

Report On  
Analyzing KCCL's Position in the Digital Age

By

Muhit Hossain  
19304112

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  
September, 2022

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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:**

Muhit Hossain

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Muhit Hossain  
193041121

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

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Ms. Tanzin Khan  
Lecturer, Organization Behavior and Green Marketing  
BRAC University

## Letter of Transmittal

Ms. Tanzin Khan

Lecturer

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Letter of Transmittal

Dear Madam,

I hereby enclose my final report on the position of Kohinoor Chemical Company in the era of Digital Marketing- which I was appointed to by your direction.

I have attempted to the best of my ability to present my findings in a sufficiently precise manner, following your directives.

I trust that the report will meet the standards of the university.

Sincerely yours,

Muhit Hossain

19304112

BRAC Business School

BRAC University

26<sup>th</sup> September, 2022

## Non-Disclosure Agreement

### Non-Disclosure Agreement

#### INTERNEE CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

THIS AGREEMENT is entered into as of 25<sup>th</sup> of July 2022 (Effective Date),

between **KOHINOOR CHEMICAL COMPANY LTD** having office at Orion House, 153-154 Tejgaon I/A, Shaheed Tajuddin Ahmed Ave, Dhaka 1208 (hereinafter, the "Company"), and **MUHIT HOSSAIN** a BBA student of BRAC UNIVERSITY during the academic session 2015 – 2022, having the ID 19304112, who as part of the Academic Requirement needs to undergo Internship Program at the **COMPANY** (hereinafter, the "INTERNEE").

WHEREAS, the **COMPANY** and the **INTERNEE** (hereinafter referred to as the **PARTY** and/or the **PARTIES**) are entering into an arrangement for the **INTERNEE** to perform Internship at the **COMPANY** as part of their course curriculum which may require **COMPANY** to disclose confidential and proprietary information ("Confidential Information ") to **INTERNEE**;

NOW, THEREFORE, in consideration of the promises recited herein, each party hereto agrees to disclose and to receive information as applicable in a manner consistent with the following provisions:

1. " Confidential Information " shall mean any and all information, know-how and data, technical or non-technical, or description concerning any matters affecting or relating to Company, the business or operations of Company, and/or the products, drawings, plans, processes, or other data of Company disclosed or provided by **COMPANY** to the **INTERNEE**, whether disclosed or provided in oral, written, graphic, photographic, electronic or any other form.

2. The **INTERNEE** agrees to:

A. Hold the Confidential Information received from Company in strict confidence and shall exercise reasonable degree of care to prevent disclosure to others;

B. Not discloses or divulges either directly or indirectly the Confidential Information to others.

C. Internee will not reproduce the Confidential Information nor use this information commercially or for any purpose other than the Academic Purpose.

D. Internee will, upon the request or upon termination of the relationship with Company, deliver to Company any drawings, notes, documents, equipment, and materials received from Company or originating from its activities for the Company.

3. Violation of this Agreement will subject the Internee to legal action applicable as per the rules and regulation of Bangladesh.

The foregoing has been agreed to and accepted by each party whose signatures appear below.

KOHINOOR CHEMICAL COMPANY

By: 

Name/Title: Aslam Baig, EVP, HRM & Admin

Date: 25.09.22

INTERNEE

By: Muhit Hossain

Name/Title: Muhit Hossain, Internee

Date: 25.09.22

## Acknowledgement

I would like to thank my on-site supervisor, Mr. George Titu Sarker, for guiding me through my work during my internship at KCCL. His insight was a valuable addition to my first work experience in a corporate environment. I would also like to thank Mr. Nazmus Sakib, Mr. Saikat Azad, Mr. Raziur Rahman, Mr. Abubakar Rahil & Mr. Rakin Ar Rahman for their time and patience in answering my questions for this report. Lastly, I would like to thank my university supervisor for her guidance and feedback throughout this semester.

## **Executive Summary**

As part of my internship at the company of Kohinoor Chemical Company, I had come across the company's rather unique position in the market that was a culmination of multiple factors that affected the Bangladeshi market as a whole. Focusing on my educational background from the university, which was in marketing, I decided to center and highlight the issues and factors that placed the company where it is from a marketer's standpoint. The result of this is the report that is presented here, an analysis of Kohinoor Chemical Company's market position in the digital age, in what areas they may face issues in the future, and what steps they can take to build momentum towards the future.

### **Keywords:**

Digital Marketing, KCCL, consumer demographic, Online Platforms, marketing channels

## Table of Contents

Cover Page .....	1
Declaration .....	2
Letter of Transmittal .....	3
Non-Disclosure Agreement .....	4
Acknowledgement .....	5
Executive Summary .....	6
Keywords .....	6
<b>Chapter 01: Internship Overview.....</b>	<b>9</b>
1.1 Student Information.....	9
1.2 Internship Information.....	9
1.3 Company Supervisor’s Information .....	9
1.4 Job Scope .....	9
1.5 Internship Outcomes .....	10
1.6 Benefits to the Student .....	10
1.7 Problems Faced .....	10
1.8 Recommendations .....	10
<b>Chapter 02: Company Overview.....</b>	<b>11</b>
2.1 Introduction .....	11
2.2 History of the Company .....	11
2.3 Current Product Lineup.....	12
2.4 Management Practices .....	14

2.5 Marketing Practices .....	15
2.6 KCCL's 4P's of Marketing .....	19
2.7 Financial Analysis .....	22
2.8 Financial Comparison to Competitors.....	23
2.9 Accounting Practices .....	24
2.10 Industry Competitive Analysis.....	25
<b>Chapter 03: Project Overview .....</b>	<b>28</b>
3.1 Title .....	28
3.2 General Objectives of the Study.....	28
3.3 Specific Objectives.....	28
3.4 Significance of the Issue .....	28
3.5 Research Methods .....	28
3.6 Methodology .....	29
3.7 Literature Review .....	29
3.8 Findings & Analysis.....	35
3.9 The Emerging Problem .....	37
3.10 Summary & Conclusion .....	40
3.11 Recommendations .....	40
3.12 References .....	42
3.13 Persons Interviewed .....	43
3.14 Interview Questions.....	45



## Chapter 01: Internship Overview

### 1.1 Student information:

Name: Muhit Hossain

ID: 19304112

Program: BBA, Major: Marketing

### 1.2 Internship information:

Internship period: 25<sup>th</sup> July to 17<sup>th</sup> of September

Company name: Kohinoor Chemical Company Limited

Department: Marketing & Sales

Address: 36, Shahid Tajuddin Ahmed Sarani, Tejgaon, Dhaka-1208 Bangladesh

### 1.3 Company supervisor's information:

Name: George Titu Sarker

Position: Brand Executive

Department: Marketing & Sales

### 1.4 Job scope:

I was given a variety of tasks during the course of the internship, centered mostly on the marketing department. My first task was to assist my supervisor in planning the company's next major on-site campaign, focused this time on the Bactrol brand. Following this, I was tasked in assisting brand executives with Media Buying activities (buying ad time slots for TV Channels). I was then given the job to monitor the company's existing social media platforms, and keep a track record of daily concurrent deployments of company ads online. During the final phase of my internship, I was assigned to the Slab Program personnel, and assisted them in establishing partnerships with new sellers, while also keeping track of sales with existing ones.

### 1.5 Internship outcomes:

Media planning activities aside, I have contributed to the company's B2B programs, having helped with identifying new prospective sellers for partnership & keeping track of existing ones.

Furthermore, the data gathered from consumer-group trends was forwarded to the department, and was noted during the designing of Activation Programs for upcoming products. The data was also added to the company's planned changes of its existing product shelf programs.

### **1.6 Benefits to the students:**

From the internship, the biggest takeaway for me is getting a first-hand experience on how combined marketing activities work on a corporate level. The time spent working in a corporate environment gave me a very clear idea on the things expected of me in a working environment, as well as the challenges that I might face thereof. It also gave me the opportunity to properly research the digital marketing sector of the country, and the general opinions of industry persons who are in the field.

### **1.7 Problems faced:**

The one major problem that I faced during the course of the internship was that, my tasks were not pre-planned ahead of time in a reasonable manner. So, it would happen that after I would finish working with one marketing team with their media-planning activities, I would immediately be tasked to another team to assist in their Shelf Program activities. This meant that I had some trouble adjusting from one work activity to the next.

### **1.8 Recommendations:**

Overall, the personnel at the company were more than happy to accommodate me in their work, and give me an in-depth look at how the company operates its marketing activities. I would recommend this company to anyone doing an internship in Marketing & Sales. I would, however, caution in choosing this company if anyone is looking to do an in-depth internship that involves activities related to Digital Marketing, as the company is still building up its infrastructure in that regard.

## Chapter 02: Company Overview

### 2.1 Introduction:

Kohinoor Chemical Company (also known as KCCL) is a manufacturing company based in Bangladesh, under the Orion Group. First established in 1956, the company is considered a pioneer in Fast-Shifting Purchaser Items (or FSPI) in the region. In 1991, the company was merged with Orion Group, and since then has rapidly ramped up its production and distribution of private care, toiletries and household items. Famous brands under KCCL include Sandalina, Tibet, Fast Wash and more. The company has made great progress in modernizing its production plants and distribution hubs, ensuring that consumers get the best quality when they buy KCCL-affiliated products. Despite losing out on previously-held market shares to newer competitors, KCCL continues to hold and stay a profitable entity due to its rich heritage of products and customer loyalty. The company currently employs over 2000 professional employees, workers and control executives, and is expected to grow and expand further in the coming years.

### 2.2 History of the Company:

Kohinoor Chemical Company was founded in 1956, and was engaged in manufacturing high quality cosmetics, toiletries, soap and glycerin for decades. Transfer of ownership was handed to the newly formed Bangladeshi government after gaining independence in 1971, and the company went under the direct control of Bangladesh Chemical Industries Corporation (BCIC) up to May 05, 1988. It was transformed into a Public Limited Company under Companies Act 1913, and was named as Kohinoor Chemical Company (Bangladesh) Limited from May 05, 1988. The Government of The Peoples' Republic of Bangladesh has vested the company's 51% share of Bangladesh Chemical Industries Corporation. Out of 49% balance shares, 34% shares were sold to the public while the rest of the 15% shares were reserved for sale among the officers, management staff and workers. The shares of the company are publicly traded in Dhaka and Chittagong Stock Exchange Ltd. The company was acquired by its present-day owners and privatized on August 3<sup>rd</sup>, 1993. Kohinoor Chemical Company now operates under the Orion Group.

### Company Mission

*“Our aim is to improve the lives of our people through the highest possible quality protocol. We attach paramount value to our consumers in particular and the society in general. We keep introducing newer technologies, and carrying on the most value driven incentives and benefit packages for all the retail chains. We are also charting a pricing policy that manifests a unique blend of quality and affordability. Our comprehensive strategy framework concerning the supply chain across the entire country enables us to be naturally conferred with the prestige and privilege of leadership. We foresee our beloved company to be the best place to work for the people who keep their unflinching trust in us.”*

### Company Vision

*“We envision for a happier, healthier and cleaner life and make the natural attributes of life sustainable through innovation, dedication and ethics. This keeps inspiring us to create a better future by adding value to all we do for the people to look better, feel better and live better. We persistently care for our valued consumers, stakeholders and continuously strive to prove our products’ superiority, with an aim to obtain perpetual loyalty.”*

### Company Values

*“Quality of the products, reliability, and strong distribution channel are the core values of the organization and are the basis on which they do business.”*

## 2.3 Current Product Lineup of Kohinoor Chemical

### Company:

KCCL’s products can be classified into the following categories:

1. Cosmetics
2. Household & Toiletries
3. Soap
4. Detergent

<u>Cosmetics</u>	<u>Household &amp; Toiletries</u>
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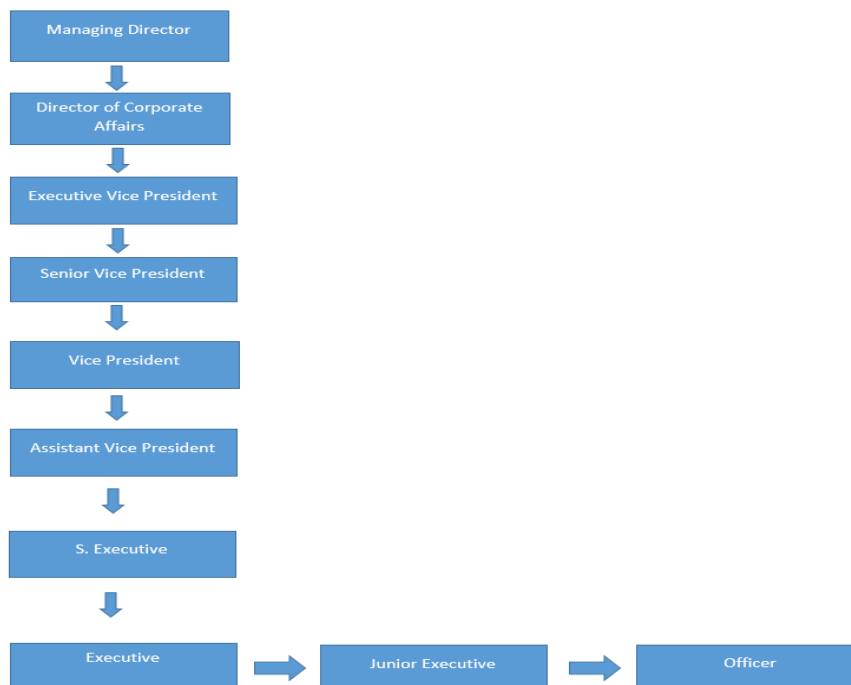
<p>Tibet Pomade</p> <p>Tibet Petroleum Jelly</p> <p>Tibet Glycerin</p> <p>Tibet Snow</p> <p>Tibet Pumpkin Hair Oil</p> <p>Tibet Medicated Hair Oil</p> <p>Beautina Hair Oil</p> <p>Tibet Chandan Attar</p> <p>Tibet Luxury Talcum Powder</p> <p>Ice Cool Prickly Heat Powder</p> <p>Tibet Prickly Heat Powder</p> <p>Sandalina Sandal Talc</p> <p>Tibet Baby Powder</p> <p>Tibet Baby Lotion</p> <p>Tibet Lip Gel</p> <p>Fruity Chapstick</p> <p>Beautina Body Lotion</p>	<p>Tibet Tooth Powder</p> <p>Bactrol Hand Wash</p> <p>Genstar Lather Shaving Cream</p> <p>Tibet Lather Shaving Cream</p> <p>Xpert Dishwasher</p> <p>Clean Master Liquid Toilet Cleaner</p> <p>Clean Master Cleaning Powder</p> <p>Wiper Glass Cleaner</p> <p>AM PM Toothpaste</p> <p>Beautina Face Wash</p>
<p><b><u>Soap</u></b></p> <p>Sandalina Soap</p> <p>Tibet Luxury Soap</p> <p>Bactrol Soap</p>	<p><b><u>Detergent</u></b></p> <p>Tibet Detergent Powder</p> <p>Tibet Detergent Rose &amp; Lemon</p> <p>Fast Wash Detergent Powder</p>

Tibet Ball Soap	
Tibet 570 Laundry Soap	
Tibet Laundry Soap	

## 2.4 Management Practices:

Given below is a discussion on the management practices and style of KCCL.

1. **Management Team of KCCL:** Among the 2000 workers employed by the company, a number of them are made up of the management executives and staff. As the company headquarters is situated right next to the main production plant, the executives and staff from the Quality Control and Development branch are able to directly oversee the production, processing and shipping of products. In the 2010's, the company took steps to set up a subsidized canteen, medical facility, and a welfare branch for the employees. Recently, KCCL has also made allocations and plans to set up an Export Division, to scout for prospective foreign markets and/or strategic partners
2. **Management Hierarchy of the Company:** A diagram of the company's management hierarchy is as follows:



3. **Departments of the Company:** (I) Sales & Marketing Department.

(II) Account & Finance Department.

(III) Production & Utility Department.

(IV) HRM & Admin Department.

(V) Audit & Survey Department.

## 2.5 Marketing Practices:

Each brand and marketing executive work in tandem with a specific list of products under their supervision. Like most companies, the executives try to figure out what is the target demographic for their products and how to maximize the consumer targeting probabilities.

1. **Brand Image:** As Kohinoor Chemical Company is the oldest consumer goods manufacturer in the country, it has a certain brand image that is unique to the firm. KCCL utilizes the rich history of its product to amplify its reputation as a producer of reliable and cost-effective goods. As such, all of its products, both new and old, insert this heritage angle into its message.
2. **Segmentation of demographics:** The department uses the Urban SEC grade (Socio-Economic Grade) to offer different tiers of products tailor-made for different segments of the population. To cite a current example, KCCL has 3 different types of detergent powder in the market right now. Each of these 3 products targets a different consumer group that falls under a different SEC grade based on their socio-economic conditions. Tibet Fast-wash detergent is promoted towards more economically solvent consumers, falling under SEC B. On the other hand, the standard Tibet Detergent is targeted towards a lower tier of the SEC, namely SEC C.

- 3. Product Launch/Introduction:** To take the most recent example of a KCCL product launch, we look at the example of Tibet Fast Wash. The product was launched on a limited scale at first. The traveling Salesforce had gone around various areas outside of the capital to introduce the product to local shop owners and primary sellers. Once the product had been stocked on the shelves to a satisfactory level, the marketing campaign began. The product received a billboard and ads in newspapers. Leaflet distribution was also carried out in some areas. The product has had some success in the market, and a TVC placement is already underway. After the TVC is launched, the product will enter full distribution. It is important to note here, that the product does not have any online or digital-based ads in place for it.
- 4. Re-launch/Re-introduction of existing products:** As stated before, KCCL has a host of heritage products in the market. These products are, in the present times, re-launched with some additional changes added for more value. The products have a dedicated older demographic, and a smaller by-association demographic that ensures that these products still sell well. The decision to re-launch is usually done after determining if the older products are nearing the end of their product life cycles, at which point they are taken off the market, updated for more modern times, and given a window for re-entry to the market months down the line. To give an example of this practice, we look at the case of Sandelina Beauty Soap. Once the product had reached the end of its life cycle, the marketing department decided to look at what is presently popular with beauty soaps on the market. They found out that “Rose Petal” essence was the most favorable choice, and as such, Sandelina was re-launched with a reimagining of the product aesthetic and now advertised with “Rose Petal” essence highlighted on ads.
- 5. Product Awareness through various marketing channels:** Like most modern-day companies, KCCL uses both traditional media like televisions, newspapers, billboards etc, as well as more new-age mediums like social media and website ads. KCCL is one of the very few companies on the market that still relies heavily on traditional and physical Medias of marketing for its products. This is because KCCL, being one of the oldest consumer product companies in the country, is substantially reliant on its older consumer-base to make its dues. This older demographic is somewhat less interactive with more modern mediums like social media or websites. The other thing to note, is that KCCL’s



major market, as well as distribution hub, is not based inside the capital, or major urban areas. They are instead focused on city outskirts, or rural/town areas of the country. These areas do not yet have the highly developed and connected cellular/internet infrastructure that urban areas have. Hence, traditional media channels, like television, newspaper, billboards etc. still have a major presence in these regions. KCCL takes advantage of this fact and thus relies heavily on traditional mediums to deliver its product messages to the consumer.

**(I) Television:** KCCL does not employ a 3<sup>rd</sup> party firm to manage their ad distribution on all mediums, and it is here that the company directly deals with the channels. KCCL aims to capture the 6-10 PM slots on primetime television hours. The ads usually have a moderate frequency, and KCCL also ensures that payment is made to the channels within a month after broadcast starts. KCCL utilizes its given record of timely payments to get an edge in negotiations over other local competitors.

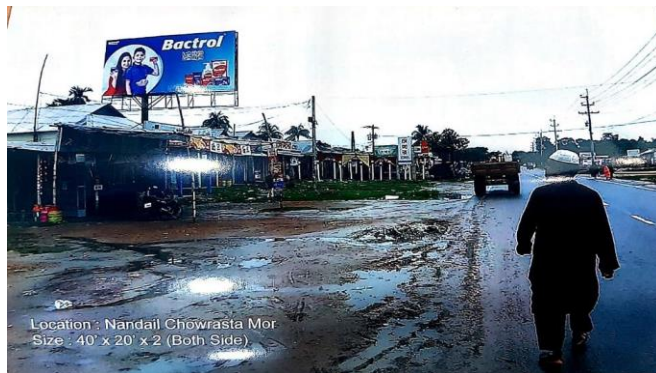
**(II) Newspaper:** The Company runs its ads in a few newspaper dailies, as opposed to several in the previous decade when the newspaper was still a massive medium. Still, KCCL recognizes that its unique position in the market allows it to have a higher success of reaching consumers than other firms, as KCCL's primary consumer group still rely on the newspaper for information. Inside the capital and urban territories, KCCL runs its ads on The Daily Star and Prothom Alo, and in rural areas, KCCL goes for more regional dailies that have higher circulation there.



*Figure 1.1: An old newspaper ad of Kohinoor from the 1990's, signifying the lasting impact the medium has had on the company*

### **(III) Billboards/Outdoor Mediums:**

KCCL has several billboards placed along highways and in territories outside the capital. Inside the city, KCCL's billboards are rather small and sparsely spread out in comparison. As noted throughout the description of traditional mediums, KCCL utilizes them in maximum capacity for territories outside urban areas.



*Figure 1.2: A billboard for the product “Bactrol”, situated on Nandail Chowrasta Mor*

### **(IV) Digital Mediums:**

KCCL has, in recent years, taken the leap to digital marketing as well, even though it is well behind in this area compared to its competitors. Before 2020, the company ran a multitude of social media campaigns utilizing products that appealed to a younger demographic. An example of this was when they ran the “Bold Women” campaign for the re-launch of Sandelina. Social media ads were stopped after the pandemic to save up on costs. However, the digital medium wasn't abandoned completely. Currently, KCCL runs ads in high frequency on news websites of The Daily Star, Prothom Alo, Doinik Janakantha and others. Outside of news portals, the company also runs banner ads on sites like jobs.bd. Aside from this, the company also has a Facebook page, and a YouTube channel where TV ads are rerun. Site layouts of these mediums are as follows:



*Figure 1.3: An ad for the product “Sandelina”, as seen on the website for Prothom Alo*

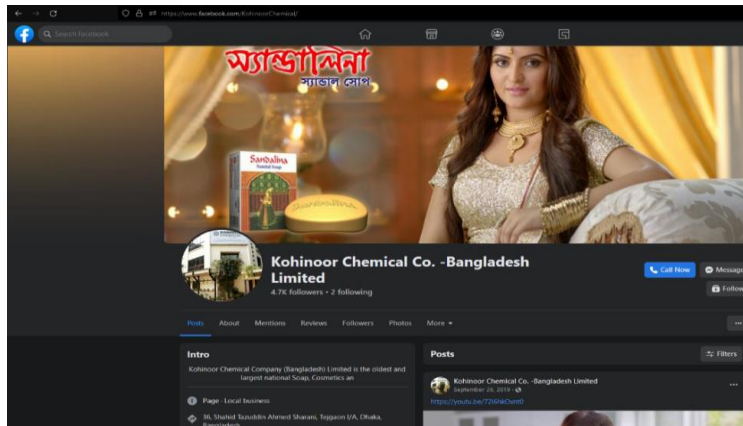


Figure 1.4: KCCL's Facebook Page

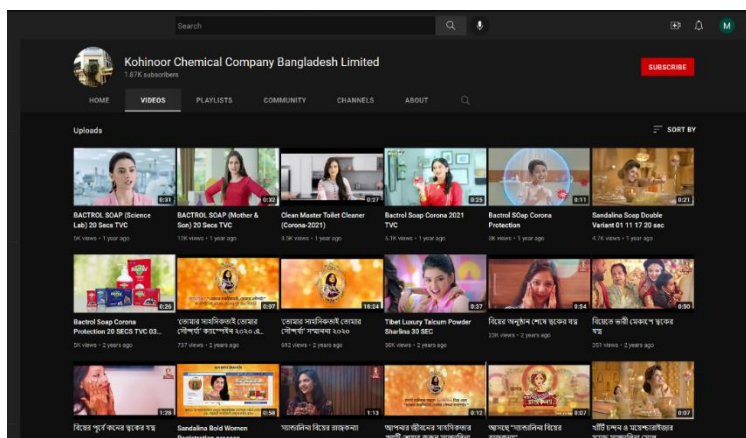


Figure 1.5: KCCL's YouTube Page

## 2.6 KCCL's 4P's of Marketing:

1. **Product:** KCCL operates within the FMCG sector. As such, all of their goods are consumer related products. These products are mostly designed towards cosmetics, personal hygiene, disinfectant, and clothes-cleaning.
2. **Price:** Most FMCG producers try to keep their prices as minimal as possible. This leads to many firms taking a competitive pricing model for their products. For Kohinoor, much is the same except for a few of their products that are designed to be kept at least 2-5 tk more than the competitor's products. An example of this is Sandelina, which is marketed as a premium product and as such, is kept at a marginally higher price than the competing product (example: Lux)

3. **Promotion:** The Company favors reach and frequency over other parameters like targeting and segmentation. To illustrate this point, we can use the example of KCCL and television channels. The firm utilizes its good standing with private television channel networks to take up ad slots on primetime television. This ensures that the company's ads have a wider reach with a higher degree of frequency.
4. **Packaging:** KCCL-affiliated products have a strong emphasis on colors in different tiers of their products. For example:



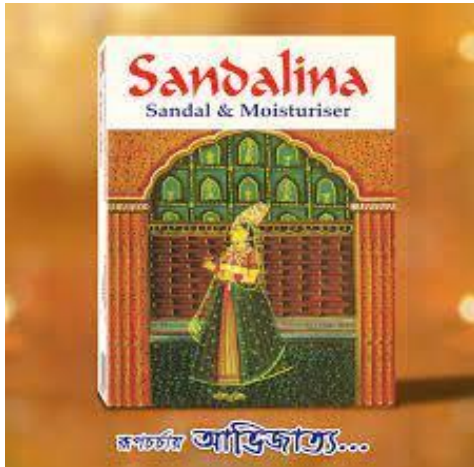
Figure 1.6: Beautina Face Wash

Mid-tier priced products have a much more minimalistic design with their packaging. Moving on to more common goods:



Figure 1.7: Tibet Detergent Powder

Lower-priced items have a much more “flashy” packaging to stand out among competing products. Now, for KCCL’s premium-tier products:



*Figure 1.8: Sandalina Sandal & Moisture Soap*

The “heritage” product lineups have a more “Regal” feel to their packaging, to really let the consumers know that this is a premium-tier product.

## 2.7 Financial Performance

An overview of KCCL's financial performance for the last 5 years is given as follows. The report is taken directly from the company's annual report.

### Five Years' Performance

	2020-21	2019-20	2018-19	2017-18	2016-17
(BDT in thousand)					
<b>OPERATIONAL RESULT</b>					
Net Sales Revenue	4,167,165	3,899,550	3,995,804	3,661,324	3,393,185
Gross Profit	802,974	727,626	720,298	658,143	608,794
Operating Profit	301,769	228,137	247,162	229,808	208,548
Net Profit before Tax	297,639	223,641	232,305	211,402	196,436
Net Profit after Tax	234,004	167,963	174,349	154,497	146,796
<b>FINANCIAL POSITION</b>					
Shareholders' equity	1,233,938	995,805	881,644	727,878	554,074
Total Assets	2,542,959	2,021,996	1,899,457	1,934,130	1,530,810
Total Current Assets	2,235,994	1,716,922	1,585,603	1,626,305	1,210,816
Total Current Liabilities	932,811	653,951	646,246	833,769	650,646
<b>FINANCIAL RATIOS</b>					
Current Ratio (times)	2.39	2.63	2.45	1.95	1.86
Debt Equity Ratio (times)	1.06	1.03	1.15	1.66	1.76
Return on Total Assets (%)	10.23	8.31	9.18	7.99	9.59
Inventory Turnover (times)	3.46	3.89	4.47	4.89	4.47
Price Earnings Ratio DSE (times)	38.08	56.81	37.09	40.11	34.68
<b>ORDINARY SHARES INFORMATION</b>					
Number of Shares Outstanding	22,007,500	20,182,500	16,818,750	14,015,625	12,187,500
Dividend (Cash) (%)	* 35	35	20	10	15
Dividend (Stock) (%)	* 15	10	20	20	15
Net Asset Value per Share (BDT)	55.58	* 44.85	43.68	43.28	39.53
Net Operating Cash Flow per Share (BDT)	18.64	* 1.30	7.81	(6.95)	30.07
Earnings per Share (BDT)	10.54	* 7.57	8.64	9.19	10.47
Number of Shareholders	7,472	7,222	6,212	6,256	6,441
<b>OTHER DATA</b>					
Number of Employees	2,389	2,322	2,296	2,146	2,088

\* Proposed

\* Restated

Figure 1.9: Financial Performance of KCCL for the past 5 years

Now, as seen in the report, the company has made significant gains in revenue and profit. The operating profit amounted to BDT 301.77 million, showing an increase of 32.28% with respect to June 30, 2020. In addition, net profit after tax has amounted to BDT 234.00 million, showing an

increase of 39.32% compared to previous year. These are amazing results when considering that KCCL does not control majority market shares in the country. The company has also noted a reduced turnover rate and an increase in employee retention as well.

## 2.8 Financial Comparison to Competitors:

Below is a part from the annual report for Unilever Consumer Care Limited, one of the primary competitors for KCCL

Taka in '000			Taka in '000	
1 Jul to 30 Sep 2021	1 Jul to 30 Sep 2020 (Restated)		1 Jan to 30 Sep 2021	1 Jan to 30 Sep 2020 (Restated)
1,131,746	941,645	Revenue	3,171,934	2,776,272
(595,451)	(519,843)	Cost of sales	(1,724,671)	(1,462,649)
<b>536,295</b>	<b>421,802</b>	<b>Gross profit</b>	<b>1,447,263</b>	<b>1,313,623</b>
(252,472)	(249,498)	Operating expenses	(765,120)	(855,186)
<b>283,823</b>	<b>172,305</b>	<b>Trading profit</b>	<b>682,143</b>	<b>458,438</b>
(70,792)	(11,876)	Other Income/(Expenses)	(176,843)	(20,506)
<b>213,031</b>	<b>160,429</b>	<b>Profit from operations</b>	<b>505,300</b>	<b>437,931</b>
(1,083)	36,648	Finance Income/(Expense)	12,047	144,361
<b>211,948</b>	<b>197,077</b>	<b>Profit before taxation</b>	<b>517,347</b>	<b>582,292</b>
(49,109)	(56,483)	Income tax expense	(130,617)	(186,071)
<b>162,839</b>	<b>140,594</b>	<b>Profit from Continuing Operations</b>	<b>386,729</b>	<b>396,222</b>
-	-	<b>Profit/(Loss) from discontinued operation (Pharmaceutical)</b>	-	(5,413)
-	-	<b>Profit/(Loss) from discontinued operation (Oral Health Care)</b>	-	67,587
<b>162,839</b>	<b>140,594</b>	<b>Profit for the period</b>	<b>386,729</b>	<b>458,396</b>
<u>13.52</u>	<u>11.67</u>	EPS from continuing operations (Taka)	<u>32.10</u>	<u>32.89</u>
<u>13.52</u>	<u>11.67</u>	Earning per share (EPS) (Taka)	<u>32.10</u>	<u>38.05</u>
<u>12,046,449</u>	<u>12,046,449</u>	Shares used to compute EPS (Number)	<u>12,046,449</u>	<u>12,046,449</u>

Figure 1.10: Financial Performance of Unilever Consumer Care Limited

While KCCL did make rapid growth and had a high percentage of revenue for 2021, it is seen here that they are still dwarfed by the results of their immediate competitor. While KCCL has continued to make returns on their investments, and generate profit, they are unable to expand their market share as their immediate competitors are massive MNCs that have 4 times the yearly budget, investment and market reach when compared to Kohinoor Chemical Company.

## 2.9 Accounting Practices

KCCL places a high value on ROI on all of its operations. As such, the yearly budget for product launches and marketing campaigns are carefully planned and analyzed for several weeks beforehand to ensure maximum utilization of resources and revenue.

(Note: the following percentages are not entirely an accurate representation, but are given after similar numbers for previous financial quarters)

- (1) **Budget-book Process for the Marketing Department:** The yearly budget is set to be made several weeks before the start of the first financial quarter of the year. The company's Audit & Survey department works in tandem with the Marketing & Sales department to carefully structure a budget allocation for the upcoming financial year. (Note: the following percentages are not entirely an accurate representation, but are given after similar numbers for previous financial quarters)
- (2) **Slab Programs:** KCCL's B2B strategy. The company utilizes 3<sup>rd</sup> party sellers to push a majority of their products onto the market. The company takes pride in maintaining a cordial relationship with its local partners. The marketing department revises results from the previous financial quarter, and also on-hand sales records from local partners to identify key areas in which the company needs to focus on. For example, sellers who manage to sell a higher number of KCCL products than what they were initially set out for, are given a higher financial incentive and/or product discount for the New Year. Partners are usually categorized into Slab-1's and Slab-2's. The more affluent stores and sellers are paired into Slab-1, whereas more rural and small-scale sellers are paired into Slab-2. Incentives and discounts are offered according to how much they can purchase. Sometimes, partnered sellers even receive gifts like ceiling fan, dish-set, gas cooker etc.
- (3) **Promotions/Marketing Channels:** 7-8% of the company's entire yearly budget is set aside for product promotion and ad placements. From this, around 2% of the budget is allocated for television ads, and 1-1.5% is allocated for newspaper and print media 1.8% is kept for billboards and outdoor ad placements. . Lastly, 0.4%-0.8% is reserved for digital media, and 4% of the budget is set for planning and placement of product promotions and discounts.



- (4) **Display/Shelf Programs:** The department usually gets around 0.85% of the yearly budget for display & shelf programs. The budget is used to incentivize sellers to put KCCL products at the forefront of their stores as display and for-sale. Usually, the company gets to allocate 3 months of product placement at each seller/store. Once the 3 months are up, the partners are usually given financial compensation, or additional product free of charge.

## 2.10 Industry & Competitive Analysis

### (I) SWOT Analysis:

1. **Strength:** A major strength of KCCL, undoubtedly, is its dedicated consumer demographic. This percentage is a major driving force for the sales of their heritage products. Another key strength of KCCL that sets it apart from its competitors is the close proximity of production plants to the distribution centers. Products are accounted for, processed, and packaged for delivery to wholesale buyers as soon as they roll off the production line. This is all effectively overseen by the corporate section as it is right next door to the plant.
2. **Weakness:** The major weakness of the company lies in its inability to adapt to changing technological trends. This is because the company does not have the major market share, and each and every step of the company's operations are audited thoroughly so as to avoid overspending as much as possible. This has led to the company sticking to older methods of marketing and sales, whereas their competition has moved on to more modern and digitized methods.
3. **Opportunities:** Despite these setbacks, the company is still taking steps and gathering investments/funding to adapt and modernize their operations and marketing. Herein lies the company's biggest opportunity. KCCL stands to attract a new demographic of users if they can make progress into the digital sector.
4. **Threats:** The major threat the company faces right now, is the advent of a new technologically advanced competitor in the market. The market for consumer goods in the country is somewhat stable, and this has allowed KCCL to still make profits and attain growth. If an established, financially secure company were to expand into this market (for example, Beximco) KCCL would face a serious threat. The company already has a small

(but dedicated) market share, and this would only decrease further if a bigger competitor were to enter the market.

## (II) Porter's 5 Forces:

1. **Competition in the Industry:** With an annual turnover of around TK. 30,000 crores, the FMCG sector of Bangladesh is one of the country's most expansive and profitable markets as of now. This naturally entails the fact that big name firms like Unilever, Square, Pran-RFL etc have carved out market shares and are in a near-constant state of competition. KCCL manages to stay above the red lines and continue making profit despite not having a massive market presence, as it plays by its strengths and keeps its annual budgets frugal.
2. **Potential of New Entrants in the Industry:** As the FMCG industry currently stands in Bangladesh, it is close to being saturated. Unilever Bangladesh, Square Group and Bashundhara Toiletries control major market positions, while smaller brands like Kohinoor have carved out a niche for themselves alongside the industry giants. New firms looking to make headway into this sector will face stiff competition from competing brands. However, if a major firm from an outside industry, like for example BEXIMCO, were to make an entry into this market, it would be somewhat worrying for all market holders, as BEXIMCO has both the production capabilities and the funding to create their own FMCG brand and push through competition.
3. **Power of Suppliers:** Majority of the raw materials used by KCCL comes from outside sources. For example, the fragrance used in their soap and detergent products are sourced from IFF (International Flavors & Fragrances Inc.), whereas the palm oil is sourced from contacts in Malaysia and Indonesia. Packaging materials are sourced locally. International suppliers hold a high degree of power over KCCL as the firm does not have much of an advantage against the suppliers increasing prices. The firm also cannot move to another source as that will take much time to locate and set up a transaction- which will disrupt their product cycle as well.
4. **Power of Consumers:** KCCL has a moderate-sized, loyal base of consumers that primarily buy their heritage brands like Tibet and Sandelina. This group is a major contributor to KCCL's finances and revenue. However, it is a known factor that consumers of FMCG products in general are extremely price-sensitive. KCCL tries to keep its prices

competitive, but consumers are just not inclined to buy FMCG products that are pricier than most. In this case, consumers have a moderate bargaining power.

5. **Threat of Substitutes:** Threat of substitute products for the FMCG sector is low in general, as these products require a lot of resources and ingredients to make. Even copying the packaging would require a lot of resources for a counterfeit producer. Hence, this threat is low for KCCL.

## **Chapter 03: Project Overview**

### **3.1 Title:**

Analyzing KCCL's Position in the Digital Age

### **3.2 General Objectives of the Study:**

The overall goal of this paper is to assess the present market situation that KCCL finds itself in, and whether or not the firm should invest more in its presence in digital platforms. Lastly, the paper will also highlight some areas where the company can start building its digital channels.

### **3.3 Specific Objectives:**

- 1) To detail the strides made in Bangladesh in digitization.
- 2) To find out the reason why KCCL has held off on Digital Media.
- 3) To detail why this is such a concerning issue for the company.
- 4) To find out what prospects lie for KCCL in the digital age.

### **3.4 Significance of the issue:**

Digital marketing and advertising is now at the forefront of the modern business world. Any company that forgoes this field, is doomed to dissolve. Now, while KCCL has recorded growth and profits for recent quarters, their output is still dwarfed by even their most immediate competitors. Kohinoor faces threats on multiple fronts, ranging from new market competitors to changing market conditions. If the company is to survive and prosper further, it needs to identify its key issues and capitalize on the digital arena.

### **3.5 Research Methods:**

Internship was conducted under the Marketing & Sales department at Kohinoor Chemical Company [KCCL] from 25/07/22 to 17/09/22. Throughout the duration of the internship, relevant information was gathered and analyzed by conducting interviews with company personnel & brand executives. Outside the company, interviews were also conducted with various executives and

managers across the industry. Lastly, relevant papers were sought out online to add credibility to the information gathered and presented here.

### **3.6 Methodology:**

In the process for gathering data on this paper, I have taken a qualitative approach to gathering and presenting the information. This was done via interviews of industry heads and specialists, as well as going through and citing relevant papers related to the topic. The interviewees were given a set of 5 questions, 3 of them uniform, and 2 were specifically related to their company positions and duties, and their answers were noted down.

### **3.7 Literature Review:**

The turn of the 21<sup>st</sup> century has seen the advent of a new age in the field of business, one that employs technology and corporate strategy in tandem. The field of marketing is no different. Marketing has been transformed by the spread of the internet, and now it is the biggest channel of modern marketing. The various outlets of marketing on the internet and cellular networks have been dubbed as “Digital Marketing” as an umbrella term. Almost every company has started to, or committed fully to – digital marketing. Those that do not, are setting themselves up to fall far behind the competition. Transitioning into the modern age of marketing is the quintessential step for surviving and thriving in the current business landscape. It is here that we find the case of Kohinoor Chemical Company (KCCL), a company with a long history of operating in the country that has held off on utilizing digital channels in a meaningful capacity. In this paper, we will investigate the various challenges and potential for the company in the digital age.

#### **What is Digital Marketing?**

To put it simply, Digital Marketing refers to any and all marketing practices that are conducted via online and/or cellular mediums. According to Desai (2019), *“Digital marketing encompasses all marketing efforts that use an electronic device or internet. Businesses leverage digital channels such as search engines, social media, email and their websites to connect with current and prospective customers.”*

## The New Age:

The advent of the internet led to the whole world become much more interconnected, and it revolutionized the way we communicate. The business world too was swept up in this revolution, and the biggest frontier that was opened up became the sector of Digital Marketing. According to Wind & Mahajan (2002), “Among the most significant changes in the business landscape are the emergence of 'cyber consumers' and the cyber business-to-business world, the changing reality of an increasingly complex, dynamic and chaotic world, and the waves of entrepreneurship and innovation and their associated new business models.”

The once-static channels of marketing are now in a state of near-constant change and updates. Companies can now directly reach their consumer base like never before, and the consumers now have a much greater insight into what they are buying and what companies they are supporting.

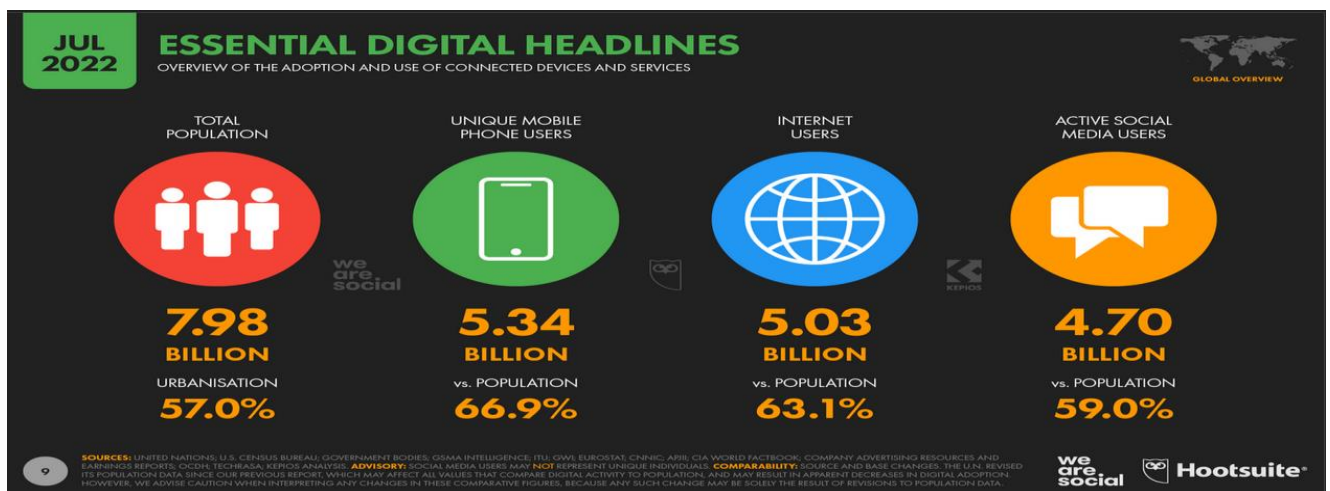


Figure 1.11: Statistics of the World Population’s Online Connectivity (Via datareportal.com)

Shown here, 63.1% of the world’s population is now connected to the internet, and there are approximately 5.34 billion unique mobile phone users today. This is a gigantic population pool that now receives messages and news via the internet & other online mediums. Modern day firms are now investing more than ever in digital marketing channels to reach this population of internet users, and market their respective products and services.

## Most-used Channels of Digital Marketing:

While there a multitude of avenues that can be used in the realm of digital marketing, below are the ones that are the most widespread in usage by firms and companies: \

1. **PPC (Pay-per-click):** In this form of advertising, site traffic is given a priority. The advertiser pays the search engine (example, Google, Bing, Microsoft Edge) for each click made on the site. The site in question is displayed via ads on the search index.
2. **(SEO) Search Engine Optimization:** Search Engine Optimization is the art of streamlining a website so that it appears at the top of the search-engine result page (SERP). This is done by using appropriate keywords within the site, description tags, and headers in the site title etc. This is one of the most popular fields in the digital sector right now, with great demand among companies.
3. **Social Media Marketing:** As the name suggests, this is done by the firms via popular social media sites like Facebook, Instagram, and Twitter etc. The firms use their online presence on these sites to target and directly reach their potential consumers. Product offerings, discounts, promotional like/share campaigns etc. are all done to direct traffic to the main site for purchase. This is also a powerful tool to gather and analyze data on which consumer demographics are engaging the most with the ads, as well as which demographic is engaging the most.
4. **Content Marketing:** This is a more strategic method of marketing that is done by spreading relevant and valuable information about the product itself. Articles, videos, podcasts etc. are all made in relevance to the product, in hopes of reaching targeted consumers and creating meaningful engagement.
5. **Email Marketing:** While the novelty of e-mails have worn off in the recent decade, the medium itself is one of the most effective marketing channels available right now. The major advantage of this method is that it offers the highest percentage of targeted ads, as the consumers give the permissions for the firm to send them.
6. **Influencer Marketing:** A relatively newer kind of marketing, Influencer Marketing banks on social media stars to promote the firm's products to their followers. This increases brand visibility, as well as promoting the product to a select audience with increased targeting. Usually, YouTubers and Instagram influencers with a sizable following are the most sought-after for these marketing strategies.
7. **Mobile Marketing:** Mobile marketing, as the name says, is done all on the cellular devices that the targeted consumers own. It is a great cost-effective medium, but the

downside is that consumers may not appreciate the ads being sent to their phone and block the ads completely.

### **Digital Marketing in Bangladesh:**

Even though Bangladesh was very late in the development of cellular networks and internet infrastructure, the country has speedily made progress in bolstering the population's access to the net and cellular network.

### **Internet Users of Bangladesh:**

According to GSMA Intelligence, the country saw an increase of 10 Million new mobile connections between 2021 and 2022, continuing the trend of a 10% increase each year. As per datareportal.com, out of the 167.1 Million people in Bangladesh, 52.58 Million people have access to the internet. Among this demographic, 49.55 million people are frequent social media users.

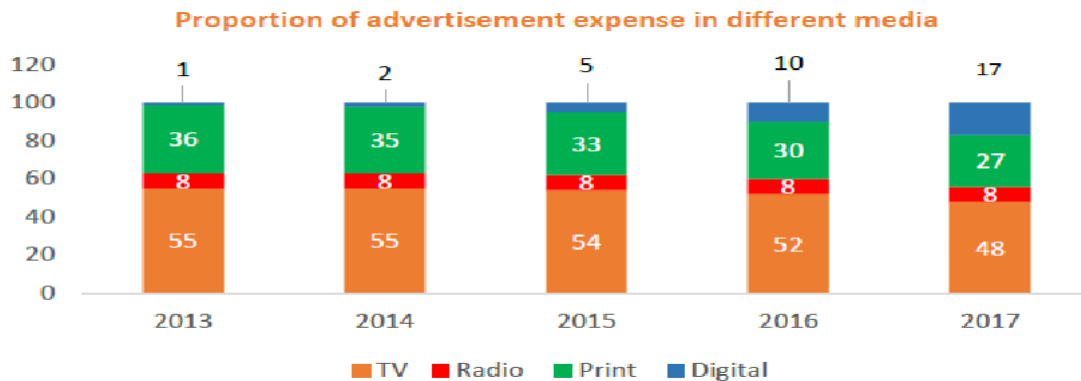
### **Social Media Users:**

Kepios reports that the social media user-number in Bangladesh has increased by 4.6 million between 2021 and 2022. Number of Facebook users in Bangladesh amounted to about 49.55 million, almost 30% of the total population of the country. As of January, 2022, Facebook's ad reach in Bangladesh amounted to 85% of the local internet using population. Apart from Facebook, user base for other social media platforms has gone up as well. There are about 34.50 million YouTube users in Bangladesh, meaning YouTube's ad reach was around 20% of the total population of Bangladesh. Further analysis showed that the site's ads reached 65.6% of the country's total internet using population. The current number of Instagram users in Bangladesh is at 4.45 Million, which suggests that the ad reach for Instagram is about 2.7% of the population. Twitter has the lowest user base in Bangladesh, with little over 756.6 thousand users. This means that the site's ad reach was about 0.5% of the population.

### **What this means for companies:**

The rapidly increasing base of internet users in Bangladesh means that the companies operating within the country have an increasing pool of potential consumers that they can reach directly, and thus they are starting to ramp up their efforts in digital marketing. According to a report on digital marketing in Bangladesh by Satez (2016):



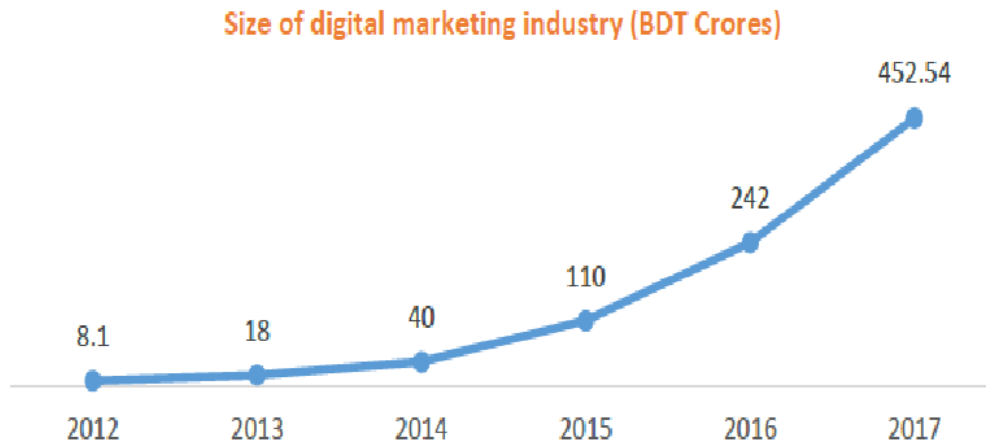


*Figure 1.12: Proportion of Advertisement Expenses (Satez, 2016)*

Showing the data up until 2017, it is seen that marketing in the digital mediums have continued to grow at an exceptional rate, and media interest in more traditional mediums are fast dwindling. Companies have thus adjusted accordingly and started investing more in their digital marketing strategies. Speaking to Saikat Azad, Category Head at Transcom Electronics, he puts forward the estimation that 95% of the budgetary spending of his company’s marketing department for 2022 was for digital channels and online platforms. This just goes to show how massive the influx of interest and investment for digital/online marketing in Bangladesh has been in recent years, and this isn’t the only company. For another example, we take Unilever Bangladesh. The firm has a “Brand Activation” program that covers the initial ad runs on social media, and then meticulously studies the results- like how many unique users viewed the ads, the percentage of male vs female users watching the ads, number of users recurrently watching the ads etc. These metrics are then used to fine-tune the ad campaigns, and design future ads as well. Other FMCG companies operating within the country (example: Marico, Square Toiletries, Bashundhara Group) have similar programs where they run extensive ads on social media alongside traditional media channels. These companies either have their own in-house digital marketing departments (Unilever), or they hire 3<sup>rd</sup>-party firms that deal with the marketing for them.

### **The Advent of Digital Marketing Firms in Bangladesh:**

In the same report by Satez (2016), we see that:



*Figure 1.13: Size of Digital Marketing Industry (Satez, 2016)*

The digital marketing sector of Bangladesh has gone past 500 crores after 2018, and has continued to grow at an even faster rate today. The industry is projected to grow even faster in the coming years. Quoting Mr. Nazmus Saqib (Deputy Manager of e-Business, Singer Bangladesh Ltd.) directly,

*“The sector will experience a massive shift in a few years. To be more specific, I expect an increase of 400 times its current size by 2025”*

This ongoing boom of investment and expansion in digital marketing among big companies in Bangladesh has thus led to a rapid increase in Digital Marketing firms operating within the country. These firms act as an intermediary between the Client Company, and deal with the consumers in getting the client company’s message and ad across the online platforms of their choice. In more recent times, companies have pushed to develop their own in-house digital marketing teams to save up on costs. Transcom Electronics is an example of a company developing and running its own in-house digital marketing team. On the other hand, there are also companies that run a hybrid approach. Mr. Rahil from Singer Bangladesh Ltd has stated that the company plans the strategies, and leaves the implementation and data analytics/analysis to the 3<sup>rd</sup> party firms. According to rankings by agencyvista.com, Roadlinks Digital, CODEWORKS, Projonmo Digital etc. are some of the better known digital marketing firms of Bangladesh.

### 3.8 Findings and Analysis

#### The Curious Case of KCCL:

Kohinoor Chemical Company (KCCL) is one of the oldest local FMCG producers in the country. They have been through many ups and downs throughout their long history, but have always managed to stay afloat within the market. This is the case in the present day as well, when MNC giants like Unilever have taken up the market majority and KCCL have lost ground. Throughout the internship, it has been observed that KCCL is a company that values tried-and-tested values, products and strategies over experimenting with their brand. This isn't necessarily a bad thing, though, as we have seen KCCL utilize these parameters to still turn profits and collect revenue. Also, the company still undertakes campaigns to revamp their heritage products for the modern market. It is to be noted that these efforts are done mostly through traditional mediums. One of the more noticeable issues for the company's marketing right now is the lack of a proper digital marketing endeavor(s) for its products.

#### Company's existing Digital Mediums:

The company currently runs banner ads on mainstream online News Portals (Prothom Alo, The Daily Star), and has a Facebook page for its brand and new product launches. Apart from this, the soap brand Sandalina has its own Facebook page where the marketing team posts new launches and/or offers for the product and sometimes also posts about other KCCL-affiliated products (for example: Bactrol).



Figure 1.14: Logo for Sandalina's "Brave Women" Campaign

### **Company's reasoning for not ramping up Digital Marketing:**

One has to wonder, being in such a hyper-competitive market like the FMCG sector, why does KCCL not invest and expand in its digital mediums? To that end, there are a few good reasons as to why the firm is hesitant to make that move. For starters, as detailed before in Chapter 2 of this report, KCCL relies heavily on traditional marketing practices and media channels to promote its products and maintain brand presence. To hold as an example, take the medium of television. The firm has a long, positive history of advertising partnerships with local television channels. Based on this, the firm receives better pricing on booking key time slots for advertisements. Mr. Raziur Rahman of Akash Digital puts the estimate of 6 pm-9pm as the prime time slots of television air time that most companies in the country aim for when booking ads on television networks. Kohinoor Chemical Company has a very effective relationship with local television channels like Channel I, ATN Bangla, as well as news channels ATN News, which runs most of the company ads during these key time slots. KCCL thus can count on a favorable reach and frequency of the ads. Apart from this, there are 3 more key reasons for holding off expansion on digital media. These are as follows:

1. **Concerns with Brand Image:** As stated before in Chapter 2, KCCL prides on having a brand image that promotes the long history of the company and its products. In an interview with George Titu Sarker, brand Executive at KCCL, he stated that the company is concerned about how compatible its brand and product image will be with digital mediums. He believes that the company's "Heritage" brand image, along with the long-standing history of the company's products, would not translate well with current consumer engagement tactics on social media. These concerns with brand image are also a key reason why the company has refrained from running ads on platforms like Tiktok and Biglo Live, where content moderation is rather loose. The company's concerns are somewhat valid, as according to a report by Leeflang, Verhoef, Dahlstrom & Freundt (2014), "*...one of the potential dangers is that firms do not succeed in engaging customers, but that customers will be enraged. Within a social media environment, customers can easily become value destroyers instead of value creators for companies.*"
2. **Questionable effectiveness & Challenges of Digital Mediums:** According to Md Ziaur Rahman, another brand executive at the company, KCCL has doubts about the veracity and

effectiveness of some digital marketing strategies, which has made them hesitant over employing them. The firm's management does not see concrete results in marketing on social media, as the reach and frequency of the ads varies. The company also does not have the adequate budget allocation to employ competent and experienced 3<sup>rd</sup>-party marketing firms that will handle SEO and PPC marketing strategies, and considers building its own in-house team as detrimental because of current budget limitations on the marketing team. His viewpoint is in line with one of the more pressing challenges faced by digital marketers everywhere. Digital Marketing's greatest strength lies in how it combines multiple disciplines and strategies of marketing to maximize on consumer targeting and engagement. Unfortunately, that strength can sometimes also lead to being its greatest weakness. In a report by Anubamani (2017), *"The effectiveness of digital marketing is a function of several variables. The problem is that the organization cannot measure the impact of one variable alone."*

3. **Success with traditional B2B Methods:** Another reason is the success KCCL has achieved with its B2B programs (Slab Programs) concerning local partners and sellers. The company has had many long-term sellers and shops that move their products to the consumers. In fact, KCCL considers these local sellers and shops a part of their consumer demographic as well, and invests a considerable amount of their budget to streamlining these operations and providing ample compensation to the sellers.

### 3.09 The emerging problem:

1. **Changing demographics:** According to a report by Rahman (2015), Gen Y (Millennials) make up the new market demographic that has buying power. Gen Y consumers are much more likely to get their information online rather than from traditional media channels, as shown from his report:

Information channel	Age group 18-25		Age group 26-35	
	Male (%)	Female (%)	Male (%)	Female (%)
<i>Total N = 305</i>	<i>N=89</i>	<i>N=75</i>	<i>N=88</i>	<i>N=53</i>
Printed new paper (Offline)	11.3	3.1	11.3	7.8
Television	1.7	7.0	6.8	7.8
Facebook (Social Media)	20.9	35.2	11.3	14.1
Chat with friends (WoM)	1.7	1.6	1.1	0.8
Online news portals	13.6	10.9	18.1	9.4

*Figure 1.15: Media usage of Gen Y (Rahman, 2015)*

We can ascertain from this information that a sizable portion of young consumers now prefer online channels instead of traditional media. From the same report, the internet usage habits of this demographic is also shown:

Information channel	Age group 18-25		Age group 26-35	
	Weekdays (%)	Weekends (%)	Weekdays (%)	Weekends (%)
<i>Total N = 305</i>	<i>N=164</i>	<i>N=164</i>	<i>N=141</i>	<i>N=141</i>
Always online	20.0	27.9	22	24.6
8am – 5pm	3.3	4.3	8.9	2.3
5pm – 10 pm	11.8	7.5	6.9	11.1
10pm – 2am	18.4	12.1	7.5	6.2
2am – 8am	0.3	1.3	0.7	1.3

*Figure: Browsing habits of Gen Y (Rahman, 2015)*

This information lines up with previously mentioned reports on increasing internet, and cellular access/usage among the population. We also see from this table that the younger population is spending an increasing amount of time online. The age group of 18-25 are intermittently spending more than 5 hours online, whereas other groups are spending anywhere between 2-3 hours online on a daily basis. It is to be noted that these online hours can be for both leisure & work purposes, as datareportal.com states that LinkedIn also has about 4.460 Million users & active visitors.

The underlying point of this information is that, the emerging market demographic (Gen Y) is fast overtaking other existing consumer groups, and they are consumers who are near-constantly online one way or the other. For a company like KCCL that relies on older demographics to market their products, this is a concerning development. KCCL's lack of a meaningful online presence means that they are also not creating a sustainable brand image among the younger demographic that will soon replace the older ones.

**2. Missed Opportunities:**

Aside from just selling ads online, digital marketing also opens up new ways for customers to engage with brands. This interaction also extends to customer service and relations as well. Modern customers now prefer engaging with the brands online as it done more quickly and is hassle-free (Rakik & Rakik, 2014). KCCL does not provide any means of engaging and/or gathering feedback from the consumers via its existing digital platforms, preferring to stick to older methods. This includes business partners as well, as it was observed that partners in the company's Slab Programs still reached out to company personnel via phone. Mr. Rakin Ar Rahman, a Marketing Executive at Rebcos points out that the lack of a meaningful online presence will also make new marketing graduates wary of applying as the company would appear technologically backdated to them. Throughout the interviews with all the industry personnel who have been mentioned here, all place emphasis on how it is important for fresh graduates to have a strong grasp on modern marketing practices, and skills in digital marketing. These prospective marketers will avoid KCCL as they would not see it having a bright future in the digital sector. Quoting Mr. Rahman further, *"I give the company 3 more years before the negative effects of falling behind technologically catches up with them."* It is also to be noted that, Mr. Saqib has predicted a major expansion in Bangladesh's Digital Sector in 2025. Their predictions line

up with the timeframe. We can infer from this that, should the company not follow its competitors and adapt to rapidly changing market conditions, they will face a serious challenge by the year 2025.

### 3.10 Summary & Conclusion

Hence, it can be seen from the information presented throughout the paper that, the near-complete lack of a digital presence will ultimately harm the company in the long run. KCCL will lose one of its remaining key strengths in the market- brand image & brand loyalty. Since KCCL operates in the realm of FMCG, the near-complete lack of a digital presence will ultimately harm the company in the long run. This is because, the newer generation of consumers spend more of their time online, and thus the brand exposures they receive will be the ones that they get on online platforms and social media. FMCG goods often do not have a fixed brand-loyal consumer group, unless there is one cultivated over a lengthy period of time. This is where KCCL manages to have an advantage over their competitors, as they have a consumer group that is somewhat loyal to the brand and its products. Unfortunately, this group of consumers are fast disappearing from the market space, and the newer generations of potential consumers do not get exposure or brand awareness of KCCL as it does not have a sufficiently visible online presence. So ultimately, without a digital market presence, KCCL is rapidly falling behind its competitors, and risks a slow, unrecoverable spiral out of the market altogether.

### 3.11 Recommendations:

Given how the company is frugal with its budgeting and expenditures, the best course of action for the company to start with creating an online presence, is by starting small.

1. **Increase Activity on Existing Channels:** KCCL currently has 2 pages on Facebook, one is the company's profile, and the other is for Sandalina. It is to be noted that, the posts on both of these pages are extremely infrequent. Ramping up posts and engagement with customers and 3<sup>rd</sup> party sellers via these pages would go a long way in starting KCCL's online activities. The pages can also post news about products, offers/discounts, as well as posting during national holidays and celebratory events.



2. **Placing Ads:** The most cost-effective ad placement the company can run right now, is placing ads on Google, and YouTube. The cheapest ad options will run them \$60 for a month on each platform – bringing the cost to about \$120 per month. KCCL has a prospect for utilizing their existing TV channel ads, trimming them down to 5-7 seconds, and repurposing them for ads on YouTube. The company already has a trove of ads they can re-run for this strategy. Assuming that the company is more lenient with their budget for marketing, they can spend an additional \$100 per month for ads on Facebook. Given how the majority of their market consumers are based in rural areas, and with how social media is booming there as well, the company has a good chance of being picked up by the algorithm in those areas, which will push more ads to their target consumers via an additional media. This would also alleviate some concerns about the company’s brand image as these sites have a much stricter content moderation. KCCL can also forego some of its concerns with brand image by specifically pushing new products that do not fall under the heritage brand of Tibet & Sandalina.
3. **In-House Marketing Team:** Of course, the data from these ad runs will have to be analyzed to achieve better targeting for future ad campaigns. For this, an in-house digital marketing team would be the cheaper option for the company, rather than spending twice as more to hire a 3<sup>rd</sup> party firm to manage everything. Regarding the advantages of an in-house marketing team, Mr. Azad has stated, *“If Kohinoor builds its own team to oversee its digital marketing campaigns, the company would benefit from having more control over the campaign, as well as spend less over expenses that would come with a 3<sup>rd</sup>-party marketing firm.”* According to Mr. Rahman, the would need to hire a minimum of 3 people

who have more than a year's worth of experience in the field, and it would be more than enough to get the ball rolling on creating a digital presence.

4. **Expansion on LinkedIn:** Given how KCCL also pushes a heavy B2B strategy via its Slab Programs, it can do well to run ads and bolster its presence on LinkedIn specifically. This would increase visibility to prospective job applicants, as well as make the brand known to other business owners and personnel on the platform.
5. **SEO:** Mr. Rahil has recommended investing in SEO (Search Engine Optimization) to increase visibility to newer clientele for their B2B programs. He points out, though, that it would be more expensive than PPC campaigns and would require some expertise to oversee. Should the company stick with building its internal digital marketing team, it is paramount that management set out goals and plans for the team far before the operation begins. These need to be clear-cut and feasibly attainable for the team too.

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### 3.13 Persons Interviewed:

1) **Name:** Md Nazmus Saqib

**Position:** Deputy Manager, E-Business

**Company:** Singer Bangladesh Ltd.

**Email:** [nazmus.saqib@singerbd.com](mailto:nazmus.saqib@singerbd.com)

2) **Name:** Saikat Azad

**Position:** Category Head

**Company:** Transcom Electronics

**Email:** [saikat.azad@tel.transcombd.com](mailto:saikat.azad@tel.transcombd.com)

3) **Name:** Raziur Rahman

**Position:** Head of Marketing Communications, Marketing

**Company:** Akash Digital TV

**Email:** [raziur.rahman@akashdth.com](mailto:raziur.rahman@akashdth.com)

**4) Name:** Abubakar Rahil

**Position:** Manager, E-Business

**Company:** Singer Bangladesh Ltd.

**Email:** [rahil@singerbd.com](mailto:rahil@singerbd.com)

**5) Name:** Rakin Ar Rahman

**Position:** Marketing Executive

**Company:** Rebco

**Email:** [rakin.r@rebcobd.com](mailto:rakin.r@rebcobd.com)

**6) Name:** George Titu Sarker

**Position:** Brand Executive

**Company:** Kohinoor Chemical Company Ltd.

**Email:** [george.brand@kccl-bd.com](mailto:george.brand@kccl-bd.com)

**7) Name:** Md Ziaur Rahman

**Position:** Brand Executive

**Company:** Kohinoor Chemical Company Ltd.

**Email:** [zia.brand@kccl-bd.com](mailto:zia.brand@kccl-bd.com)

### 3.14 Interview Questions:

#### [For industry Persons]

**Q1)** *“In light of your experience in the industry, how would you describe Bangladesh’s current Digital Marketing Sector?”*

**Q2)** *“In your opinion, how important is it for any firm operating within Bangladesh to have an online presence?”*

**Q3)** *“What would be some of the major challenges that an FMCG producer would face in establishing an online marketing presence for the first time?”*

**Q4)** *“Is Digital marketing a viable avenue for Business-Business Strategies? If so, can you elaborate on how such methods can be utilized?”*

**Q5)** *“Does your company have its own in-house Digital Marketing team? Or do you hire 3<sup>rd</sup>-party firms?”*

**Q6)** *“Can Digital Marketing be used to increase brand value?”*

**Q7)** *“What ideas & strategies can an FMCG firm use to invest in its online marketing presence for the first time?”*

**[For Company Personnel]**

**Q1.** *“What are the current areas where the company is maintaining an online presence?”*

**Q2.** *“What are the main reasons that has made the company apprehensive about Digital Marketing?”*

**Q3.** *“Has the company ever tried venturing into the online space? If so, can you describe the attempt in detail?”*

**Q4.** *“Has the company considered hiring 3<sup>rd</sup>-Party firms to handle the digital side of things?”*

**Q5.** *“Does the company ever plan to follow its competitors and invest further in Digital Marketing?”*