonging to separate membership programs and the amount of points that they have earned and burned.

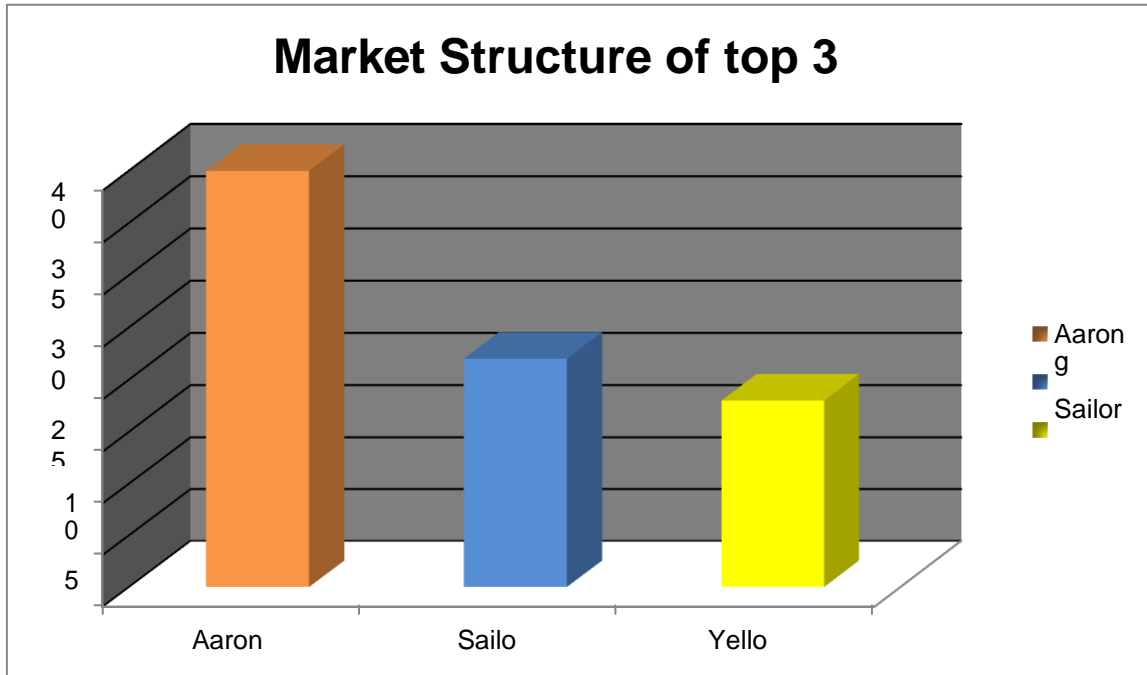
### **Systems currently used in Aarong:**

- Material Requirements Planning
- Manufacturing Resources Planning
- Enterprise Resource Planning
- Warehouse management system
- Customer Relationship management

## **2.7 Industry Competitive Analysis:**

- Aarong holds quite a strong competitive edge in the industry it operates in, such as quality, innovation, customer satisfaction etc. Aarong's supply chain management has been its forte because of its strong and extensive network it has with its customers and suppliers all over Bangladesh is something that other companies can't replicate. Customer satisfaction is always
- Kept on check and each and every complain and feedback is taken into account and worked upon. The purpose by which Aarong is driven that is to empower women from the grass root level is something with which a lot of its target market can reciprocate and thus the customer base is loyal.
- They do fall behind in some aspects when compared to its competitors like Rong, Anjans, Kay Kraft, Banglar Mela etc mainly on the aspects of price. People often claim and complain that Aarong's products are usually overpriced and they often cannot justify the reason behind it. Even though they do offer superior quality but the price makes Aarong a luxurious brand. Aarong launching its E commerce platform has created alternatives for the sale of its products and diverted its sole dependency on retail outlets. Consumers globally will be able to become a customer of Aarong and this would in turn lead to more sales and market share for them.

**Market share of top 3 firms:**



The above data represents the approximate market share of the top 3 firms of the fashion industry of Bangladesh. The data represents that of the recent past years. Aarong being the oldest among the other companies have the highest market share because of its first mover advantage. Other fashion brands does operate such as Rong, Kay Kraft, Noborupa but none of these brands are in the same category as Sailor or Yellow. The sales figure of these aforementioned brands is far higher than that of Rong, Kay Kraft, Noborupa.

### **2.7.1 SWOT Analysis:**

The threat might be that a lot of other big brands are also entering this industry offering almost similar services and this might lead to a fall in market share of Aarong. Such as Noir bringing in Miniso bought its ticket into the way of home retail industry

Opportunities are that they can still enter new markets and target a different segment of the economy. There is a lower income segment that Aarong is missing out on. These two segments can be Aarong's next target group.

The weakness is that it should have a separate public relations team handling the relationship that exists in the open. Very little discrepancy can cause a lot of damage.

The strength is its human resource. Most of its employees were there since its inception. The top management of each department is also the best in business. Aarong also has quite a few people from abroad who have adept knowledge and experience in their own field. This gives them an edge over other brands who can't afford to have to have such competent employees.

## 2.7.2 Market Positioning of Aarong:



## Internal Strategic Audit

Aarong's marketing strategy has been aligned with its corporate goals and objectives. Most of the marketing decisions are made based on informed decisions and with clear communication with most of the major departments of the organization. A lot of departments contribute when a major marketing campaign is launched. Some of these departments are inventory design, CRM department etc. Even the smallest campaigns get scrutinized by the hierarchy and the best possible outcome is generated through feedback from each managerial level. Aarong has gained a massive audience in the recent years because of its continuous campaign deployment that keep the customers informed and bombards their mind with image of Aarong. Campaigns are run through E mail, SMS, Facebook, Instagram etc. marketing. The conventional mediums are used as well but only a handful such as billboard, newspaper etc.

Another major marketing achievement of Aarong has been that it has been able to make itself synonymous with Bangladeshi fashion. Its effective marketing campaigns run in major parts of the world has made many foreigners visiting Bangladesh a major customer group of Aarong. Tapestry, household items, children wear are few such items that are preferred by non- residential Bangladeshis and foreigners visiting Bangladesh.

However few shortcomings of Aarongs marketing strategy are that the long bureaucratic chain of command that has to be passed in order for the final product to be released. This hinders quick decision making and creativity. Very often all the time and energy invested by the respective employees get rejected because someone up in the command chain didn't like a part of the product. Most of Aarong's competitors are quite smaller than Aarong and can thus enjoy the benefit of quick decision making and change its way of doing business to suit that of the customers.

## **Recommendations**

### *1. A sub- brand targeting the mainstream customers:*

Aarong being a leading fashion brand of the country is constantly updating and upgrading its way of operations such as its product line, service, retail experience, customer feedback, and many other aspects of providing the ultimate product and service. However because of Aarong's brand image the premium pricing that they charge cannot be afforded by the mainstream customers and this is fencing off a lot of customers. Hence a cheaper sub brand should be introduced by Aarong that will cater to the lower income group people and this will in turn lead to a rise in market share and sale for Aarong. Many brands in the western world have introduced this technique to increase market share and pose threat for competitors. A cheaper sub brand can be an entry way for a new market segment altogether that isn't part of Aarong's existing target market. They have already done something similar by introducing Taaga for the youth of the country and strategically this has been a smart move by Aarong as the population of youth is on the rise, this is a great market to capitalize on. Similar strategies can be implemented to capture the lower segment market that is currently dominated by its competitors.



## 2. Provision for offers, discounts, bonus etc. throughout the year:

According to K.S Fam, B. Merrilees, J. E Richard, L. Jozsa, Y Li and J. Krisjanous (2010) in their article on “In store marketing: a strategic perspective” found that discount marketing strategy, environmental uncertainty, and emphasis on price promotions are key to explaining retailers perceptions and use of in store marketing activities. In addition, seven key marketing activities were found to distinguish high and low performance retailers with respect to in store promotions.

As mentioned above discount techniques can be implemented whereby monthly discounts can be offered to new customers purchasing for the first time from Aarong. This will help generate new sales apart from the repetitive purchase that Aarong is already enjoying. Aarong is deploying too many resources on existing market but very few techniques are deployed to grab new market share locally. Special offer, bonus packages can also be given to customers to grab a higher market share and attract new customers fencing of competition.

## **Summary and Conclusion**

Aarong has evolved the rural demographics of Bangladesh beginning with empowering the women by providing a livelihood for them and raising the economic status of theirs. Their massive growth and expansion since its inception has benefitted many stakeholders such as rural communities and the urban community as well by the creation of massive levels of employment. They have also provided a choice to the consumers in the lifestyle sector by posing threat for the other companies like Rong, Kay Kraft as their prices are influenced by that of Aarong's.

The strategic positioning of Aarong is strong as well and is far ahead of its competitors along with that it is probably the only lifestyle company in Bangladesh which has Tk1000 crore yearly turnovers. It is also entering new markets such by the opening of Taaga to cater to the youth of the country. They are also one of the few organizations who are benefitting all the stakeholders by having production processes and operations which are sustainable and economically beneficial. Aarong is probably one of the few companies in Bangladesh which is enjoying growth by many folds each year and simultaneously engaging in sustainable sources of production leading to a reduction in detrimental effects on the environment.

## Chapter 3

### **Marketing Strategies of Aarong based on different target market**

#### **Introduction:**

Aarong belonging to the fashion industry of Bangladesh is quite heavily dependent on its marketing strategies in order to achieve its organizational goals. One of the major reasons being that it's a lifestyle brand and offers ample product lines to its customers and each of the product belongs to a different category and often to a different market segment as well. They are also one of the few brands of the country who has a product offering for almost every one of the market. Hence they constantly need to upgrade and redesign their marketing strategies in order to cope with changing customer preference and also with competitors whether it is new entrants or the existing ones.

The global marketing practices have evolved a lot with time and many businesses has incorporated the use of data analytics to make better and informed decisions. Likewise data plays a crucial role for Aarong as well when it comes to designing the process of marketing strategies. Concepts like "return on investment" is kept track on in order make sure advertisements generate a significant boost in sales in order recover the money spent. Fortunately enough digital marketing brings in a lot of aspects of keeping a record of data which plays a pivotal role to understand success and failure.

The effective use of concepts like 4Ps, AIDA model, brand elements, segmentation marketing plays a vital role in order to develop a successful marketing campaign and to gain an edge over competitors. In each of the chapters of the following report I have tried to analyze their practice and the methods used by them that are unique to the organization.

### **3.1.1 Marketing Plan**

Marketing strategy is the plan pursued by an organization to inform, persuade and convince the target group about a product or service and to turn them into loyal customers. Aarong's marketing strategy evolves with the changing customer habits and the mediums that are used to target them.

#### **Current marketing plan:**

According to Kotler and Armstrong (2003), the market segments should be considered upon five selection criteria including, measurable, accessible, sustainable, differentiable, and actionable to viable. Besides, Morisson (2009) augmented five more criteria including homogeneity, defensibility, competitiveness, durability, and compatibility to Kotler and Armstrong's list leading to the enhance effectiveness of segmentation evaluation. In addition McDonald and Dunbar (2004) developed a comprehensive criteria list of 27 possible, generalized segment attractiveness factors in five major including segment factors, competition, financial and economic, technology, and socio political factors.

Aarong has been following a collection of marketing strategy because it is not like most other brand having a single product line but has multiple products. Through the line, Above the line and Below the line marketing practices are few of the strategies that Aarong uses. They used to dominate the billboards of the country in the past but now they have marked their presence online as well. As of ATL they have very strong presence in print media such as newspapers, magazines but quite absent in the television and radio sector of the country. Aarong's marketing strategy mainly focuses on segmenting, targeting and positioning their products. In the process they act as a constant reminder of their presence in the market and promote their new events or campaigns that are run by them in affiliation with other leading brands of the country. They have in the recent years been involved in BTL marketing by sending SMS and emails to their customers and informing them about new offers and products. This is a form of direct marketing strategy as the business directly advertises their product or offering to their customer and these have greater chances of call to action where the customer ends up purchasing the product or taking up the offer being promoted to him or her.

### Marketing through partner establishments:

Aarong has been using affinity marketing strategy and currently has about sixty partner establishments where the partners are companies from the biggest lifestyle brands of the country like Radisson Blu, Habib Tazkira, Vespa, Kiva Han, Best Clean, Checkmate Events etc. who are in a mutually beneficial contract helping Aarong to run campaigns during special events like Valentine's Day, Pahela falgun, Eid etc where Aarong rewards their top shoppers in association with these partner establishments like the ones mentioned above. Along with that they provide benefits such as discounts, complimentary gifts to Aarong's loyalty program holders throughout the year. These campaigns create huge traffic both online and offline as the rewards are highly lucrative and attracts a lot of new customers as well. In the past there have been campaigns where the winners have been rewarded with helicopter rides in the Dhaka city and this in turn generate new sales as people don't want to miss out on such opportunities. Campaigns as such helps Aarong meet its sales target and simultaneously make them the talk of the town because of such innovative ideas which are hardly practiced by any other company in Bangladesh. It was also my duty to suggest new brand alliances that go with each of the brand and make PowerPoint presentation about it to pitch higher authority my idea and convince them about its benefits.

### Micro Campaigns:

Running micro campaigns is also another strategy that is used by Aarong in order to boost sales of a particular slow moving item. Here the main objective is to push sales of that product instead of marketing the entire brand. For example if a specific design of shoes is not selling well in the market then micro campaigns are run in order to boost sale of that product. Instead of advertising the whole of Taaga they advertise or run campaigns for that particular product. This retains the focus on the product instead of something else as the main idea is to sell the product.

## **3.2 Segmentation based marketing strategies**

### *Major category segmentation:*

In a similar article on “Target Market Selection Based on Market Segment Evaluation: A Multiple Attribute Decision Making Approach” Aghdaie M.H September 2015 says that an appropriate target market selection is performed upon market segment evaluation results and considering many factors such as segment size, number of competitors, risk and profitability. Moreover multiple attribute decision making tools are used as a natural approach for evaluating alternatives with respect to conflict criterion, and target market selection and target market selection can be considered as an MADM problem.

Aarong’s marketing strategy is based on different segments of the market. Because of digital marketing, software and tools this segmentation marketing has been highly possible and successful. Old people are segregated in separate categories and exposed to different advertisements, separate tactics are used, and the elements of the branding are also different. It has been seen that people who are on the older side of the spectrum of age tends to purchase Aarong products instead of Taaga products. Majority of the people who purchase Taaga were born in the 80s or 90s and few of them even 2000s. The youth are targeted through for example social media platforms, hype marketing through the use of “end of season sale” etc. However in the recent past all the groups have been targeted through digital media mainly.

Differentiated and undifferentiated marketing comes into play when marketing is done based on segmentation. Undifferentiated marketing doesn’t take into account the differences in target market or segments. It’s a generalized approach to advertise a product and these are often used for products which are generic in nature such as photo frames, leather and bronze boxes, and many other Aarong products which don’t require target marketing. Strategies as such help Aarong to save cost in the form of not having to market according to target market but go for mass advertisements catering to everyone. These specific items are bought by people of all age, gender and income and thereby no specific strategy is needed to target them separately.

### Segmentation categories:

In another article on “Market Segmentation, Targeting and Positioning” Camilleri, M. A. (2018) states that the marketing managers who may consider using target marketing will usually break down into groups (segments). Then they target the most profitable ones. They may adapt their marketing mix elements, including: product, prices, channels, and promotional tactics to suit the requirements of individual groups of consumers. By dividing the market into segments, marketing managers can acquire a better understanding of the needs and wants of customers. This enables them, to customize or tailor the company’s marketing activities more accurately and responsibly to the individual customer’s likings.

Aarong is able to segment its market based on detailed information based on data such as age, gender, marital status, location, basket value of past purchase, amount of money spent during past purchase etc. This information helps them in deciding who would be viewing what advertisement and to make the type of products to be demanded in the future.

Aarong being the largest retail brand of the country with over 22 outlets spread all over Bangladesh, geographic segmentation is crucial for them. There are certain products that are demanded more in certain parts of the country. Certain things are in and out of trend in other parts of the country. Aarong takes into account these variables and designs marketing strategy accordingly. People of Sylhet may have a separate taste in sari compared to the people of Chittagong and hence both groups would be disposed to the advertisement of Sari but not the exact same one. There might be very slight changes in preference among the two but these have to be taken into account.

People living in the outskirts of the country get to see certain advertisements compared to people living in the city center. In Bangladesh the access to and ease of internet is not evenly spread out. Hence through geographic segmentation certain group of people has to be targeted through SMS marketing for example. The E commerce platform of Aarong is also crucial when it comes to people living outside of Dhaka or in the outskirts of the major cities of Bangladesh. E commerce helps in delivering Aarong’s products to those people who don’t have an outlet nearby their place of residence. Keeping track of these people have helped Aarong in forming major brand alliances with companies who are situated in those areas so that people living in Khulna or maybe in Sylhet can also avail the benefits of becoming a member of Aarong’s Lifestyle, Gold, Platinum and other membership criteria as such.

Qualitative factors such as opinions, attitude, values directly affects the type of advertisement that specific person is likely to see. Facebook and Instagram cater to this type of requirements because a person’s personality type can be aptly monitored and they can be contained in a group accordingly. Tailored advertisement is possible because of

data analytics from social

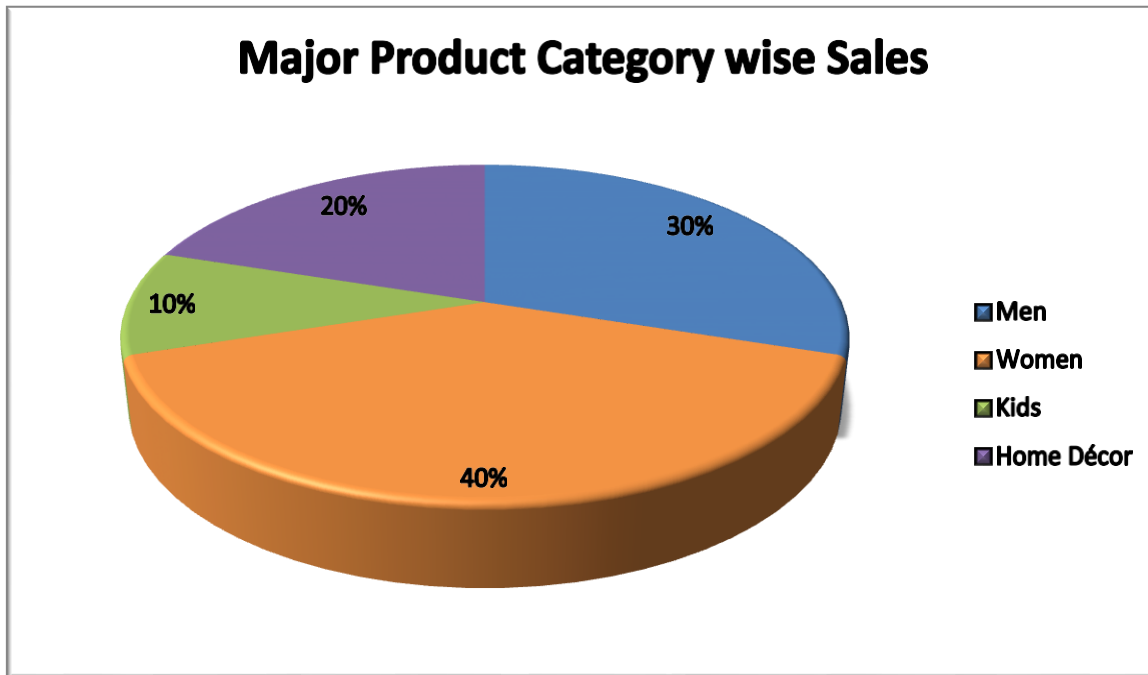
media platforms where individuals can be comprised of groups based on certain key factors. Aarong makes partial usage of it but there is a long way to go in doing optimal data analysis. With the help of search engines and tools such as Google Analytics these preferences can be easily monitored and used. These factors have played a vital role especially for the marketing of Taaga brand because it is targeted towards a generation of people who are influenced by social media and its influencers, thus their taste in fashion and dressing is dictated by influencers and thereby Taaga uses them as the face of their brand when it comes to marketing.

There are certain areas in Bangladesh where the young population dominates and there are other areas where it's vice versa. Based on this concept the marketing tactics differ from region to region. Distribution of population comes into play when it comes to advertise products as part of the city which is dominated by the youth is more likely to see Taaga advertisements than Aarong's advertisements. Lastly as a whole Bangladesh is observing a steady growth in the population of youth and thus most industries are doing something to bring them under their customer group. Aarong entered that market by the introduction of Taaga whose sole purpose was to cater to the youth of the country.

In my tenure at Aarong what I have seen is them doing marketing based on age group mainly. In general, advertisements and campaigns are designed for the mass market but who would be the target audience is something that gets determined by the marketing team of Aarong. If someone is below 30-35 years of age they are likely to be exposed to Taaga advertisements or specific products of Aarong which goes with the youth. On the contrary if you are above that age bracket then you are likely to see Aarong's advertisement. Apart from that Google data analytics also helps them in advertising because if someone is looking for shirts then Taaga advertisements are likely to pop up and if someone is looking sari, jewelry then Aarong advertisements is likely to pop up in their news feed



### 3.3 Visual representation of data



The data shown above is just an approximate representation of what Aarong's sales distribution looked like in the recent years.

As shown in the pie chart above a huge segment of Aarong's sales is dominated by women's products. Almost 40% of Aarong's sales consist of women's products such as jewellery of different types like bronze, gold, silver, pearl etc. And other items include sari, kurta, bags etc. For a very long time people used to perceive Aarong to be a female oriented brand and almost 80% of its target market used to be women. With time this has changed as new male products have been introduced. Almost 30% sales are comprised of men's products such as Punjabi, sandals, fatua, shirts etc. Percentage of sales consisting of kids items are the lowest and is at 10% however almost 20% of the sales are coming from home décor items such as bed covers, photo frames, rugs, table lamp etc.

### **3.4 Building customer value**

One of the reasons Aarong has been so successful is because they try building customer value with every step of the supply chain and in whatever operation they are doing. Starting from the point where the product gets designed to the point where the product gets kept in the shelves of the outlet, Aarong's main concern is to add value so that they and their customers end up in a win-win situation. The process of value creation begins with understanding the component that gets valued the most by customers and thus that becomes Aarong's value proposition as a business. Also a brand needs to identify what its competitors are failing to provide but are wanted by its customers. For Aarong this has been fairly simple because during my internship there I have noticed that Aarong provides a lot services which are not offered by its competitors. Such as the Grassroots café which can be found in most Aarong outlets is a cozy café where customers can enjoy snacks and coffee after shopping. This cannot be found in most other brands except for Yellow. But this is a great strategy because people get to sit and relax while they are shopping and can also enjoy meals amidst.

Each customer segment of Aarong would value something more than other and this would change from market to market. Aarong as a business has been able to successfully understand this and take actions accordingly. They have created more value in segments where their competitors had their shortcomings. Such as Aarong offering over hundred product categories under a single roof has given them a significant advantage over their rivals. No other brand in Bangladesh belonging to a similar industry is offering this much products to their customers. Many people consider brands such as Sailor, Yellow, Rong, Kay-Kraft to be competitors of Aarong but none of these brands offer the myriad of products that Aarong does. No other business in Bangladesh operating in the fashion industry has been able to diversify as much as Aarong has done and this has been only possible because of strategies driven to build customer value. This in turn has raised the switching cost for Aarong's customers because they are provided with more option under one roof. Everything and anything related to the fashion industry and at times irrelevant from the fashion industry can be found at Aarong, starting from leather products to Nakshi Katha products and even dairy products all of which can be found in the same premise.

Lastly they value their most valuable customers and focus their investments on those groups of people. Throughout the year Aarong has taken multiple initiatives to give back to their valuable, loyal customers in the form of rewards and many more. They are treated differently as well and various new projects are in the pipeline that would provide privileges to those groups of people.

### **3.5 The Vital Ps of marketing**

Aarong has had focus on its product quality since its inception; they have a separate department called QC (quality control) who takes a deeper look at the quality of each product. Every product from all the categories such as tapestry, clothing, household items, jewellery items undergoes extreme scrutiny before it reaches the shelves of the outlet. Huge volume of resources are required to keep everything under check because of the mass number of producers involved in producing the goods and the extensive network amongst which they are spread as many of them belong to the rural side of the country. Thousands of people are working directly and indirectly with Aarong in providing the finished goods that can be seen at the retail outlets. Thus quality control can be a tedious job than it actually is. This gives Aarong a major competitive edge compared to its competitors and superior quality products lead to the positive word of mouth marketing which is the best form of marketing, followed by that they have designers who have been working with them for over thirty years and are at the peak of their career in producing the most unique designs upholding the heritage and culture of Bangladesh. Very few other brands have such skilled and adept designers in their arsenal and thus innovation in product design can be seen at each of Aarong's products.

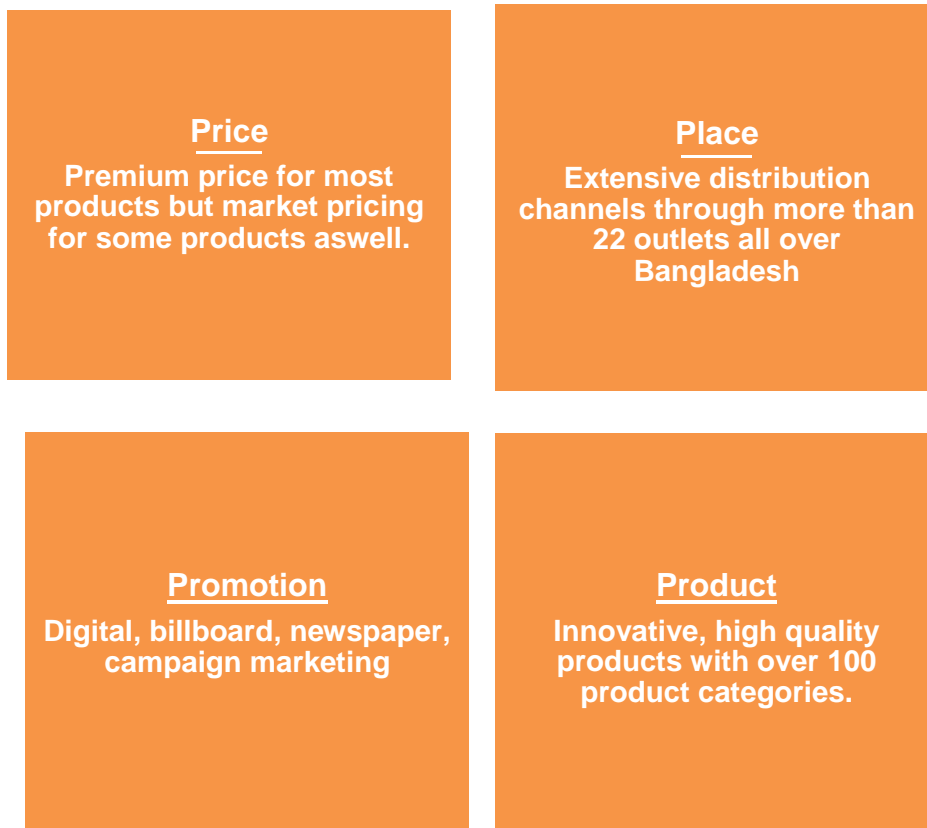
Twenty plus number of outlets all across Bangladesh and the opening of new outlets every year, the distribution side of marketing strategy is strongly covered by Aarong. The people at Aarong firmly believe that taking their service to the customers instead of making the customer take the hassle of travelling to avail their service develops loyalty. Dhaka city is thoroughly covered under the umbrella of Aarong outlets and with their current vision there will be outlets in almost every corner of the country within the next five years. It has become extremely easy for people to avail Aarong products and thus Aarong has been able to become the leading fashion outlet of Bangladesh.

Holistic promotions approach both online and offline has made Aarong the 1000 crore company that it has become. Frequent digital campaigns, extravagant photo-shoots and fashion shows, direct marketing through SMS and email working in perfect harmony in displaying the new products launched every season has helped them develop a loyal and yet massive customer group who chooses Aarong over the hundreds of other options that are available to them. Significant portion of Aarong's budget is used for marketing and promotion the main purpose is to attract new customers' everyday so that their market share keeps on soaring.

The pricing strategy used by Aarong can be said to be premium pricing. This is because Aarong follows a lot of standards when it comes to equal pay, equal opportunity and fair trade policies. Gender is not a factor at any scope of the supply chain and thus men and women get equally paid for their respective job when it comes to producing goods. Because of this a premium has

to be charged so that it's feasible for Aarong to continue its operations in a sustainable manner. Along with that Aarong has gained goodwill throughout the years of its operation which helps it charge a premium because of the brand that it has become. Aarong as an organization has empowered the rural communities of Bangladesh and it has been solely possible because of the type of industry it operates in where women play a pivotal role. They have always given back to society in whatever way they could have and even the excess profits from Aarong gets invested into other community development programs.

### **4Ps of Marketing:**



### **3.6 Brand elements that are used to target different segment**

Aarong has successfully established brand awareness in the fashion industry of Bangladesh by developing strong associations with the appropriate product category and other relevant purchase or consumption cues. The logo of Aarong adds massive value to any product that it gets attached to and this has been solely possible because of appropriate execution of brand elements. Almost everyone can identify the vibrant logo of Aarong and their distinct packaging as well. They have also become market leaders in the categories they operate in such as sari, Punjabi etc. and have become synonymous with Aarong.

Taaga the sub brand of Aarong catering to the younger population of the country approximately ranging from 18-35 years of age has completely different set of brand elements compared to Aarong. Starting from the website, faces that are used as models, marketing campaigns everything is different for each of the two. For the three months tenure for which I was there the difference in brand elements could be said to be intentional and evident. Taaga has models that are young social media influencers mostly and are having a direct impact on the youth of the country in shaping their purchase decision. On the contrary Aarong uses slightly older aged people as models, their campaigns are also targeted for the slightly older age group of the country and that is quite evident through the type of design of the products that each of the brands sells. Taaga focuses on modern aesthetics whereas Aarong falls in the genre of upholding heritage and culture.

Completely different strategies are used to market and sell each of the products. Few of the brand elements are brand positioning, brand identity, brand communication, brand personality, brand experience etc. Each of the things mentioned above are different for Taaga and Aarong. For instance the brand personality of Taaga is very youth oriented, high spirited and very lively; on the contrary that of Aarong is classy, composed, poise etc. The marketing campaigns run by Taaga are youth focused whereas Aarong's campaigns are more inclined towards culture, and heritage. Even the brand alliances that are formed are very different for Taaga and Aarong as most of Taaga's partners are cosmopolitan brands like make-up artists, arcade gaming centers, cafes, gyms and fitness centers etc. On the contrary Aarong's brand alliances are aligned with its target market and are brands like Radisson Blu, Six Seasons hotel, Dusai Resort, Best Clean etc.

Brand personality is a core component of brand elements and it is vital for a brand as well because its target market is partially defined by it. Taaga for instance is a brand for the youth who are very much fashion enthusiasts and tries to distinguish themselves from the rest of the crowd. This could be deduced because of the brand personality of Taaga which can be seen in its website, marketing campaigns and advertisements. Anyone ranging from the age group of

18- 30 would like to associate themselves with Taaga over Aarong and this solely because of brand personality. The brand personality of Aarong can be said to be sophistication whereas that of Taaga is classy, vibrant etc.

When I was working for specific campaigns which were planned for certain specific occasions Aarong tend to have been aiming for cultural events such as Pahela Boishakh, Pahela Falgun etc whereas Taaga had targeted Valentine's Day, New Year's etc.

### **3.7.1 CRM and Use of data for marketing**

Aarong's marketing and customer relationship management department are primarily data centric. Any major marketing decision is based on data such as what type of advertisements to follow, type of brand alliances to be formed, whether to focus on in store promotion or go online etc. I have been directly involved in sorting customer such as data editing, cleansing and data mining which is used in almost majority segments of the business including important decision making such as opening of new store locations, type of products to be sold etc. CRM department handles most of the data and later passes it onto the different relevant departments such as inventory, quality, marketing, E commerce etc. Various software is used to track consumer purchase pattern, frequency of purchase, basket size of goods bought etc. Data is later extracted to form visual representation which is composed in the form of pie, bar chart, scatter plot graph etc. based on these data which are then used for data centric marketing strategy. Aarong uses various vendors and third parties to engage in digital marketing and effective targeting of the customers. These independent institutions are used for tracking customer online behavior through the help of various search engines such as Google, Facebook, type of pages liked by that person, and many other techniques such as lead generation where people can be sent advertisements in the form of Email and SMS in order to inform them of offers and discounts through collection of contact address like phone number or email address which is a part of tailored advertisements. Data is also obtained from another software system which primarily deals with customer complaints and feedback. Every complaint, feedback and issues relating to customers are processed through this system and these are later used to often redesign, reevaluate their existing methods of doing business. Through the help of these data any major issue could be represented in the form of graphical representation and major decision making becomes easier.

The integrated software systems play a vital role in the effective management of data as most of the data collected are saved in a form of master database which are then extracted as per need. Because of advanced enterprise resource planning system the

type of products sold in a

particular period can be tracked along with which outlet has sold the highest quantity of a certain product can be traced as well. These type of software helps in understanding the segmentation of the market and form decisions accordingly. My primary job has been to do data cleansing, data editing, and data entry. Taking data from Excel sheets and entering them into the CRM software was a major part of my job. Everyday thousands of new people are entering one of Aarong's membership programs such as Insider, Lifestyle, Platinum, and Gold etc. and by doing so they get registered into the system through this formal procedure. As they join the membership family of Aarong they get entitled to the point system through which rewards can be earned by redeeming them. A certain balance of points gives them the privilege to move up the hierarchy of the system. This database of customer plays a pivotal role in deciding campaign winners as well because very often the top shoppers are rewarded during the campaigns that are deployed by Aarong's marketing team for special occasion as mentioned previously. Having a complete database helps them in identifying and selecting the top shopper and then rewarding accordingly.

### **3.7.2 Information gathered through outbound calls and membership programs**

One of the major and fundamental sources of data for Aarong is the various membership cards that are issued such as Gold, Platinum, Insider, Lifestyle etc. To maintain a proper database outbound calls are conducted based on the phone numbers obtained through sale of a product. These phone numbers are used to call the customers through third party call centers and extract as much information as possible. These are then kept as databases and future purchases are tracked whenever the same phone number is used. Basic categories of information obtained include full name, exact home address, email address, date of birth, marriage anniversary and the outlet through which the purchase was made. Throughout the year calls are made by call centers that collect personal information of the customers and records it in a central database. The aforementioned categories are then separated and updated with time.

Customers are sent products as gifts during their birthdays, special occasions such as campaigns etc. using this information. Furthermore different researches are conducted based on segmentations and the type of purchases that are made. With time the customer database is updated and categorically information is maintained.

Another major scope of data for CRM has been enhancing the customer retail experience. Understanding what customers may want, what they look for while shopping at Aarong and basket analysis are few factors which is possible through data analysis. These techniques are not yet deployed by Aarong but are in the pipeline and should be in practice soon. Such practices can help Aarong in enforcing their customer



based marketing strategy because

individual customer data can be used for tailoring advertisements and campaigns. SMS marketing can be used to inform those specific customers about certain offers and discounts on products based on their past purchase behavior.

### **3.8 Strategic marketing**

Aarong has a strong strategic marketing plan that sets them apart from their rivals. At the beginning of each year they set up their strategy and goals that they want to achieve and for that the marketing based data of previous year and forecasts of future years are collected. The main concept behind it is to gain complete information about where to compete, how to compete and when to compete.

Aarong's marketing department is divided into four other sub departments which are CRM, Sales, Media and public relations and the Marketing department itself. A strategy is formulated aligning all the departments so that all the teams can work in congruence. A strategic analysis of the market is done by implementing concepts like SWOT analysis which is done with respect to the marketing department. SWOT analysis helps to understand the strengths and opportunities that Aarong can enjoy in terms of marketing new products, for example the strength of Aarong can be the goodwill of the brand itself which can be translated into its advertisements and campaigns which will create an interest in people to incline towards Aarong. The opportunity for Aarong can be a new trend in fashion industry that completely overlaps with Aarong's that year's new collection. Such as floral print saris, cotton Punjabi etc. These products would then become easier to sell for the marketing department.

The weakness and threats can be identified similarly by Aarong and necessary steps can be taken to avoid unfavorable situations by taking actions beforehand. Strategic marketing helps Aarong to focus its resources where maximum results can be obtained with minimum efforts. And likewise divert its resources from actions where their competitors have an edge.

Strategic marketing also helps Aarong's marketing department to align its goals and objectives with other departments such as inventory, design, merchandising etc. Each of the department's goals has to be known and only then can a successful strategy be developed. Apart from that this planning also helps them to learn from previous mistakes that they have made in the past.

However there are some shortcomings as well that Aarong has faced in the past such as the data gathered may not always be accurate and this becomes a serious problem

because this

approach is extremely data centric such as the data of the forecasts. Secondly, the market keeps on changing and so does competitor's actions thus, what maybe a successful strategy at the beginning of the year may turn out to be a failure at the end of the year. The entire analysis is partially based on competitor's actions as well and if that changes then Aarong's analysis gets hindered as well.

### **3.9 2020 Valentine's Day Campaign Design with AIDA model:**

Aarong uses the AIDA model as a part of its marketing strategy where a series of steps has to be followed such as attention, interest, desire, action. This model helps organizations like Aarong to break down the marketing process and concentrate on each step of the process and evaluate its effectiveness. A major objective of any campaign is to create and build attention among the target group of customers so that they become aware of the brand. Likewise most motives of Aarong's campaigns are to spread the word among people. The rest of the steps are an obvious consequence of the first one where attention would build interest and interest would lead to desire and lastly if it is successful then end with action; purchase of the product or service.

Through the help of advertisements such as through billboards, social media like Facebook and Instagram, activation campaigns Aarong is able to attract the attention of its customers and make them aware of their products. If the first step has been successful then customers would be interested in Aarong's products probably because of the people who model for Aarong or probably because of what Aarong stands for; rural community empowerment. This in turn would create a desire to buy the Punjabi and feel like the model on the billboard. And lastly people would prompt to action by purchasing the product. While implementing the AIDA model Aarong tries to solve a problem for the customer or resemble it to something that in turn might attract the customer for instance a new Punjabi for Eid, wedding season and lastly for the feel good factor. While designing campaigns for certain events like Valentine's Day, Aarong has used the AIDA model in order to make it a success. The campaigns are designed in such a way so that people feel the urge to be a part of it. In the recent Valentine's Day Aarong came up with "Spread the love campaign" where small cards were attached with each product which came with a message to encourage customers to spread the love by purchasing more of Aarong's products and help contribute in creating a sustainable society. I have been personally involved in the Valentine's Day campaign from its inception I have been a part of designing and developing the campaign along with the process of its deployment.

AIDA model breaks down a complicated process and helps in decision making by

guiding as to where to invest resources and what strategies can be used to attract customer's attention. It

takes into the account the cognitive process that goes behind in purchasing a product from the customer's viewpoint. This is why campaigns are run by Aarong for a prolonged period of time at the launch of a new clothing collection.

### **3.10 CRM and Digital Marketing**

Aarong is heavily invested into digital marketing and has been quite successful with it. They are one of the few companies in Bangladesh retail industry who makes the most out of digital marketing and brings in new dimensions to it very regularly.

They have achieved around 2,565,970 likes and 2,568,105 followers on Facebook and 261,000 followers on Instagram. These are figures that very few Bangladeshi brands have been able to achieve. Very calculated investments and creatively devised strategies have helped them to dominate the social media platforms. They have a huge budget for social media where part of the money goes into Google search engine optimization, Facebook paid promotions, Instagram story advertisements and posts. Apart from that they engage in email marketing, pay per click advertising, search engine marketing, sponsored marketing, Google Display Network, micro site etc.

Google search engine optimization helps Aarong to stay at the top of the search bar whenever someone searches for Aarong or anything of that sort such as "fashion", "Punjabi", meaning anything related to Aarong. This reduces the effort from consumer's side as they bump into Aarong's website very easily while searching for something similar as there are millions of other search results that appear. Search engine marketing helps similarly as Aarong stays at the top whenever Aarong's products are searched. There is multiple search engines available right now such as Google and Facebook and effective SEO would mean Aarong coming up effortlessly whenever people are searching for anything of that genre. Google display network is practiced by very firms in the industry and is fairly a new concept in Bangladesh when it comes to digital marketing. This marketing tactic helps Aarong to display their advertisements or web page on other web pages such as online newspapers, magazines etc. So whenever someone is reading the news online they would get to see Aarong's advertisements on the top. Other paid promotions are equally effective such as Instagram stories because when someone is scrolling through their Instagram feed they would get to see Aarong's advertisements in between stories and newsfeed. Email marketing is a very direct form of marketing that helps them to connect with their customers individually and this creates loyalty and trust among the two parties. This is usually used by Aarong for people who have already purchased Aarong's products previously.

### **3.11 Porters 5 Forces:**

Bargaining power of Suppliers: Aarong has around 65,000 artisans supporting its activities through the production of goods sold by them. Aarong believes in fair pay and hence all of its suppliers receive the prices they deserve and are not exploited at all. Most of the suppliers of Aarong are part of the BRAC enterprise as well and thus they don't have any conventional supplier as such. Backward integration has helped them gain complete control over the supply chain of most of their products. Aarong isn't any commercial business which aims for profit motive but is a social enterprise and hence their objective is social development through running of their business. Fair and equal pay is a core component of their organization. It can be said that bargaining power of supplier is moderate.

Bargaining power of customers: this can be said to be low because the price elasticity of demand for Aarong's products are high. A small increase in price will lead to a huge fall in demand. This is because Aarong's products are not necessities and falls under the category of luxury items. Along with that there are a lot of other options available for customer such as Jatra, Rong, Yellow, Kay Kraft, Shada Kalo etc. However Aarong have created a brand value and goodwill and the vast majority of goods that can be found under one roof has made it difficult to switch to other brands and may face difficulties as well even if the price that they are paying is high.

Threat of new entrants: New firms can enter the market quite easily because there are no as such barriers to entry and new firms are entering every year in the fashion industry of Bangladesh but very few can reach the level Aarong has reached with time. Hence Aarong is highly unlikely to face any threats as such from new entrants. It takes time and effort to build customer relationship and new firms will lack in that aspect of business in comparison to Aarong. Along with that Aarong can also be said to have enjoyed the first mover advantage which gives them an edge over other firms.

Competitive rivalry in the industry: the competitive rivalry in the industry is quite high because there are a large number of firms operating in the industry and the competitive position is fierce as all of these firms are catering to a similar market. Jatra, Shaka Kalo, Kay Kraft, Rong all of them can be considered to be a competitor of Aarong but Aarong is in an advantageous position because of its first mover advantage and the variety goods it offers to its customers.

Threat of substitutes in the industry: The type of products offered by Aarong can be said to have no such substitutes. Typical Aarong products are Punjabi, sari, pyjama, kurta etc. Alternatives for Aarongs products can be said to be t shirts, shirts, jeans, tops, and these are available and those are offered by Taaga which is a sub brand of Aarong. Other categories of products sold by

Aarong does not have much substitute and are said to be luxury items as people can live without these if necessary.

### **3.12 Recommendations**

In my three months tenure at Aarong working extensively on several projects related to marketing there are certain aspects which can be considered to be their shortcomings and should be improved in order to sustain the growth that they are enjoying.

#### **Excessive dependency on IT and software:**

Most of Aarong's marketing strategy is data centric but very few practices is related to tracking customer experience in real time through survey, questionnaire, and focus group discussion which would lead to them being able to take immediate actions to solve problems that customers are facing on a daily basis. In store presence of CRM personnel might help speeding up the process of customer feedback flow through the chain of command. Customers can be tracked and observed when they enter one of Aarong's outlets and can be noticed of what can be done to improve their experience. Too much dependency on data and software makes the process lengthy and bureaucratic. Outlet personnel can also be used to observe customers behavior over time and make their experience a better one with each visit. Market surveys can be an essential tool to compare industry standards of customer experience with that of Aarong's.

#### **Incorporate innovative marketing tactics and strategies:**

Another lacking of Aarong is that they don't engage in guerilla marketing tactics or out of the box marketing which is a very common practice abroad and even in our neighboring countries. They always try to follow whatever is practiced in the industry and thus lacks behind in coming up with something absolutely new. Guerilla marketing tactics are a cheap and efficient way of attracting attention and creating hype in the market and in the process going viral. Huge amounts of financial resources can be saved if these practices are used. This tactics often lead to viral marketing which is another vital concept of marketing. In this era of social media most brands aim for going viral in a positive way so that people remember them for a longer period of time. Quite a few brands have been able to go viral successfully and their campaigns have become a massive success because of this. Guerilla tactics are remembered by customers and becomes synonymous with the brand. But Aarong lacks behind in this aspect of marketing.



Use focused marketing strategies:

They should also articulate and develop marketing strategies for narrowed down market segments. Such as dividing the market in terms of age bracket would help them define clear marketing strategies. Instead of targeting everyone from the age of 20-35 for their Taaga products for example, they can divide the segment even more and then devise a marketing strategy accordingly. Such as 20-25 in one bracket, 25-35 in another bracket. Highly defined market segments will help them advertise their products to the specific group of people and use elements that attract to each of the groups. Further narrowed down can be made by classifying groups in terms of behavior, attitude, income etc.

Creativity, innovation, uniqueness should get higher priority:

Aarong should focus on creativity rather than focusing on the cost, execution and the returns that can be made from that campaign. Often times a lot of creative ideas get rejected because the execution maybe difficult or maybe it is too expensive to execute. The forecasted profits may not have surpassed the costs to be incurred for the campaign. Often times because of considering all these factors mentioned an innovative idea for campaign doesn't get implemented as it may be too expensive to execute and may not lead to sufficient returns for the company. Aarong should focus on long term benefits rather than short term costs because a great advertisement may not bring instant returns but may get imprinted on the minds of their customers. Thus it will generate sales for a longer period of time as people start relating Aarong with those advertisements.

Lack of market research:

Research is another aspect that isn't practiced at Aarong at all. Conducting research before going for marketing campaign, advertisements is something that reduces the risk of failure and increases the chances of success. Market research and product research may help Aarong in creating strategies that are effective and efficient for selling to customers. Through research customer insights can be found that is not available otherwise, and these insights help to determine the big idea of an advertisement be it online or offline. Insights help brands become a success as those advertisements are designed in a way that helps customers understand the product. Often huge budget is allocated for advertising but still it becomes a failure as the message of the campaign doesn't reach the customer. A very effective way of doing so is by focused group discussion which would Aarong personnel having to sit with a group of customers and gathering insights through conversation.

*Involve in data analysis practice:*

The use of data in marketing is far more advanced in the western world than it is here in Bangladesh. In depth analysis is done on customer behavior and minute details are obtained which are further used to improve the customer relationship. Aarong does practice data analytics but it is lacking behind compared to the foreign world. This can be done in various ways one of it being measuring return on investment from delivering great customer experience. This can be in the form of higher frequency of purchase from the customer's side, referral programs such as bringing friends and family to shop, larger basket size meaning more quantity of goods purchased at a time. All of these can be possible by having a real time feedback of customer data.

*Need for effective usage of data:*

The segmentation based marketing can be done in depth. Advertisements, messages and campaigns can be designed based on a specific target market and thus it will be an even more effective way of communicating with customers. Currently the audience is only customized but not the advertisements; in the future they should also tailor the message and advertisements according to target group. For example teenagers will get exposed to certain advertisements, people of 20-30 years of age will get to see another advertisement and categorically this will continue. Groupings of customer base should be done based on data and that should further be used to design the message. Digital media helps businesses identify people in terms of certain characteristics which are based on their personality, attitude etc. These data is possible because of social media platforms where people's behavior can be observed and stored in a database. Full usage of this data can be made by Aarong so that the right people can be targeted. These practices are also known as "big data".

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