Report On

The influence of store cleanliness and POSM branding on revenue generation: Learnings from a project with a major furniture brand

By

K.M. Asif Muznabeen Shafat
Student ID: 18304148

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

BRAC Business School (BBS)
Brac University
June 2022

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 have acknowledged all main sources of help.

Student's Full Name & Signature:

_____
K.M. Asif Muznabeen Shafat
Student ID: 18304148

Supervisor's Full Name & Signature:

_____
Ms. Mahreen Mamoon
Assistant Professor, BRAC Business School (BBS)
Brac University

Letter of Transmittal

Ms. Mahreen Mamoon

Assistant Professor,

BRAC Business School (BBS)

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report for the completion of "BUS400 – Internship" as registered in the semester of Spring, 2022.

Dear Madam,

I am hereby submitting the internship report required for the completion of my Bachelor of Business Administration (BBA) degree. Within this report, I have showcased the outcome of my ongoing employment at Grumpy Coffee Marketing, a research focused marketing agency based in Dhaka, Bangladesh, in the position of Executive, Market Research and Campaign Execution. This report also includes a research project section as per the specific proposal you had approved, being, "The influence of store cleanliness and POSM branding on revenue generation: Learnings from a project with a major furniture brand.'

I hope that this report will be up to the satisfaction of your prescribed academic standards.

Sincerely yours,

_____

K.M. Asif Muznabeen Shafat

Student ID: 18304148

BRAC Business School

BRAC University

Date: June _12_, 2022

Non-Disclosure Agreement

OC OIII. Grumpy Coffee Marketing

www.grumpycoffee.marketing

Employee Non-Disclosure Agreement

This non-disclosure agreement, hereinafter known as, "this Agreement", is entered into as of the June 7, 2020, hereinafter known as the "Effective Date", by and between M/S. Grumpy Coffee Marketing, located at 84 Arambagh, Dhaka, Bangladesh 1000, hereinafter known as the "Employer", and K.M. Asif Muznabeen Shafat, hereinafter known as the "Employee".

WHEREAS the success of the Employer is dependent on the possession of confidential information by the Employee, including but not limited to trade secrets, financial documents, internal processes, and strategic plans, both of the Employer, and that disclosed to the Employer under a bona fide agreement, contractual or otherwise, made between the Employer and other third parties.

WHEREAS the Employer has a legitimate interest in protecting its confidential information and that disclosed to the Employer under a bona fide agreement, contractual or otherwise, made between the Employer and other third parties, and ensure that all employees honor such confidentiality.

WHEREAS the Employee understands and acknowledges the Employer's legitimate interest in protecting its own confidential information and that disclosed to the Employer under a bona fide agreement, contractual or otherwise, made between the Employer and other third parties, that the Employee's employment creates a duty to uphold such confidentiality, and that the Employee's employment or continued employment is subject to the Employee being bound by this Agreement.

WHEREAS "Confidential Information" means any and all information in written, representational, electronic, verbal or other form relating directly or indirectly to the present or potential business, operations or financial condition of or relating to the the Employer or that disclosed to the Employer under a bona fide agreement, contractual or otherwise, (including, but not limited to, information identified as being proprietary and/or confidential or pertaining to technology, training methodologies, production techniques, operations, assets, lenders, joint ventures, associates, regulatory matters, litigation, pricing, marketing plans or strategy, volumes, customers and suppliers lists, wholesaler and retailers, distributors and agents, employees, accounts, financial matters or data, intellectual property including mock-ups, specifications and designs, computer software, hardware, maintenance and any information which might reasonably be presumed to be proprietary or confidential in nature) excluding any such information which (i) is known to the public; (ii)was legitimately known to the Employee prior to its disclosure under this Agreement; or (iii) is required to be disclosed by governmental or judicial order, in which case the Employee so required shall give the Employer prompt written notice and use reasonable efforts to ensure that such disclosure is accorded confidential treatment and also to enable the Employer to seek a protective order or other appropriate remedy at The Employer's sole cost and endeavor; and

WHEREAS "Intellectual Property" means all intellectual property and/or rights owned by the Employer or that disclosed to the Employer under a bona fide agreement, contractual or otherwise, including but not limited to patents, trademarks, service marks, logos, trade names, corporate names, brand names, computer software, designs, specifications, mock-ups, applications, know how, techniques, methodologies, processes, information, drawings, plans, copyrights, trade descriptions, slogans, symbols, emblems, insigne and other identifying marks, whether registered or not, and rights to apply for any of the foregoing, and all pending applications thereof in any part of the world.

Grumpy Coffee Marketing

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01706 326 323   Dhaka -1000

OC OIII. Grumpy Coffee Marketing

www.grumpycoffee.marketing

Employee Non-Disclosure Agreement

NOW, THEREFORE,

1. The Employee understands and agrees that the Confidential Information constitutes trade secrets of the Employer and that at all times material to this Agreement, the Employer has taken all reasonable steps to protect the confidentiality of this information.

2. The Employee agrees not to use Confidential Information for the benefit of any other person, corporation or entity, other than the Employer, during the term of employee's employment with Employer, or any time thereafter.

3. The Employee agrees that the Employee shall not disclose to any other person or entity, either directly or indirectly, the Confidential Information, except under such circumstance where there is permission from the Employer to do so. The Employee understands that the use or disclosure of any of the Confidential Information without permission from the Employer may be cause for an action at law or in equity in an appropriate court of the People's Republic of Bangladesh, and that without waiving the right to collect damages from the Employee, the Employer shall be entitled to an injunction prohibiting the use or disclosure of the Confidential Information.

4. Notwithstanding the above, the Parties agree that information shall not be deemed Confidential Information and The Recipient shall have no obligation to hold in confidence such information, where such information:
    a. Is or becomes publicly known through no wrongful act of the Employee
    b. Is approved for release (and only to the extent so approved) by the Employer; or
    c. Is disclosed pursuant to the lawful requirement of a court or governmental agency or where required by operation of law.

5. All provisions of this Agreement shall be severable for purposes of enforcement. If any provision or clause of this Agreement is unenforceable at law or in equity, such clause or provision shall be severed from the remainder of this Agreement, and the remainder of this Agreement shall continue to be enforceable, according to its terms.

6. This Agreement shall be governed exclusively by the laws of the People's Republic of Bangladesh.
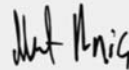
7. This Agreement shall be effective on the date last written or typed below.

Asif Muznabeen

Signature of the Employee

K.M. Asif Muznabeen Shafat
Print Name

June 07, 2020
Date

Mukit Anis

Signature of the Employer Representative

Mukit Anis
Print Name

Vice President, Marketing and Research
Title

June 07, 2020
Date

Grumpy Coffee Marketing

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Acknowledgements

I would like to thank my assigned supervisor, Ms. Mahreen Mamoon, Assistant Professor, BRAC Business School (BBS), Brac University, and my assigned co-supervisor, Mr. Jubairul Islam Shaown, Lecturer, BRAC Business School (BBS), Brac University, for their guidance in the preparation of this report.

I would like to thank my company supervisor, Mr. Mukit Anis, *Vice President, Marketing & Research*, Grumpy Coffee Marketing, and his partner, Mr. Faisal Omar, *Vice President, Design / Creative Director*, Grumpy Coffee Marketing, for their continued support and guidance of my professional development and growth.

I would like to thank my colleagues at Grumpy Coffee Marketing whose help was essential in the completion and execution of the actual project from which learnings have been presented in Chapter 3 of this report. I would also like to thank the client organization involved in that project, who have requested to remain anonymous, as without them the main project would not have existed.

Executive Summary

This internship report is written by an ongoing full-time employee of Grumpy Coffee Marketing, holding the position of Executive, Market Research and Campaign Execution, whose main responsibilities entail performing a wide range of research and consulting tasks and coordinating in-the-field activities. The organization is a research-driven marketing agency, which offers a wide range of research, consulting, and marketing solutions to its clientele. The time spent so far with the organization has helped the employee gain exposure to a wide range of industries, hone their range of soft and hard skills, and expanded the employee's professional network.

The marketing agency landscape of Bangladesh is dominated by agencies which offer little in the way of research and consumer insights, with a small number offering digital quantitative insights and the rest offering none whatsoever. On the other hand, there are some dedicated research and consulting firms, but they are prohibitively expensive for most businesses and do not offer any marketing solutions. Grumpy Coffee Marketing, having started its journey in mid-2020, aims to serve this gap in the market by offering research and consulting services along with marketing solutions driven by its own research at an accessible price point. The services the firm offers range from distribution chain analysis, retail audits, and consumer journey mapping to digital marketing, campaign execution, and brand identity development.

The organization is a partnership firm with a very low power distance culture and a laissez faire leadership style, with employees receiving very little micromanagement. The firm's employees generally take ownership of their assigned work, quickly learn to tackle problems critically, and are given a lot of decision-making headroom. Given such an organizational culture, the firm practices headhunting when recruiting employees to ensure a proper organizational fit. Much emphasis is also given on the training and development of employees in order to achieve

business objectives, with the firm offering access to online courses, and the partners of the firm providing on-the-job training and mentoring.

The firm's business level strategy is an amalgamation of Umbrella Strategy and Process Strategy, both of which are variants of Emergent Strategy (Mintzberg & Waters, 1985), and its marketing strategy is an Umbrella Strategy. In terms of generic strategies (Porter, 1980), its marketing strategy is a Differentiation Strategy, with the firm's USP being that it serves as a one-stop solution for both qualitative and quantitative research driven marketing, where actionable insights and the actions themselves can be sought from the same provider. The firm's target clients are brands which believe in research-driven marketing, have an interesting marketing problem to solve, and do not engage in unethical business practices. Currently, the firm is undergoing a rebranding initiative, and as such its own promotional activities are temporarily suspended.

In terms of financial performance, the firm seems to be doing well, but not much financial analysis is possible, as the firm currently has yet to complete even two full years of operations, with only one year's financial statements being present at the time of this report's preparation. Furthermore, comparative data is also not available as the firm operates in an industry where relevant competitors are not publicly traded companies.

Given that the firm is small in size and sells highly customizable professional services, there does not exist much in terms of operations management. Its reliance on information systems is generally limited to various communication platforms, project management tools, online document editors, a suite of creative and design softwares, and a number of data analytics tools.

Since the firm operates in a cross section of the marketing and research industries, it faces a higher-than-moderate overall competitive landscape, with only the threat of direct competitors being very low because of its unique positioning, while almost every other competitive force

being high or very high. The firm's biggest strength is that it offers marketing services based on actionable insights gained from research work that it itself performs, driven by close collaboration between its research and creative content teams, with its biggest weakness being its small company size. Its biggest opportunity is its first mover advantage, and its biggest threat is the threat of other agencies in Bangladesh starting to offer research-driven marketing solutions. Recommendations for the firm are to increase its employee headcount, and to accelerate its ongoing rebranding initiative.

The project section of this report explores the effects of store cleanliness and POSM (Point of Sales Materials) branding on revenue generation through the lens of a project conducted with a client of Grumpy Coffee Marketing in the context of the furniture industry. Qualitative observations of multiple retail stores were made before and after improvements were made in store cleanliness and POSM branding, and then validated against quantitative monthly revenue figures from each retail store. The findings suggest that there is a significant positive relationship between store cleanliness and POSM branding and the generation of revenue. These findings have implications for both the client and the furniture industry as a whole, while also opening up areas for future researchers to evaluate the effects of store cleanliness and POSM branding as independent factors, and their relevance in other industries.

Keywords: Research-driven marketing; marketing agency; laissez faire leadership; emergent strategy; store cleanliness and POSM.

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List of Acronyms

USP   Unique Selling Proposition

POSM   Point of Sales Materials

B2B   Business to Business

B2C   Business to Consumer

STP   Segmentation, Targeting, and Positioning

OVC   Online Video Content

Chapter 1: Overview of Internship

1.1 Student Information:

- Name: K.M. Asif Muznabeen Shafat

- ID: 18304148

- Program: Bachelor of Business Administration (BBA)

- Majors/Concentrations:

  - Marketing

  - Finance, Banking and Insurance

1.2 Employment Information:

1.2.1 Student's Information:

- Designation: Executive, Market Research and Campaign Execution

- Employment Period: 1 year 11 Months (June, 2020-Present)

- Company Name: Grumpy Coffee Marketing

- Department: Marketing & Research

- Addresses:

  - Head Office: 84 Arambagh, Dhaka-1000

  - Branch Office: 5th Floor, Plot 18, Road 1/A, Baridhara J Block, Dhaka-1212

1.2.2 Company Supervisor's Information:

- Name: Mr. Mukit Anis

- Position: Vice President, Marketing & Research

Job Description:

The Executive, Market Research and Campaign Execution is responsible for carrying out a wide range of research related responsibilities and in the field tasks in aiding the company serve its clientele. The incumbent will be working with the Marketing and Research department in carrying out various forms of data collection and both qualitative and quantitative analysis, and in the delivery of various research and consulting services the company provides to its clientele. The incumbent will also aid the creative and branding department in crafting deliverables which align with research findings to best serve the clients of the company. This role also entails serving as a point of contact between external and internal stakeholders for a variety of projects, and engaging in any other related tasks assigned by upper management.

Primary Responsibilities (65%):

- Conducting primary and secondary research tasks required for a variety of projects.

- Conducting primary data collection through interviews, field visits, and secret shopping.

- Designing and developing materials for employee training programs for clientele.

- Aiding in the alignment of internal and external stakeholders during various projects.

- Prepare a variety of presentations and reports and conduct meetings with internal and external stakeholders

- Aiding internal communication and marketing campaign roll-out.

- Leading the logistics and conducting national level events, working as a single point of contact for both the agency and the client.

Secondary Responsibilities (25%):

- Aid and provide feedback to the firm's partners regarding matters of recruitment, training, and succession within own department.
- Aiding the creative and branding department in crafting deliverables that align with research findings and clients' needs.
- Occasionally writing tailored copy for the firm's various client brands, including but not limited to website copy, social media copy, static content copy, dynamic content copy, OVC scripts, and company profiles.

Supervisory Responsibilities (10%):

- Aiding in the training and development of research assistants.
- Management and oversight of research assistants.

1.3 Internship Outcomes:

1.3.1 Student's contribution to the company:

I have been with the company from the very beginning, even before the company was officially registered with the government, and even before it had its own office space. I have contributed to the company's profitability and growth by serving it and its clientele through my hard work and dedication towards achieving business goals and objectives. I have always taken ownership of any work assigned to me, and have gone above and beyond to ensure smooth completion of all projects within my scope. During my time with Grumpy, I have aided and continue to aid the company serve a long list of clients, including the likes of United Commercial Bank (UCB), Sharif Metal, Sufi House, MMI Logistics Ltd, HATIL Furniture, Recom Consulting Ltd, and GlaxoSmithKline Bangladesh Ltd. I have helped develop and execute campaigns, conduct a range of research projects, conduct field visits and various other data collection, align stakeholders, helped create pitch decks, have written copy, and have helped develop and execute a number of training projects for the company and its clientele.

1.3.2 Benefits to the student:

My time at Grumpy has helped me immensely in my grooming as a young professional. Over the course of my employment, I have learned how to conduct and carry myself professionally, how to network and communicate with external stakeholders, and how to respond and adapt to unique professional challenges that I had not faced before. In contrast to a regular internship, I have had the good fortune to actually conduct work of key importance to the company, instead of the menial clerical work most internships actually entail. Getting to take on actual industry challenges, and helping to solve actual problems for the company's clients has allowed me to hone both hard skills and soft

skills, and for that I am extremely grateful. Furthermore, I have had the good fortune to network with a solid range of professionals, ranging from mid-level executives to high-ranking leaders from various industries, and I believe that these connections will be a valuable asset to have for my career going forward. Furthermore, throughout the various projects I have been directly involved in, I have had the chance to work in the field with not only my own colleagues, but also in cooperation with teams from the company's clientele, allowing me to learn how to adapt to and work together with strangers towards a common goal in a professional setting. I have even been a part of high-stakes, high-pressure situations for the company, and got the chance to learn from my superiors in effectively handling such situations. Overall, I am extremely grateful for the learning opportunities I have enjoyed at Grumpy, as I strongly believe if I had pursued a regular internship, I would have missed out on a lot of personal and professional growth.

1.3.3 Problems/Difficulties (faced during the internship period):

In all honesty, I have not faced any significant problems or difficulties during my time with Grumpy, be it before or during the period of my BBS internship. There have been times when my work has been challenging, because I was thrust into tasks that I had no previous experience with. However, on the whole those challenges have helped me learn and grow, and as such, I would not classify them as problematic.

1.3.4 Recommendations (to the company on future internships):

My recommendations to the company are twofold. First, the company should maintain its current laissez faire leadership style and management practices (which shall be elaborated in Chapter 2 of this report) with future employees and interns. And secondly, I hope the company continues to encourage hands-on learning and empowers its future hires to expand their capabilities, as it has done for me.

Chapter 2: The Organization

2.1 Introduction

Typically, when one thinks of classifications of marketing agencies, the usual 8 tropes of advertisement agencies such as full-service, digital, social media, traditional, public relations, media buying, and creative boutiques may come to mind. A 9th type also exists, that being marketing software firms, also known as Martech agencies (Websurge, 2019). However, when it comes to the realities of the marketing landscape of Bangladesh, such a large number of distinctions are rarely drawn, with the field being dominated by full-service agencies which provide almost all of the above services such as Grey or Asiatic MLC, by agencies with a digital-first focus who still provide most of the same services such as Analyzen and ADA, and by creative production houses such as the likes of Glitch DHK. There is also a vast number of smaller agencies dotting the industry which focus purely on digital marketing, encompassing social media marketing, web design, and media buying within their scope of services, with these firms having popped up to serve an ever-growing demand for marketing through digital and social media platforms.

In the modern marketing landscape, marketing driven by data and actionable insights has become a powerful tool. That being said, when it comes to market research and consumer insights, the options available in Bangladesh are limited. On one hand, there are full-fledged research and consulting firms such as NielsenIQ, Somra-MBL Ltd. or Creative Consulting Services Ltd., who offer both qualitative and quantitative research services. While these firms do provide a wide range of actionable insights, they themselves do not provide other marketing services based on those insights, and thus, a prospective client must rely on someone else to make proper use of the findings. On the other hand, marketing agencies such as Analyzen and ADA do offer some analytics and insights, but they are limited to quantitative insights and digital platforms and data

sources. As such, while they can immediately take action on the insights they provide, actions are also limited to the digital side of marketing. Furthermore, these agencies are prohibitively expensive for most businesses to access, thus keeping research-driven marketing mostly in the hands of international and multinational companies.

This is the scenario that lit the initial spark of inspiration for Grumpy - a research driven marketing agency that not only offers research services and actionable insights at an accessible price point, but can also then immediately implement those insights into not only advertising, but also retail, customer service, product distribution, and branding for its clientele.

2.2 Overview of the Company

2.2.1 What is Grumpy:

Grumpy Coffee Marketing - often called 'Grumpy' in short by clients and stakeholders - started its journey as a research-centric marketing agency in late May, 2020, as an initiative of its founders and partners, Mr. Mukit Anis and Mr. Faisal Omar. In the very beginning, the agency operated as just a small team of professionals handpicked by the founders who were collaboratively working from home amidst the Covid-19 pandemic. Eventually, as the first wave of lockdowns rolled back, the firm shifted to an in-person office arrangement. Currently the firm has two offices, with the head office at Arambagh, and a branch office at Baridhara J Block. As of the writing of this report, the firm has served a list of clients including TAAGA, Bitsy, United Commercial Bank (UCB), Sharif Metal, Sufi House, MMI Logistics Ltd, Clinicure, HATIL Furniture, and Recom Consulting Ltd.

2.2.2 Services Offered:

Grumpy currently offers the following list of marketing services to its clientele:

- Market Research
- Retail Audit
- Distribution Chain Analysis
- Frontline Employee Training
- Consumer Journey Mapping
- Consumer Profiling
- Brand Strategy
- Brand Identity Development
- 360° Campaign Design and Execution
- Digital Marketing
- Web Design
- Social Media Management
- Content Marketing
- Copywriting
- Print Design
- Packaging Design

2.2.3 Company Structure:

The agency currently has two core functional departments, being the Marketing and Research Department, and the Creative and Branding Department, with one partner serving as the head for each team based on their areas of expertise. Below is an organogram to visually illustrate the company structure (NB: employees currently on probation are not mentioned as their positions are not yet permanent):

Marketing and Research Department

Mukit Anis
VP, Marketing and Research

Mohtasim Bin Habib
Executive, Market Research and Campaign Design

K.M. Asif Muznabeen Shafat
Executive, Market Research and Campaign Execution

Creative and Branding Department

Faisal Omar
VP, Design; Creative Director

Zaheen Haque
Designer, Visualizer

Arnob Fouzder
Web Designer, Animator

Abidur Rafi Hassan
Copywriter, Research Assistant

Adeeba Afreen Chowdhury
Copywriter, Accountant

Cross Functional Employees

Figure 1: Organogram - Grumpy Coffee Marketing

Mr. Mukit Anis leads the Marketing and Research Department, which currently has two permanent employees, being one of my colleagues and I. Mr. Faisal Omar leads the Creative and Branding Department, with two dedicated permanent employees for that function. Additionally, there are another two permanent employees who serve cross functional roles. They are both copywriters for the Creative and Branding Department, but one of them also serves as a research assistant for the other department while the other serves as the firm's accountant and reports to both partners for the associated responsibilities.

2.3 Management Practices

2.3.1   Leadership Style at Grumpy:

The firm has a very flat hierarchical structure with very low power distance, with the partners practicing a laissez faire leadership style in their management of employees. From day one, employees are trained to be completely honest with each other and the partners regarding all business matters, and the low power distance is made clear with flattery of seniors being highly discouraged. The partners have established a culture of open discourse within the company regarding all matters, and have made clear that every opinion or input that adds value to business goals will always be thoroughly considered. Furthermore, they maintain complete transparency with the employees, even regarding matters such as project values, profits, and salaries.

Taking ownership of assigned work is something that is taught in the organization from the first date of joining. Employees are always given the chance to turn down a task at the moment it is being assigned, no matter what their reasons are. From already having a heavy workload to simply not being interested in the task being assigned, any and all reasons are considered valid. This is based on a principle of, "if one is forced to do a task they do not want to, they will deliver sub-par results," as espoused by the partners of the firm. However, from the moment that an employee accepts a task, no matter how big or small, it becomes their prime responsibility to deliver the relevant results. Beyond briefing the employee or employees in question on the particulars of a project or task, the partners never micromanage any of us in terms of how we get the work done. Employees are simply told what to do and by when it needs to be done, and then left to their own devices to complete the task at hand. That being said, the partners also make it clear that employees are always welcome to seek guidance from them should they face unfamiliar

challenges that hinder completion of the work assigned, or simply want feedback at any point.

As a result of this laissez faire management style, employees at Grumpy quickly learn to take ownership of their work, and grow a sense of self-confidence in their abilities to face new and challenging situations. This helps employees learn to think critically and make decisions on their own, and helps grow problem solving abilities such that they do not need to rely much on their superiors in most situations. In fact, the employees are generally encouraged to find their own solutions to the technical challenges they face when on a task or project. Especially when it comes to permanent employees, the partners often use the phrase, "Don't come to us with a problem. Come to us with multiple solutions, and we will teach you how to pick the best one." As a result of this, employees at the firm become quite adept at independent decision making as time goes on, and contribute in large part as to how various challenges are handled, thereby enabling the firm to better serve its clientele effectively and efficiently.

Employees of the firm are also given a large deal of authority in their specific areas of work after they have proven themselves capable of handling complex projects. When an experienced employee feels that a certain approach would be best suited for a particular situation among all available alternatives, or feels that something is best avoided, their opinion is given absolute priority by the partner leading their department.

2.3.2 Human Resource Practices:

The efficacy of the laissez faire style of management practiced at the organization mainly hinges on three key factors: Recruiting the right resources, expanding their capabilities, and keeping them motivated.

2.3.2.1 Recruitment and Selection:

In order to recruit resources who best fit the organization's management practices, the partners of the firm solely practice headhunting for hires among their existing networks. They utilize their networks to thoroughly vet for potential hires who would not only fit the free-reign culture of the company, but would do so while having a genuine interest in growing their professional capabilities instead of taking advantage of the management practices of the firm. While existing work experience and skills certainly play a part, a higher level of importance is given to whether the potential recruit would be a good cultural fit for the firm. Once such a potential recruit has been identified, the partners share all of the information they have gathered with the existing employees to take their feedback, to see if they would be interested in and comfortable with having that person on their team. The inputs of permanent employees are taken very seriously at this stage, and there have been a few precedents where a potential recruit was not pursued due to concerns or objections. However, if the existing employees are interested in the proposed recruit, then the partners initiate contact with that person to see if they'd be interested to join the company. Usually, the potential hire is invited to the office a few times to see if they and the existing employees get along well with each other, and the new person is also exposed to the company's work culture first hand. This level of transparency is maintained with the intention that only someone who is genuinely interested would want to join.

This unconventional recruitment process has led to a collection of employees who not only work very well together, but continuously strive to help each other in their tasks wherever possible.

2.3.2.2 Training and Empowerment:

The organization puts special emphasis on expanding the capabilities of its employees in both hard skills and soft skills. When it comes to hard skills, the company provides access to paid online courses on Udemy and SkillShare on any job-related topic. Especially when it comes to employees of the Creative and Branding Department, the company provides access to paid courses on any and all kinds of design and branding topics that an employee wants to expand their capabilities in, from graphic design to web development to videography and editing. New hires are also assigned particular courses to complete during their probationary period. The partners also maintain and update a collection of books on marketing, design, research methodologies, and branding practices which is open to all employees and can be borrowed for further learning. Furthermore, employees from each department are assigned material relevant to the other department to enhance ease of collaboration, as the departments usually have to work together cohesively on most projects. New employees also receive hands-on training from the heads of both departments in the basic functions of each. For example, even though I am an employee of the Marketing and Research department, I was assigned books and video courses on copywriting and video editing, and received hands-on training in website design early on in my employment, so that I could effectively collaborate with my colleagues who are in the other department. In this way, not only do the employees at Grumpy get to develop their hard skills relevant to their own functional areas, they also gather a

basic level of understanding of the functions and jargon of those they need to collaborate with, resulting in enhanced performance in reaching business objectives.

However, hard skills alone are not enough for an employee to be effective. As such, the organization also focuses on developing soft skills such as confidence, leadership, effective communication, teamwork, negotiation, empathy, and adaptability. From the very beginning, employees are included in meetings with the clients whose projects they are involved with. For new employees, this is a learning opportunity in which they get to observe and learn how the firm's partners and more experienced employees interact with clients and foster professional relationships. As time and experience progresses, employees are required to actively participate in meetings where they showcase the work that they have contributed to, and eventually, they are made to conduct meetings with clients themselves without help. This progression helps facilitate the growth of confidence, and fosters communication skills among the organization's employees. Furthermore, a good portion of the work that Grumpy does for its clients involves working outside the office. From field visits and ghost shopping to employee training and arranging workshops, employees have a large chunk of responsibilities that require them to communicate and coordinate with external stakeholders.

When Grumpy had first started, the partners used to take the lead in such situations and train the then new employees on the job in matters of communication, negotiation, and coordination. In subsequent projects, those employees were tasked to lead with the partners only providing support when

necessary. These days those same employees who are now experienced follow the same pattern of mentoring and on-the-job training to help expand the capabilities of new hires.

Every project that Grumpy takes on also gets assigned a project leader from within the employees. This is generally done voluntarily from the employees' side, with whoever feels the most interest in any particular project taking ownership for its completion. Alongside whatever else their responsibilities are, they must ensure that everyone who has roles in the project complete their deliverables timely and properly. Even the partners of the firm have to answer to the project lead when they have deliverables which fall under the relevant scope.

2.3.2.3 Compensation, Evaluation, and Motivation:

For any organization to succeed in the long run, it must keep its employees satisfied and motivated to keep performing at their best. After all, unsatisfied employees would result in high turnover and a lack of quality resources.

For Grumpy, the first step to keeping employees satisfied and motivated is how it compensates them for their work. The payment mix is composed of two parts - an industry standard base salary as the base pay, and performance-based bonuses as variable pay. All employees are also entitled to a variable yearly increment of their base salary which is tied to the yearly net profit growth of the company, as well as two annual festival bonuses. While the actual salary numbers cannot be discussed here due to company confidentiality, they are directly circulated to the employees to maintain transparency. As mentioned previously, even the salaries of the firm's partners are communicated to everyone within the organization.

Due to the small size of Grumpy as an organization, a rigid performance appraisal technique is not used. Employees are mostly evaluated on the fly by the partners of the firm in terms of both their individual performance and based on their contribution towards the company as a whole in terms of teamwork. If an employee displays problematic performance, the partners generally investigate what exactly is leading to the problem. This usually takes the form of a one-on-one conversation between the employee and their department head to see if something rectifiable is at the root of the issue, in which case attempts are made to help the employee get back on track. If needed, a paid/unpaid leave is also offered depending on circumstances, in case the employee needs to deal with a situation in their personal life. Only under cases where the employee's performance is outright irrecoverable is when they are terminated from the firm.

On the other hand, exceptionally positive performance by employees is also shown much appreciation, both monetarily and otherwise. As mentioned before, the company provides its employees a performance-based bonus. This bonus is usually given out after big projects based off of an employee's exceptional contribution to that project's success and usually varies from project to project based off of project value, and the impact made by the employee. Also, the partners generally promote a culture of praise and recognition by expressing appreciation to employees in the successful completion of their day-to-day tasks, thereby keeping up general motivation and making employees feel recognized for their efforts. Furthermore, since the yearly increments of employees are tied to the firm's growth in profits, they are also generally motivated to put in their best efforts, as they directly benefit from when the firm performs well.

2.4 Marketing Practices

2.4.1 Grumpy's Marketing Strategy:

Before discussing Grumpy's marketing strategy, I must first elaborate a little on its business level strategy. The firm's strategy is an amalgamation of an Umbrella Strategy and a Process Strategy. As defined by Mintzberg and Waters (1985) in the highly influential paper *Of Strategies, Deliberate and Emergent*, an Umbrella Strategy is when "leadership, in partial control of organizational actions, defines strategic boundaries or targets within which other actors respond to own forces or to complex, perhaps also unpredictable environment; strategies partly deliberate, partly emergent and deliberately emergent." In the same paper, the same authors define Process Strategy as, "leadership controls process aspects of strategy (hiring, structure, etc.), leaving content aspects to other actors; strategies partly deliberate, partly emergent (and, again, deliberately emergent)." Both of these emergent strategies are applicable for Grumpy as an organization. As Stobierski (2020) points out, one of the situations where an emergent strategy is best suited is during the early stage of an organization's life, which is exactly where Grumpy is right now given that it was set up less than two years old. At this point, the firm is in the middle of understanding what may or may not work for it, and these emergent strategies also very much apply to its marketing strategies.

Given these circumstances, its marketing strategy is also very much in the realm of emergent strategies, and in particular, the aforementioned Umbrella Strategy. Grumpy is a very idealistic organization, and the partners have set certain strategic boundaries and targets based on those ideals. The boundaries include that the company will never work with a tobacco brand, or a brand that intends on misleading their customers through misrepresentation or deception. The current strategic target for the company is to have a

strong positive impact on the marketing culture of Bangladesh. As for **how** to effectively achieve that target - that is something the company is still exploring and has not been solidified yet.

However, in terms of the Porter's (1980) Generic Strategies, the marketing strategy may be seen as a Differentiation Strategy. The firm's USP (Unique Selling Proposition) is that it serves as a one-stop solution for both qualitative and quantitative research driven marketing, where actionable insights and the actions themselves can be sought from the same provider. This sets the firm apart from almost all other players in the market, since none of them provide both qualitative insights and advertising or branding solutions, and a few provide quantitative and branding solutions. That being said, whether this differentiation will result in broad differentiation or focused differentiation remains to be seen given the firm's overall emergent nature.

2.4.2 Target Customers, Targeting and Positioning strategy

Given that the nature of Grumpy's products and services makes it a B2B organization, the traditional STP model used by B2C organizations for the purposes of segmenting markets and targeting consumers is unusable. In over 30 years of academic research, a well-rounded and widely accepted model for B2B market segmentation has not yet been developed (Mora Cortez et al., 2021), let alone well-established variables as found in B2C segmentation. Furthermore, very few theoretical models have had any empirical testing at all, and even those seem to be outdated and inadequate given the highly fragmented B2B landscape today (Mora Cortez et al., 2021). As such, indisputably defining a target customer segment for Grumpy Coffee Marketing that aligns with the B2C market segmentation model taught in undergraduate classrooms is an impossible task, as that model is only relevant for B2C brands and companies.

As mentioned previously, Grumpy is a firm that is quite an early phase of its lifecycle. As such, the organization is still learning the ins and outs of who its target customers are. That being said, here is what the firm knows for sure right now about its target customers. The target customer is:

- A company or brand that believes in, or is at least open to the idea of the efficacy of research-driven marketing.

- A company or brand that has a subjectively interesting marketing problem to solve, with this problem being in any of the 3 chosen elements of the 4P's of marketing - promotion, price, and place (distribution).

- A company or brand able to spend at least 1000 USD or 80,000 BDT on a project.

- A company or brand that does not participate in morally objectionable business practices (such as selling tobacco/alcohol, or misleading customers).

- A company or brand that does not practice sexism, misogyny, or bigotry.

- A company or brand which does not micromanage their agencies, and treats them without due professional respect.

- A company or brand with forward-thinking leadership, who want to explore new opportunities for growth and improvement.

The way Grumpy positions itself has evolved quite a bit since the start of its operations, and continues to evolve as a result of its emergent strategies. As of right now, an official positioning statement does not exist, but a theoretical example of one that somewhat accurately portrays the current positioning of the firm is as follows:

"Grumpy is a research driven marketing agency that offers research-based actionable insights, aimed to help businesses wanting to reach their customers effectively - through advertising, branding, and process optimization."

Analyzing this positioning statement reveals:

Target segment: "businesses wanting to reach their customers effectively"

Point(s)-of-difference: "offers research-based actionable insights"; and

"….through….process optimization."

Frame of reference: "marketing agency"

2.4.3 Marketing channels

As of now, the organization has a zero-level marketing channel, in which all services are delivered straight to the client organizations (the customers) from Grumpy (the producer). There exist no channel intermediaries as of yet for the organization.

2.4.4 New Product (Service) Development

Like most other aspects of the organization, the development of new offerings within the portfolio of available services has been the result of emergent strategy. For example, providing training programs for employees was not a service that the organization initially offered, but recently came about as a result of a client specifically asking for it as part of a project. After the project reached completion, the client was delighted by the results and the firm decided to add this service to their list of available services.

2.4.5 Branding Activities

Grumpy Coffee Marketing is currently undergoing a complete rebranding project. When the name, brand elements, and brand identity were originally chosen, the initial thought process was something along the lines of, "When a person wakes up in the morning for work, they feel grumpy and ill tempered. It is after they have had that first cup of morning coffee that their heads clear up and they feel energized to get things done. We wanted to be like that first cup of morning coffee for brands and help energize them to get things

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done." However, as time went on and more and more clients were served, a pattern was noticed that almost every external stakeholder referred to the firm as just "Grumpy". Furthermore, the "Coffee" part of the name turned out to be especially problematic when trying to form connections, as some people would assume that the firm was in the cafe business. As such, a decision was taken in March, 2022, to completely rebrand the firm. At present, work is ongoing in redesigning all of the brand elements of the agency and to officially rename the firm as "Grumpy." A new website is also in the process of development, as well as multiple social media pages are being prepared for a full relaunch of the brand. The tentative time period for the rebranding to go live is Q3, 2022. In preparation for this rebranding, the existing social media pages have been unpublished, and all current promotional activities have been put on hold. The launch of the rebranding will include social media campaigns across Facebook and Instagram, and a bank of content is being currently developed and designed towards this purpose alongside the regular business operations of the company in serving its existing active clients.

2.5 Financial Performance and Accounting Practices

2.5.1 Financial Statements

Grumpy Coffee Marketing
Income Statemet (Profit and Loss)
For the Year Ended 30 June, 2021

Revenues		BDT 69,59,100
Less: Expenses		
Salary Expenses	BDT 16,87,500	
Rent Expenses	BDT 18,05,000	
Gifts and Performance Bonuses	BDT 7,30,500	
Office Supplies Expenses	BDT 1,23,530	
Travel Expenses for Projects	BDT 4,30,500	
Regulatory Expenses	BDT 12,000	
Website Expenses	BDT 34,140	
Company Food Expenses	BDT 85,350	
		BDT 49,08,520
Net Profit		BDT 20,50,580

Table 1: Income Statement - 30 June, 2021

*Note I: Grumpy Coffee Marketing has been operating since June 2020, and follows a July 1 - June 30 fiscal year. The organization is **a partnership firm, not a publicly traded company**, and as such, **does not produce annual reports**. An income statement and balance sheet are produced for the partners' filings of personal tax returns, as income of a partnership firm is treated as personal income of partners. The numbers provided in this academic internship report are **not actual numbers**, rather they have been **multiplied by a constant** in order to protect the **confidentiality** of the firm. Furthermore, only the Income Statement of the year ended June 30, 2021 and the Balance Sheet as on June 30, 2021 are available. Since **only one year's statements exist as the firm hasn't completed a second year as of this point**, trend or comparative analysis are not possible.*

```
                    Grumpy Coffee Marketing
                  Balance Sheet (Financial Position)
                        As at 30 June, 2021
                                                    2021

Assets:
Non-Current Assets:                                   -

Current Assets:                             BDT  20,50,580
Cash and Cash Equivalents                   BDT  20,50,580

Total Assets                                BDT  20,50,580

Partners' Equity and Liabilities:
Partners' Equity:                           BDT  20,50,580
Mr. Mukit Anis                              BDT  10,25,290
Mr Faisal Omar                              BDT  10,25,290

Current Liabilities:                              BDT 0
Accounts and Others Payable                        BDT 0

Total Partners' Equity and Liabilities      BDT  20,50,580
```

Table 2: Balance Sheet - 30 June, 2021

*Note II: Grumpy Coffee Marketing started operations with **zero monetary or material investments**, and continues operations with zero fixed assets. While partners (and employees) utilize their **own personal laptops** for their work, they still retain complete personal ownership of those devices. **Fully furnished offices had been rented**, and as such, no fixed assets were bought in terms of furniture or appliances either. Furthermore, the firm had no unpaid liabilities at the time of 30th June, 2021. As such, **no fixed assets and no liabilities existed** at the time, thereby making the calculation of many of the ratios and analyses prescribed in the guidelines of the report impossible, and not applicable. Only the applicable analyses have been performed.*

2.5.2   Financial Performance

2.5.2.1 Profitability:

Net Profit Margin: Net profit / Total Revenue = 2050580/6959100 = 29.47%

Therefore, for every BDT 100 of revenue, the organization makes BDT 29.47 in profits

Return on total Assets (ROA): Net profit / Total Assets= 2050580/2050580 = 100%

Therefore, for every BDT 100 of assets, the organization makes BDT 100 in profits

Return on total Equity (ROE): Net profit / Total Equity = 2050580/2050580 = 100%

Therefore, for every BDT 100 of equity, the organization makes BDT 100 in profits

Here, the Net profit margin indicates that the organization is decently profitable. Considering that the international average profit margin for marketing agencies is between 6% to 10%, and that specialized agencies can make between 20% to 40% (Eaton, 2020), a 29% Net Profit margin seems to indicate decent profitability for an agency in its first year.

That being said, the ROA and ROE probably should be considered outliers, since the only reason they are showing 100% is due to the lack of fixed assets, and the only current asset being the first year's profits. These ratios should indicate more realistic figures in the years moving forward.

2.5.2.2 Management Efficiency:

At the time of the financial statements being created, the organization has five employees.

Business per Employee: Total Revenue/Number of Employees = 6959100/5 = BDT 13,91,802

Therefore, for every employee employed by the organization, it draws in revenues worth BDT 13,91,802.

Profit per Employee: Total Revenue/Number of Employees = 2050580/5 = BDT 4,10,116

Therefore, for every employee employed by the organization, it makes a profit of BDT 4,10,116

Net Profit to Staff costs: Net profit / staff costs = 2050580/(1687500+730500) = 2050580/24182000 = 84.80%

Therefore, for every BDT 100 spent by Grumpy on its employees, the company makes a profit of BDT 84.80

Whether or not these ratios indicate superior or inferior management efficiency cannot be commented on, as values for comparison from similarly sized firms (or even much larger firms for that matter) in the same industry are not available, as such firms are generally not publicly traded and therefore do not produce publicly available annual reports.

2.5.3 Accounting Practices

The firm does not, and does not legally need to follow all core accounting principles. As it is a partnership firm and not a publicly traded company, it has no legal obligation to produce annual reports or publicly disclose financial statements. It generates an income statement and a balance sheet purely for the personal tax return filing purposes of the partners. For this purpose, however, a ledger and journal are maintained, which are then checked via a trial balance.

Managerial accounting, however, does take place in the firm for the purposes of budgeting and planning, but obviously does not require any form of disclosures.

All accounting that is carried out in the firm is done on an accruals basis for ease of tracking short term receivables and short-term liabilities. No depreciation methods are applicable as no fixed assets exist.

2.6 Operations Management and Information System Practices

2.6.1 Operations Management

Given the small size of Grumpy as an organization, and that it is a professional services firm from the perspective of how it generates revenue, there is not much scope for formal operations management practices at the firm. The services sold by the firm, be it pure research services, consulting services, branding services, or other marketing services - all have an extremely high degree of customization, and their costs, values, and resource allocation vary wildly according to the needs of the client and scope of the project. Furthermore, given the laissez faire leadership style, micromanagement does not really exist within the firm. As such, the scope for standardization is very, very limited, if at all applicable. Other than simply ensuring that deadlines are met once those are set, and that quality of services provided maintains a high standard, no other operations management practices exist. Even the quality of services is something that cannot be rigidly defined, as the services themselves are complex and depend on the individual knowledge and expertise of the human resources involved.

2.6.2 Information Systems

General communication needs are met through the usage of the messaging platform WhatsApp, and Google Meet is used for remote conferencing needs. For project management, ideation, and progress tracking, Miro is used. Google's Docs, Sheets, Slides, and Keep platforms are used for creating and editing documents, as they enable easy collaboration and are easily accessible from multiple devices. Figma is used by the Creative and Branding Department for designing and prototyping websites, while a full package of Adobe software including but not limited to Photoshop, Illustrator, Lightroom, Premiere Pro, and After Effects are used for the design and creation of various deliverables. Google Ads, Google AdSense, and Meta's Ads Manager are used

for media buying and advertisement publishing in online and social media channels for digital campaigns, while Google's Analytics and Tag Manager platforms are used for collecting data. Google Data Studio is then used to compile and organize data on performance metrics and convert them into interactable visual reports for sharing with both internal and external stakeholders.

2.7 Industry and Competitive Analysis

Industry analysis is tough for Grumpy, as while it labels itself as a marketing agency, its scope of operations also crosses over into the market research and consultancy industry. In fact, this crossover is the basic USP of the firm. Furthermore, there is a distinct lack of accurate and up-to-date data for a proper analysis. Trudging through the likes of JSTOR, ResearchGate, Springer, Google Scholar, and even the academic journal piracy site Zlibrary Articles, no publications were found which provided the relevant data. Even newspaper publications could only provide a little bit of useful information. The fact that the terms 'marketing agency' and 'advertising agency' are widely used interchangeably also made information harder to track down. As such, the author of this report deeply apologizes for using information from dubious and unreliable sources in this section of the report, since alternatives simply do not exist. In some cases, even assumptions based on the author's industry experience have had to be used.

2.7.1 Porter's 5 Forces:

The Porter's 5 Forces analysis indicates the viability of an organization in terms of industry factors, the overall degree of competitive pressure that the organization must overcome in order to succeed. The factors or 'Forces' that have been considered are existing direct competition, threat from new entrants, threat of substitutes, and the bargaining powers of buyers and suppliers. The competitive forces are all given ratings of 1 to 5, with 1 indicating very weak competition and 5 indicating very high competition, and then the results are averaged to assign an overall competitive score i.e., market concentration ratio out of 5 to indicate how competitive the industry is.

Threat of Existing Direct Competitive Rivals: 1/5

The number of existing competitors in the marketing industry is extremely high, and there exists no formal way of tracking the exact number. According to the industry review aggregator site Clutch.co (n.d.a), there are 612 digital marketing agencies in Bangladesh. This number is problematic for a number of reasons. Firstly, not all digital marketing agencies are listed to begin with. And secondly, agencies which do not offer digital marketing services, such as those offering only traditional print or television marketing, are not included altogether. This leads the author of this report to estimate that the total number of marketing agencies, both big and small, may very well reach a thousand and beyond. At first glance, this seems like an extreme level of threat from existing competitors. However, Grumpy is not purely a marketing firm, so the market research industry must also be considered. According to the aforementioned industry review aggregator site Clutch.co (n.d.b), there are 63 market research agencies in Bangladesh. This figure, however, is flawed in a different way. Upon manual inspection, the majority of the companies listed turned out to be lead generation and search engine optimization (SEO) organizations, leading to the actual number of market research agencies, or at least

research firms that offer market research services to be around 20. Now taking into account that a few organizations offer Quantitative insights from digital sources along with other marketing solutions while none offer the full range of services that Grumpy does i.e. qualitative and quantitative insights from both digital and in-the-field sources, consulting services including employee training, and usual marketing services such advertising, design, and branding, the true number of direct competitors, at least as far as the available information indicates, is zero. Therefore, there is no competitive pressure from existing direct competitors, and the assigned score for this force is 1, as 1 is the lowest that can be assigned.

Threat of New Entrants: 4/5

The threat of new entrants is for the most part determined by barriers to entry. Grumpy by its very existence proves that the barrier to entry is very, very low. The first barrier to entry is generally the cost of setting up a business. As mentioned previously in this report, Grumpy started operations with absolutely no financial or material investments. The way this worked was that the partners and the team of initial employees started without an office and spread word of mouth through their personal networks to obtain the first set of clients. After that, the income generated was used to pay salaries and rent office space, while the partners and employees continued to use their own personal laptops. If Grumpy could follow this model, someone else could do it as well. The second barrier to entry is the availability of human resources. While there is an abundance of qualified resources for setting up a normal marketing agency, it is the availability of research staff that has the potential to create an issue. In 2021, Bangladesh produced 11,477 research publications, which was up from 9,116 in 2020, in turn up from 8,301 in 2019. While this positive trend seems great, the 2021 figure is still less than one third of that of Pakistan from the same year, and only around 5% of that of India (Siddiqui, 2022).

Furthermore, of the research produced, data is not available as to the breakdown of the figure by subject or field of study. Therefore, while it is not possible to accurately pinpoint how much of the publications produced was related to market research, logically it would not be more than a hundred or so at most. Adding to this, most researchers end up pursuing careers in academia or go abroad for higher studies, thus actually creating a very limited pool of human resources capable of quality market research. Therefore, the real threat of new entrants does not come from entirely new companies, but rather from the possibility of existing full-service marketing agencies deciding to expand their capabilities by hiring researchers and adding research services to their catalogs. This would not be hard to do, especially for bigger agencies like Asiatic or Grey, and they could even afford to headhunt the best researchers from top business schools with large compensation offers. All it really requires for this sort of new entrant to arrive is for such existing agencies to see the untapped potential on offer and their decision to take action. All in all, the threat of new entrants is quite high.

Threat of Substitutes: 5/5

The threat of substitutes is extremely high. If assigning a 6 out of 5 score was possible, it would have been done. Essentially, all of the existing marketing companies who do not offer research and consulting services, and all of the market research firms who do not offer marketing services serve as substitutes. All a potential client needing both types of work would have to do is hire different firms from the two relevant industries.

Bargaining Power of Buyers: 4/5

The bargaining power of buyers depends on whether marketing services or market research and consultancy are being discussed. For clients seeking just marketing services, the bargaining power is extremely high due to a huge number of marketing agencies. For

those seeking research and consulting services, the bargaining power is moderate at best, due to the limited number of available options. As such, overall, the bargaining power of buyers is high.

Bargaining power of Suppliers: 4/5

The bargaining power of suppliers varies based on the services that are being offered. For research services, access to large amounts of secondary data, especially syndicated data from corporations, or access to peer reviewed journals from repositories, must be bought at fixed prices, where suppliers have full control over pricing. In the case of marketing services, suppliers can be production houses for OVC content, photography firms, billboard vendors, and event management firms, based on the specific service being offered. There does exist some amount of bargaining power for both the suppliers and the agency in these interactions, depending on a variety of factors such as the size of the supplier, size of the agency, and scope of the task. Overall, the bargaining power of suppliers is quite high.

Final overall rating:

Taking all of the above sub-scores into account, the final overall market concentration ratio is found to be 3.6/5, indicating a higher-than-moderate competitive landscape. As such, Grumpy's overall competitiveness is not all that great, and surviving and growing in the market while possible, will be challenging.

2.7.2 SWOT Analysis:

<u>Internal Strengths:</u> Grumpy's internal strengths are threefold.

Its **common strength** i.e., ones that many other firms probably have is that it has a team of very knowledge-hungry, self-motivated employees who work well together. This is a very common strength because with the right hiring and selection process, almost any organization can gain this same strength, and many probably have it already.

Its **imitable strength** i.e., strength that can be copied but has not yet been copied is that it offers marketing services and research and consulting services under one roof. While there are countless firms that offer one or some of these services, none in Bangladesh offers all of them yet.

Its **distinctive strength** i.e., strength that cannot be easily copied is its biggest strength - that it offers marketing services based on actionable insights gained from research work that it itself performs, and the close collaboration between its research and creative content teams result in marketing activities which are more effective than marketing activities by one firm based on the research of another, and in far more effective than those not based on any research at all.

It should be noted that distinctive strengths are based on resources that are "imperfectly imitable," i.e., cannot easily be obtained by competitors (Lippman & Rumelt, 1982), because there is no such resource that is permanently and perfectly inimitable. Afterall, even patents and copyrights expire at a certain point. Imperfectly imitable resources are those which have either been obtained under historically complex conditions, are ambiguous in their relationship to the strength, or result from complex social phenomena (Barney, 1986a; 1986b). Here, the complex social phenomena can include relationships between top managers (Hambrick, 1987), and organizational culture (Barney, 1986a), so long as that does not relate to systematic process and efficiency management (Barney, 1991). Grumpy's imperfectly imitable resource is attributable to such socially complex

phenomena. The employees that work with research and those working with creative and branding can collaborate in the cohesive way that they do because each is trained by the company in the basics of the other's work, making it easy to communicate and understand. This initiative was taken by the partners of the firm both because of past experiences where they had trouble in collaboration with ex colleagues from different functional areas, and because of inspiration from when both of them used to be musicians a decade ago, where they experienced the importance of fluid collaboration during performances at concerts.

Internal Weaknesses: The organization's internal weakness is mainly the small size of its team. The small size of the company means that it is limited in the number of clients and projects it can serve at one point, resulting in the potential loss of business it could otherwise have taken on.

Market Opportunities: Grumpy's market opportunity lies in its first mover advantage in being the only firm currently providing marketing solutions based off of actionable insights gathered from its own research solutions. Because no other entity has adopted this model in Bangladesh as of yet, Grumpy has the opportunity to create, expand, and capture a large market for research driven marketing in the country before a direct competitor with a similar range of offerings eventually enters the market.

External Threats: Grumpy's external threat is the threat of new entrants. Specifically, if established marketing agencies decide to adopt this research-driven model before the organization can create a solid foothold in the market, its survivability may be genuinely threatened.

2.8 Summary and Conclusions

In conclusion, Grumpy Coffee Marketing, a young marketing firm based in Dhaka, Bangladesh, that offers research-driven marketing solutions in combination with market research and consultancy services, is currently on its way to complete a second year of operations. The firm is a partnership by legal definition, having two partners, and has two main departments led by them. One is the Marketing and Research department, and the other is the Creative and Branding department. The firm has a laissez faire leadership policy with very low power distance, and hires employees who are well suited to working under such a culture. Grumpy trains its employees in both hard and soft skills, empowering them to work effectively and collaboratively to achieve business goals with minimal micromanagement, and practices headhunting as a recruitment process to keep the company culture intact. The company's core business strategy is an amalgamation of an Umbrella Strategy and a Process Strategy, both of which are types of emergent strategy, and this reflects in most of its marketing and branding activities. It is also currently undergoing a rebranding project which will include changing its name officially to just "Grumpy." The organization's financial performance seems promising, but it is yet too early to tell. As a privately owned partnership, its accounting methods are fairly simple, as it has no legal obligation to produce annual reports. Given the highly customizable nature of its offerings, which are knowledge-based professional services, no formal operations management practices are in place. Grumpy also uses many online platforms for its information management needs for easy access and collaboration with internal and external stakeholders. The firm operates in a higher-than-moderately competitive environment, due to its business activities spanning across marketing, research, and consulting industries. Its biggest strength comes from its marketing services being cohesively based around its own research solutions, biggest weakness being its small size, biggest opportunity being its first mover advantage, and biggest threat being a larger new entrant disrupting that opportunity. At this young stage, only time will tell how effectively the firm will be able to survive and thrive in the marketing and research landscape of Bangladesh.

2.9 Recommendations

My recommendations for Grumpy are twofold. Firstly, the company should make hiring new employees and expanding the whole team a top priority. Given the current size of the company, it is potentially missing out on more business opportunities because of a lack of capacity. And secondly, the company should try to accelerate its current rebranding process as much as possible, because the sooner it rebrands, the sooner it can promote itself and establish a solid market presence.

Chapter 3: The influence of store cleanliness and POSM branding on revenue generation: Learnings from a project with a major furniture brand.

3.1 Introduction

Within the Furniture industry of Bangladesh, 'The Client' (anonymized name), is currently one of the leaders in the furniture industry of the country. Being a relatively expensive premium brand, holding onto a large share of the market isn't easy. 'The Client' leads the market through taking steps towards continuous improvement, both in terms of its products, and in terms of its brand image. It was as a part of this strive for continuous improvement that 'The Client' became a client of Grumpy Coffee Marketing. The firm conducted a number of projects for 'The Client' with the aim of helping it improve its brand image and customer experience, and this study highlights a portion of learnings gained from one such project involving changes in store cleanliness and POSM branding and their subsequent impacts.

3.1.1 Literature Review

Brand Equity, Revenue Generation, and Brand Image

To understand all of the factors at play, this journey through the existing body of literature must start at the root concepts of brand image and brand equity.

According to a number scholars, brand equity is the additional monetarily quantifiable value that products of a particular brand are perceived to have in the minds of customers which go beyond the purely functional features and benefits of those products (Aaker, 1991; Biel, 1992; Aaker & Biel, 1993; Keller, 1993; Simon & Sullivan, 1993; Ailawadi et al., 2003; Ambler, 2004). Brand equity is a contributing factor towards brand loyalty, which in turn can make customers more resilient to the effects of price instability, and

more willing to pay premium prices, thus making it possible for brands to generate higher revenues (Simon & Sullivan, 1993; Ambler, 2004; Lee et al., 2014).

One of the key antecedents of favorable brand equity is a favorable brand image (Biel, 1992). After an evaluation of formal definitions of brand image spanning half a century, Lee et al., (2014) propose a unified definition of the concept as, "The sum of a customer's perceptions about a brand generated by the interaction of the cognitive, affective, and evaluative processes in a customer's mind." A desirable brand image helps a brand to gain market share (Wijaya, 2011, as cited in Wijaya, 2013), and encourages purchase decisions in customers, thereby increasing brand performance and revenue generation (Zhang, 2015). Additionally, alignments of brand images with consumers' own perceived concepts and images of themselves can not only have a significant impact in encouraging repeat purchases and brand loyalty, it can go so far as to motivate customers to advocate in favor of the brand to others through positive word of mouth (Kemp et al., 2012)., thereby enhancing financial performance.

Importance of Store Cleanliness

The image of a brand within the minds of its customers can be massively impacted by the in-store atmosphere of retail outlets (Ailawadi & Keller, 2004). Baker et al. (2002), found that the in-store atmosphere is affected by the overall aesthetic features of the outlet such as design, lighting, and layout, as well as other subtle sensory cues including in-store background music and the fragrances that are present, and can have a measurable impact on how willing customers are to spend more money at a store by lowering their perceived economic and psychological costs of shopping, while also having positive effects on perceptions of product quality. More recent research builds upon this and adds to it, by finding that certain elements of the physical environment of a store has a significant positive relationship with consumers' purchase intentions, the elements being

cleanliness, scents and smells, in-store lighting, and the layout of product displays; while

certain elements such as color choices and background music have insignificant impacts

(Hussain & Ali, 2015). Some researchers have even found the cleanliness of stores to be

the single most important environmental element in terms of making the experience of

purchasing from retail stores to be emotionally pleasurable for shoppers (Lee et al.,

2005). On the other hand, a lack of or deficiency in such store elements can have negative

consequences for the brand, as just as pleasant environments can facilitate higher

customer engagement, unpleasant environments drive avoidance from customers (Bitner,

1992).

Given the highly socially communicative nature of the functions that furniture products

fulfill by projecting the lifestyle, values, and social status of consumers, special attention

should be given to in-store atmosphere as a favorable one carries a social identity appeal

(Schlosser, 1998; Hassan et al., 2010; Mehta & Chugan, 2014). Environmental hygiene

factors such as adequate ventilation and cleanliness have been found to be of special

importance, with the majority of consumers being inclined to shorten their visits to retail

outlets or even leave immediately in the case of a furniture retail store lacking these

desired factors (Yildirim et al., 2015). As such, especially in the context of the furniture

industry, not only does the existing body of academic literature seem to indicate the

importance of store cleanliness as part of the in-store physical environment, it also

indicates its importance in relation to brand image, and by extension, brand equity and

revenue generation.

POSM (Point of Sales Materials) Branding

One of the key aspects of an effective in-store environment is the effective presentation

of products sold by the brand accompanied by signage that not only communicates the

brand's messages clearly, but are also strategically placed to generate maximum impact on the buying decisions of customers (Underhill, 2009; Mehta & Chugan, 2014) Such signage materials, in addition to proper visibility of product display and product placement as part of the POSM, not only results in increased brand awareness, but also leads to increased customer satisfaction, and thereby increased sales and revenue generation (Tiwari et al., 2015; Niazi et al., 2015). Turley and Milliman (2000), have found that while product displays, posters, signage, and decoration all play various roles in influencing consumers' shopping behavior, effective product display in particular can have a highly favorable impact in increasing sales and revenue for a store. Other researchers have also found product display and layout to have significant influence on the purchase intentions of consumers (Hussain & Ali, 2015). As such, existing literature indicates that effective branding at the point of sale can have significant persuasive effects on the purchase intentions and purchase behavior of consumers.

N.B: In the case of the brand for which the original project has been conducted, i.e., 'the Client', the point of sale (POS) is not limited to just the sales counter, with payments being executed at various points throughout their stores. As such, the majority of the elements of the in-store physical environment and atmosphere came under the scope of POSM, and were treated as such.

3.1.2 Objective:

To understand if there is a relationship between improved store cleanliness and improved POSM branding and revenue generation within the context of the furniture industry of Bangladesh.

3.1.3 Research Question and Key Variables:

The research question thus becomes: "*Is there a relationship between store cleanliness and POSM branding, and revenue generation?*"

Where,

- The independent variables are "store cleanliness" and "POSM branding" which are qualitative variables.

- The dependent variable is "revenue" which is a quantitative variable.

3.1.4 Significance:

The findings of this study have the potential to shed light on the importance of store cleanliness and POSM branding from a real-world project carried out in Bangladesh. Furthermore, the study has been conducted in such a manner where before and after sales performance data was available to the researcher, and real-world impact of effects were measurable. As such, the study has significant managerial implications for "the Client," for other brands in the furniture industry who operate brick-and-mortar stores, and for academics wishing to study the field of retail.

3.2 Methodology:

3.2.1 Research Philosophy

Two philosophical research paradigms, positivism and interpretivism, exist within the academic literature of social science (O'Gorman & MacIntosh, 2015). On one hand, the paradigm of positivism views reality as an independent social actor, while on the other hand, interpretivism assigns the role of social actors to humans.

In broader terms, positivism aims to study the world at large impartially, and understand phenomena that have intrinsic meaning, where researchers aim to discover said meaning by analyzing and explaining causal relationships between said phenomena and obtain generalizations (Scotland, 2012; Alharahsheh & Pius, 2020). As such, a positivist researcher is focused on the observable resources at play in a phenomenon. All of this being said, the results obtained through this paradigm of research cannot be completely neutral and objective, due to the influences of external factors. However, such external factors can be accounted for with the implementation of stringent methodological practices (Gill & Johnson, 2010).

By contrast, interpretivism is the result of critiquing positivism through subjective viewpoints, insofar that this paradigm espouses that human as agents create and add further meaning to the phenomena of the world (Alharahsheh & Pius, 2020). The ontological basis of interpretivism, i.e., the explanation of nature of the existence of phenomena, is relativism, which postulates that reality is the product of the human mind's interpretation of the world, and that no phenomena exists without it being processed by human consciousness, and that it differs from one person to another (Scotland, 2012; Alharahsheh & Pius, 2020). As such, interpretivist researchers often build detailed questionnaires and conduct in depth interviews to gather data for their studies (Saunders et al., 2019)

This study aims to investigate the existence or lack thereof of a relationship between in-store environmental factors of store cleanliness and POSM branding, and the generation of revenue. This indicates that the adopted paradigm is one of observing real world phenomena and exploring causal relationships, and thus the research philosophy adopted is positivism.

3.2.2 Research Approach

Predominantly, while carrying out research, there are two primary research methods, being qualitative and quantitative methods, and a third method which combines the two, often referred to as the mixed method. Quantitative methods are utilized to analyze quantifiable data related to the phenomena being studied, and allows researchers to describe findings in numerical, measurable terms, and are often used to test existing theories through statistical analysis. As such, these methods are often used in positivist paradigms (Alharahsheh & Pius, 2020).

Qualitative research methods by contrast are used to obtain in depth understandings of phenomena in relation to meanings and processes in specific contexts, and are very useful for exploratory studies. Such methods are often used by interpretivist researchers (Alharahsheh & Pius, 2020).

Additionally, mixed methods are also used where qualitative and quantitative analysis are carried out under the same study (Alharahsheh & Pius, 2020). In fact, sound research practices dictate that qualitative and quantitative methods should be viewed as complementary to each other and not as alternatives, as qualitative research can help the researcher gain deeper understanding of the setting and quantitative analysis can provide statistical insight, thereby combining to provide a holistic perspective of the phenomena being studied (Malhotra & Dash, 2011).

Furthermore, both positivist and interpretivist paradigms can actually be used in combination with both qualitative and quantitative methods, i.e., all paradigms are compatible with all methods (Scotland, 2012). In fact, positivist qualitative research can be conducted to explore causal relationships between real world phenomena through non-statistical analysis, and this amalgamation can broaden the scope of positivistic research beyond measurable statistics by incorporating unstructured data such as but not limited to interviews, observations, and documents (Su, 2018).

Since this research entails the exploration of possible causal relationship or lack thereof where the independent variables are qualitative and unquantifiable, a qualitative approach, and more specifically a positivist qualitative approach has been adopted.

3.2.3 Research Design

There are three basic classifications of research designs, being exploratory, descriptive, and causal designs. Exploratory designs are meant to provide insight and understanding in cases where there is a lack of sufficient prior knowledge to formulate hypotheses, and are very flexible in their nature as their findings are not meant to be generalized. Descriptive designs differ from exploratory research in that they have access to enough existing knowledge to formulate and test hypotheses, and are rigidly planned to mitigate biases and extraneous variables. Furthermore, descriptive designs rely primarily on the analysis of quantitative data, while also incorporating qualitative data obtained with methods such as surveys, panels, and observations, whereas exploratory research generally deals with qualitative data (Malhotra & Dash, 2011).

Causal designs are used for the express purpose of determining causal relationships through the manipulation of independent variables and observing their effects on

dependent variables through experiments where other mediating variables are controlled (Malhotra & Dash, 2011).

For this study in particular, by taking advantage of the flexible nature of Exploratory research, specific elements of both descriptive and causal designs have been incorporated to craft and implement a hybrid research design. In this study, observation methods inspired from descriptive design were used for the collection of primary data, and the independent variables of "store cleanliness" and "POSM branding" have been manipulated to observe effects on the dependent variable "revenue" which was inspired by causal design.

3.2.4 Sampling Method and Sample Size

For the study at hand, the purposive sampling method was used. Purposive sampling, also known as judgment sampling, is the method of deliberately choosing sampling units according to predetermined criteria that the sampling units must possess. It is a non-random sampling method which lacks the need for any underlying theoretical support, nor does it require a fixed sample size. Instead, sampling units are chosen based on the specific requirements of the study or project at hand (Etikan et al., 2016).

During the project, the aim of the original project was to find out the impact of store cleanliness and POSM branding for 5 specific retail stores as per the need of 'the Client', as those stores while being located in prime geographical locations were underperforming based on their sales performance and revenue generation. As such, those 5 stores were selected as the sample based on the criteria of lower-than-expected sales performance on the basis of the purposive sampling method.

3.2.5 Data Collection

As already mentioned, observational methods were used for the collection of primary data. Observation is a method of data collection which generally entails the systematic recording, either structured or unstructured, of the patterns of behavior of humans, objects, events, places etc., in either a natural or contrived environment, through either disguised or undisguised means (Malhotra & Dash, 2011).

Here, structured observation entails the matters to be observed and how measurements are to be recorded being clearly defined, whereas unstructured observation entails the observer keeping track of all factors which seem relevant to the phenomena being studied. Structured observations are thus appropriate when the research problem has been patently defined and the information needed for the study has been accurately identified, and unstructured observations are suitable when the research problem has not yet been clearly identified, nor have the key issues at hand been defined. As such, structured observations are suitable for causal studies, and unstructured observations are suitable for exploratory studies (Malhotra & Dash, 2011).

Again, observation in a natural environment entail observing phenomena in the natural setting, whereas that in a contrived environment entails observation in an artificial setting that mimics the natural setting. Observations made in the natural environment are generally more accurate than those in a contrived environment, as they showcase true natural phenomena, however, are also more expensive in terms of monetary and temporal costs (Malhotra & Dash, 2011).

Additionally, disguised observation entails the observer being hidden from the phenomena and associated social actors, such as by means of one-way mirrors or by taking on fictitious roles of shoppers or employees, thereby mitigating the risk of

observation bias. Undisguised observation, by contrast, entails the overt and clearly visible presence of the observer, and is easier to conduct (Malhotra & Dash, 2011).

In terms of means of administration, observations can be carried out as personal observation, or mechanical observation. Personal observation entails the researcher being physically present at the location of the phenomena to gather data in real time i.e., at the moment of occurrence, whereas mechanical observation entails mechanical devices continuously recording observations for analysis at a later point in time (Malhotra & Dash, 2011).

For the purposes of this study, two sets of observations were performed for the collection of primary data, being O1 and O2, such that O1 was carried out before the changes were made to the independent variables i.e., improvements made to store cleanliness and POSM branding, and O2 was carried out after the changes were made to the independent variables. Both O1 and O2 were carried out in the natural environments of the selected retail stores, and both were administered in person.

However, for observation set O1, observations were done unstructured and by disguised means. At the time of O1, the firm was employed by 'the Client' to identify what factors were adversely affecting revenue generation at stores that 'the Client' expected to perform well. As such, the problem at hand was yet to be identified precisely, and so an unstructured approach was taken to observation so as to facilitate the identification of key factors at play. Furthermore, the observers had taken on a disguised method and played the role of a fictitious customer so as to not alert the front-line employees of the stores and risk observation bias.

In contrast, at the time of observation set O2, observations were taken in structured form with the observers being undisguised, as changes to the independent variables i.e.,

improvements to store cleanliness and POSM branding had already been made, and the key problem had already been identified. Observations focused solely on the changes that had been implemented at each store in respect to the identified independent variables. Furthermore, as by this point store employees were already aware of Grumpy's involvement in the project, as they aided in the implemented changes, there was no logical reason to once again do disguised observations.

As for the collection of data on the dependent variable 'revenue', historical monthly sales data was provided to the firm by 'the Client' as an internal source of secondary data.

3.2.6 Data Analysis Method

Primary data obtained through observation sets O1 and O2 regarding the independent variables 'store cleanliness' and 'POSM Branding' was cross-checked against the internal secondary data obtained from 'the Client' about the dependent variable 'revenue', which was obtained in the form of historical sales data. Observations from each store were compared against the monthly revenue figures, which were calculated on the basis of a three-month moving average, of the respective store to identify the existence of relationships or lack thereof between changes in the independent variables and changes in the dependent variables.

3.2.7 Limitations of the Study

This study has a number of limitations, which are as follows:

- The name of the client brand cannot be revealed, and 'The Client' has to be used to maintain confidentiality.

- The store locations and sales data will be denoted symbolically and algebraically in this report in order to protect the client's confidential information.

- The effects of the independent variables "store cleanliness" and "POSM branding" are measured together in this study as the actual project focused on both. Isolated measurement of each variable's effects on the dependent variable "revenue" cannot be determined in this study.

- The study utilizes an expanded view of POSM due to the unique needs of 'the Client' as per the specifications of the original project.

- The study and its findings were limited to 5 specific stores, and as such, may not be applicable to all other stores of the client.

- The study and its findings were limited to the furniture industry, and as such, may not be applicable to all other industries.

- The study and its findings were limited to stores located 'desirable locations', and as such, may not be applicable to other stores located in less lucrative geographical locations.

- The study and its findings were limited to stores located in Bangladesh, and as such, may not be applicable to other stores in other countries.

3.3 Findings and Analysis

For the sake of maintaining the anonymity and confidentiality of 'the Client', the five stores are henceforth labeled stores 'A', 'B', 'C', 'D', and 'E' respectively. Pictorial data presented in this report has also been carefully selected to avoid blatantly identifiable brand elements of 'the Client' for the same above-stated reasons. Furthermore, Stores B and C are not pictured, but only described in this report to maintain anonymity and confidentiality of 'the Client', due to their heavy presence of identifying brand elements.

3.3.1   Scenario Before Changes Were Made (Observation Set O1):

Figure 2: Dirty POSM materials, mold on wall, dingy lighting, packaging all over the floor in store A.

At store A, there were boxes strewn about all over the store, and the display layout of products was quite messy. The walls were also damp and had mold infestations. The lighting in the store was also quite dim, adding to the overall unclean feeling within the store. Furthermore, the illuminated logo of 'the Client' on the outer facade was broken, indicating a lack of overall maintenance.

At store B, POSM Branding materials were very dirty, with visible layers of dust on them, and some even had stains. The walls were also damp, and the overall atmosphere of the store was quite dull and gloomy.

At store C, the POSM materials were dirty, and on top of that they were unremarkable. The walls at store C were also quite damp and had a similar mold infestation to store A. Furthermore, the store was on the second floor, and the stairwell leading to the entrance of the store was extremely dirty and smelled of tobacco smoke, with many of the posters in the stairwell being covered in betel leaf residue stains, and cigarette butts littered the stairs themselves.

Figure 3: Haphazard layout of products too close together at Store D.

At store D, POSM branding was in mostly good condition in terms of cleanliness and effectively communicated the brand's desired image. The products too were relatively well-cleaned. However, the product placement was uncoordinated, and they were jam-packed with very little available floor space for movement, leading to a congested feeling in the store environment. The in-store lighting was also average at best, thus adding to the over-congested feeling of the store.

Figure 4: Dirty wall, dim lighting, half-assembled products. at Store E.

At store E, the POSM materials were dirty, and so was most of the store's floorspace. The walls were also very damp, the lighting was dim, and shockingly, dirty clothes were left in a pile near the entryway. Products were kept in a half-assembled state, and inadequate lighting added to the overall dirty feeling of the store environment.

Scenario After Changes Were Made (Observation Set O2):

The changes involved cleaning the stores thoroughly, changing the lighting to be brighter, removing mold and repainting where applicable, changing worn out POSM branding with new fresh ones, and implementing new cleanliness policies at all five stores.

Figure 5: Improved overall cleanliness, mold removed and walls repainted, lighting made brighter to complement cleanliness, and POSM materials freshly reprinted at store A.

At store A, all the hap-hazard boxes had been removed, and the display layout of products was tidied up to be both aesthetically pleasing and spacious. The walls were treated with fungicide to remove the mold, and then repainted. POSM materials such as posters were freshly reprinted, and the lighting in the store was also markedly improved, adding to the overall feeling of store cleanliness drastically improving. Even the illuminated logo of 'the Client' on the facade of the store was replaced with a fresh sign.

At store B, POSM Branding materials were for the most part cleaned up, and the ones with stains were replaced. Some new additions were also made to the POSM. The walls

were repainted, the products regularly cleaned, and the overall atmosphere of the store significantly improved.

At store C, POSM branding materials were replaced entirely with new designs of posters, including replacement of all materials in the stairwell leading upto the entrance. The walls received a similar fungicide treatment and repainting as those of store A. However, the tobacco smell issue in the stairwell could not be addressed, as it was learned that police officers stationed to a police box near the store were smoking there throughout the day.

Figure 6: Improved lighting, new paint, and more spacious product layout at store D.

At store D, the most drastic changes had taken place, with the entirety of the in-store environment being redesigned. Everything from the false ceiling to the lighting to the layout of products had been redesigned from the ground up. All the products had been spread out into individual room-themed displays with plenty of walking space in-

between, and the improved lighting in combination with the false ceiling being removed gave the store a much cleaner, and much more spacious atmosphere. The POSM materials had also been redone entirely, and supplemented with props to add aesthetic power to the overall store environment.

Figure 7: Better lighting. cleaner floors, cleaner product display with better placement, and cleaned POSM materials at Store E.

At store E, the POSM materials were cleaned, the lighting improved, and the store's floor tiles were repolished. The walls were also repainted, and no dirty clothes were to be seen anywhere in the store. Product displays were also much improved, with all products being in assembled states and even had props such as bedsheets added to enhance the POSM.

3.3.3 Impact of Changes in Store Cleanliness and POSM Branding on Revenue:

For the sake of maintaining the anonymity and confidentiality of 'the Client', average monthly revenue figures of stores A, B, C, D, and E have been algebraically expressed as 'a', 'b', 'c', 'd', and 'e' respectively. As stated before, monthly revenue figures were calculated based on a three-month moving average. That is, store A earned revenue a, store B earned revenue b, and so on and so forth. Changes in revenue figures have been expressed in terms of multiples of 'a', 'b', 'c', 'd', and 'e', with the multipliers being the numerical ratio of the change. For example, a 50% increase in revenue for store A would be expressed as '1.50a' (since, 100% + 50% = 1 + 0.5 = 1.50), and a 35% decrease in revenue for store A would be expressed as '0.65a' (since, 100% - 35% = 1 - 0.35 = 0.65).

Before the changes in the independent variables "store cleanliness" and "POSM branding", the internally sourced secondary data on average monthly revenues during the period of Observation Set O1 found the values of the dependent variable "revenue" to be as follows:

- For store A, the average monthly revenue figure was 'a'.
- For store B, the average monthly revenue figure was 'b'.
- For store C, the average monthly revenue figure was 'c'.
- For store D, the average monthly revenue figure was 'd'.
- For store E, the average monthly revenue figure was 'e'.

After the changes in the independent variables "store cleanliness" and "POSM branding", the internally sourced secondary data on average monthly revenues during the period of Observation Set O2, which was administered two months after O1, found the values of the dependent variable "revenue" to be as follows:

- For store A, the average monthly revenue figure had become '1.32a'.

- For store B, the average monthly revenue figure had become '1.30b'.

- For store C, the average monthly revenue figure had become '1.17c'.

- For store D, the average monthly revenue figure had become '1.52d'.

- For store E, the average monthly revenue figure had become '1.20e'.

As such, even though the impact and extent of changes were varied, a significant positive relationship is thus observed between the combined effects of the independent variables 'store cleanliness' and 'POSM branding' and the dependent variable of 'revenue.'

When it comes to store cleanliness being a contributing factor behind the increases in revenue, the findings are very much in agreement with the existing body of literature. As found by Baker et al. (2002), the instore environment has significant influence over consumer purchase decisions, and other researchers have demonstrated the importance of store cleanliness in particular. (Bitner, 1992; Hussain & Ali, 2015).

In fact, given that cleanliness is especially important for the furniture industry as it interfaces with a consumer's self-image (Schlosser, 1998; Hassan et al., 2010; Mehta & Chugan, 2014), thereby influencing brand image and brand equity, it indirectly influences revenue generation. Furthermore, cleanliness also directly plays a part in consumer engagement, and as such, directly contributes to revenue generation. Our findings indicate increases in revenue across the board at all five stores during O2 in

comparison to O1. As such, our findings in terms of the influence of store cleanliness are in agreement with the existing literature.

As for changes in POSM Branding, the findings of this project are also in agreement with existing literature. As previously noted, POSM branding in the context of this project entails many of the elements of the physical environment of the stores, including product displays, signage, posters, and décor – all of which in are thought by experts to positively influence consumer spending behavior (Turley & Milliman, 2000; Tiwari et al., 2015; Niazi et al., 2015), with certain researchers assigning special importance to product displays in particular (Hussain & Ali, 2015). As such, our findings of increased revenue indicate congruence with existing literature.

As discussed in the research limitations section, since the effects of the two independent variables "store cleanliness" and "POSM branding" were measured simultaneously, their exact individual contributions to the dependent variable "revenue" are not clear. However, positive changes were indeed found when comparing data between the observation sets O1 and O2, and the changes were in agreement with the existing academic literature. As such, the findings do at least indicate the existence of some form of relationship between the independent variables and the dependent variable, even if the minutia of the relationship are unclear, thereby addressing the research question at the heart of the project, and fulfilling the role of an exploratory research by providing deeper insight and understanding, while identifying possible agendas for future research as will be discussed in the final section of this chapter.

3.4 Summary and Conclusions:

'The Client' embarked on multiple projects hiring Grumpy Coffee Marketing to improve upon their retail experience in brick-and-mortar stores, and one of these projects involved the improvement of in store cleanliness and POSM branding. Five stores which had favorable locations but were still underperforming were deliberately picked for this project. By observing the state of the stores before and after the improvement initiative, and then comparing their average sales data before improvement of cleanliness and POSM branding, and two months afterwards, it was found that the revenue generation improved significantly as a result of these efforts. The existing body of scholarly knowledge indicates that the quality of the in-store atmosphere is of much importance for successful brick and mortar operations, and that POSM branding also plays a large part along with having a clean atmosphere in driving higher sales figures. The results of the project between Grumpy Coffee Marketing and The Client indicates that real-world applications of in-store cleanliness and POSM branding are congruent with the findings of existing academic research.

3.5 Implications:

For 'the Client':

The findings of the project represent real-world tangible benefits for 'the Client' in terms of significant growth in revenue generation, and as such, the Client should consider testing the findings at other retail outlets.

For Furniture Industry Practitioners:

It is clear that emphasis should be given on maintaining a clean in-store atmosphere and proper POSM branding to maximize customer satisfaction and revenue generation for brick-and-mortar

businesses in the furniture industry, although the individual effects of each require further investigation. For those working in or with the furniture industry in Bangladesh, this is especially applicable, since the study takes place in the Bangladeshi furniture market.

For Future Researchers:

Future researchers may contribute to the existing body of academic literature by drawing inspiration from the possible agendas for future research that this project highlights, which are as follows:

- While this study highlights the real-world benefits of store cleanliness and POSM branding on revenue generation, it does not do so for each of those factors individually. Their individual effects may be considered an agenda for future research.

- The study takes place within the confines of the furniture industry of Bangladesh, and as such, future researchers may also consider exploring these implications within other industries and/or other countries as an agenda for future research.

- This study deals with an industry which is based around high-ticket products, that also have strong implications for consumers' self-image (Schlosser, 1998; Hassan et al., 2010; Mehta & Chugan, 2014). The exploration of the same phenomena in industries dealing with commodity products can be a valuable agenda for future research.

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Appendix A.

Project proposal submission and approval (client name redacted, see Appendix B.).

Proposal for Project (Part 3) of Internship Report Inbox ×

K.M. Asif Muznabeen Shafat <k.m.asif.muznabee…   Tue, May 10, 6:24 PM
to Mahreen, Jubairul

Assalamu Alaikum, Ma'am,

As per our previous conversation, I am writing to you for your feedback on the possible topic options I have come up with for the internship report's project section. These are:

1. "The influence of geographical region-specifc cultural factors on consumer behavior: a study on the wedding customs of Chittagong, Bangladesh, in the context of the furniture industry."

2. "The process of brand identity building in the BPO service industry in the context of B2B marketing."

3. "The influence of store cleanliness and POSM branding on revenue generation: learnings from a project with   ."

I look forward to your guidance on the matter.

Sincerely,
K.M. Asif Muznabeen Shafat
I.D: 18304148

Mahreen Mamoon   Tue, May 10, 6:58 PM
to me, Jubairul

1 and 3 sounds interesting and unique. Out of this 2 pick the one for which you are confident with the data access.

M

Sent from my iPhone

> On 10 May, 2022, at 6:24 PM, K.M. Asif Muznabeen Shafat <k.m.asif.muznabeen.shafat@g.bracu.ac.bd> wrote:
>
>

K.M. Asif Muznabeen Shafat <k.m.asif.muznabee…   Fri, May 13, 12:47 PM
to Mahreen

After going through all the relevant data and documentation at hand, and considering the confidentiality of relevant stakeholders, I have decided to go forward with the 3rd option, if that is okay with you, Ma'am.

Mahreen Mamoon   Fri, May 13, 2:46 PM
to me

Go ahead

Sent from my iPhone

On 13 May, 2022, at 12:47 PM, K.M. Asif Muznabeen Shafat <k.m.asif.muznabeen.shafat@g.bracu.ac.bd> wrote:

Appendix B.

Changes in project proposal after request for anonymity from client organization (irrelevant

material redacted).

K.M. Asif Muznabeen Shafat ... 📎 May 20, 2022, 11:46 AM (9 days ago) ☆ ↩ ⋮
to Mahreen ▾

Assalamu Alaikum, Ma'am.

Also, please note that I replaced the name of the client organization in the project part with an anonymous placeholder name because of a request from the client for anonymity.

Sincerely,
K. M. Asif Muznabeen Shafat
ID: 18304148

• • •

Internship Report: 1ˢᵗ Draft
Name: K.M. Asif Muznabeen Shafat
ID: 18304148
Majors: 1. Marketing 2. Finance, Banking and Insurance
Company: Grumpy Coffee Marketing

W **Internship Report_...**

Mahreen Mamoon 8:21 AM (4 hours ago) ☆ ↩ ⋮
to me ▾

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