



**Internship Report on
“Sales and Distribution of Philip Morris Bangladesh Limited”**



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Date of Submission

08th April, 2018

Letter of Transmittal

08th April, 2017

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Subject: Submission of the Internship report on “Sales and Distribution of Philip Morris Bangladesh Limited”.

Dear Sir,

I am glad to inform you that I am successfully doing my internship at **Philip Morris Bangladesh Limited**. I have started internship from 12th February 2018 and it will end to 12th May 2018. Now I am submitting my internship report with the title **“Sales and Distribution of Philip Morris Bangladesh Limited”**.

I really appreciate all the supports, advices and suggestions from you at the time of preparing this report. I have tried my best with all the experience I earn working in the company.

Regards,

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Acknowledgement

I would appreciate all the efforts of the people around me while making this report. I am afraid I could not be able to prepare this without their support and cooperation.

First of all, I would show my gratitude to Almighty Allah for giving me strength and patience to make my efforts successful.

I would like to thank everyone from Narayangonj and Zinzira Distribution Point and the company Philip Morris Bangladesh Limited who help me during my internship period.

I would also like to pay my gratitude to my internship supervisor **Md. Mamoon Al Bashir**, Senior Lecturer at BRAC Business School, who has supported me with all his supervision and guidance from the beginning of my internship period.

Afterwards, I would like to send my regards to all of Philip Morris Bangladesh Limited, especially **Mr. AbidArman**, Distribution Executive, who is also my supervisor at the company. I would like to thank **TusharHasnat(Narayangonj TSE)** and **SuhelBhuiya (Zinzira TSE)**, **Mr. AlamgirHossain (ASM)**.

Finally, I would thank all of them to work in the company and helping me with all the support I was required.

Executive Summary

Philip Morris International is the market leader in the global tobacco business. Their brand Marlboro is the number one tobacco brand globally. At the moment PMI operates its business in 180 countries. They operate their business in Bangladesh in the name of Philip Morris Bangladesh Limited. Dhaka Tobacco Industries which is a sister concern of Akij corporation helps PMI with production and distribution. The report is based on the experience what I learned working in the organization. I was working as a Distribution Representative Supervisor in the company and co-coordinated the sales and distribution in the DR project which is named as project outreach. Project outreach is a special project to improve the market where the company has poor market. Despite of being the supervisor of the team I had to prepare the DR tracking sheet and the salary sheet of the DRs and also working in the different activation programs. This DR project proved the potential of the sales team of PMIBD and it helped the company to create many new markets. The report will give a glance to the sales and distribution of PMIBD and their differentiation strategies from their competitors. The report will show some sales scenario and some of the strategies of PMIBD.

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Part 1: Organization Part



PHILIP MORRIS INTERNATIONAL

Philip Morris International is one of the biggest multinational companies in the world and they are also number one in the tobacco business. In 1847, An Englishman named Philip Morris started a small tobacco shop in the Bond Street area and soon it was really popular(Advameg, 2018). With many restrictions in the tobacco business the company is doing business really well in the current market situation. The company had a really long history after its establishment. The company's main products are Cigarettes, cigars, fine-cut rolling tobacco, snuff, rolling papers and tubes. Now Philip Morris International is doing business in over 180 markets serving with six top brands among fifteen with a total workforce of 81,000 people around the globe(pmi, 2018).

Goal:

The main goal of Philip Morris International (PMI) is to design a smoke-free future(pmi, pmi, 2018).

Core strategies:

There are many core strategies of the company. The main strategies of the company are smoke free, transition, regulation, sustainability, talent, transparency, growth(pmi, pmi, 2018). The company is working on creating a smoke free future. So, they will have to create the market and prepare the consumers for the product. If the market is not ready then the main goal of Philip

Morris will fail. The company always maintains a proper supply chain management to maintain the production and transition. They have a strong regulatory policy inside the organization to achieve their goal. A sustainable value chain is maintained in the company. They always try to be transparent. Finally, they implement all the strategies to provide good returns to the shareholders.

Research:

As PMI has a motto of creating a smoke free world. They have invented heat not burn cigarette which is called as iQOS(Erhitzen, 2017). PMI invested millions of dollar in the research project hoping that it will be the future.

Philip Morris Bangladesh Limited:

Philip Morris International enters into the Bangladeshi market in 2008. At that time it has only one product in the product line which is Marlboro Gold. In Bangladesh the company operates its business in the name of Philip Morris Bangladesh Limited. The company does partnership business with Dhaka Tobacco Industries (DTI) a sister concern of Akij Corporation. Akij does all the production and distribution of Philip Morris Bangladesh Limited. In Bangladesh PMIBD operates its business in Dhaka, Chittagong, Khulna, and Barisal. Dhaka and Chittagong are two main selling points of the company, because it sells mostly premium cigarettes. For monitoring the sales and distribution part PMIBD appointed Territory Sales Executives in different areas and they are controlled by the area managers. The company is involved with many third party organizations who works during the champing or any activation program. The head office of PMIBD in in Tejgaon and the sales and distribution is done from the distribution points of DTI distribution points. So far the company is now doing its business in the country with three different items in the product line with a growing demand.

Brands:

Premium: Marlboro Red, Marlboro Gold, Marlboro Advance.

SWOT Analysis:

Strength:

- Globally popular brand and also the number one cigarette brand.
- Provide much higher quality than its competitors

Weakness:

- Higher competition from its competitor
- Only premium product line

Opportunities:

- Potential market
- Growing young generation

Threats:

- Diversified product line of the competitors
- Production and supply chain

Part 2:Project Part

1. Introduction:

I am doing this report to give a proper view on the sales and distribution of PMIBD. This affiliation paper is basically based on my experience in the company and some research work. During my internship I learned how things work in the field of marketing most of them are done in the field and practical knowledge.

Project Outreach in which I was working as a DR supervisor is basically a test project which helps the company to reach the poor clusters and poor market. The distribution of PMIBD is basically done by the Dhaka Tobacco Industries which is the Production and Distribution partner of PMIBD. The DTI sales representatives sell the products to the retailers but they give less focus on the Marlboro product. So, PMIBD DRs work there to maximize the sales.

This paper will be helpful to those who want to have a basic idea about things are done in the field and some basic ideas about how to improve poor market clusters.

2. Activities Undertaken

2.1 Supervising DR team;

The main duty why I was recruited as an intern was to supervising the distribution executives. I was working in both Narayangonj and Zinzira territory. For the project outreach there are six DRs Working in those territories and three in each territory. The DRs had to reach the Akij distribution point at around 8.30 am in the morning. In Narayangonj the distribution point situated in Chashara and in Zinzira the Distribution point Situated in Kodomtoli. Every day except Friday the DRs took the products and go for their routes from 9.00 am and return to the house at 5.00 pm. During the period they have one hour launch break.

I was working in the Narayangonj house in Saturday, Monday, and Wednesday and in the Zinzira house in Sunday, Tuesday, and Thursday. According to the office time I had to reach their around 8.30 am. The DRs were instructed with some daily target and they had to fill those targets. Every day I had to go with at least one DR and supervise his duties. The main goal of a DR was to maintain the numeric distribution and crating new retail stores. So, I had to work had work hard in the poor routes and poor clusters.

On an average each DR work for 24 to 26 days in a month. They sell products in two routes daily. For example: one of my Zinzira DR Bappi work six days a week in four Different Routes. His routes are Kodomtoli – Modeltown, Golambazar – Bagna. If SR (Sales Representative) goes to Kodomtoli – Modeltown the DR will to Golambazar – Bagna on that day.

2.2 Creating monthly sales report of DR

Another main duty during my internship period was to prepare the DR tracking Sheet and also the sales report of the DRs. The tracking was based on the route wise sales and numeric quantity. This report was basically needed to maintain the distribution and product supply. The DRs Salary was depended on both fixed and variable amount. To get a good amount they had to ensure a good number of memos, proper numeric distribution and achieve the sales target.

I was tracking the sales data every day and asked the DRs if they should increase the sales volume or the numeric volume. I had to send the Tracking Sheet and the Salary Sheet to my supervisor in the first day of the month. The DRs got their salary within two to three days.

2.3 Maintaining the numeric distribution

The DRs had to make sure 15% of Marlboro Red, 35% of Marlboro Advance and 40% of Marlboro Gold to maintain the numeric distribution. This is also known as brand sales ratio. If they were able to ensure the sales they have some incentives.

The BSR is important to ensure the supply line. If a DRs Sale's high quantity of one product then it will create shortage in other routes and also there will be fewer sales in the other two variants. So, maintaining BSR was a huge duty during my internship period.

2.4 Reformatting routes and targets of DR

After working in a route for many days the route become a valuable cluster. So, when the route is very effective then there is no need for a DR to work, because the retailers can easily get products from SR. So, I had to re shuffle the routes and assign a poor cluster in place of a

newroute. The new routes are always challenging and difficult. It always takes some time to develop a new route.

There are also which are really important in the territory. If there is a high quantity of sales in the routes I was increasing the targets. A proper balance of sales is always needed. These changes improve the total sales impact of the territory.

2.5 Working in the activation campaign

Another job during my internship program was to work during the activation program. Marlboro Gold 3.0 launching event was one of the events in which I had to Work really hard. In the event the company came up with various offers for the retailers. The intension of this event was to regain the retailer's attention and also the attention of the customers. To attract the retailers attention the brand promotion team pasted merchandising displays in every stores and to attract the consumers the trade marketing team made sure TPOSM in every stores. The packaging of the product also changed. So, it was necessary to tell the retailers and the consumers about the change.



3. Challenges and Recommendation

Challenges:

- One of the main challenges working there as an intern was two distribution points. I had to go to one house at a day. So, I had to take the information and also solve any problem over phone and in case of emergency I had to go to the other house. If I was assigned for a single distribution house then it would be much more easy and effective way to work.
- Another hardship I face working there as an Intern was achieving the sales target in the poor clusters. There were some routes where the competitor had a huge market and the retailer didn't interested buying our product. As Marlboro sells only cigarettes of premium brand only. It was hard to sell in those clusters.
- Another hardship was recruiting new DRs. Because when a DR work in a route he get some personal selling in the routes. So, if one quits the job it is always difficult to replace him. Because the sales will drop during the time and it will take some time for the new DR to start his good works.
- Getting the numeric distribution was also very tough and it was also very challenging for the DRs to ensure the numeric distribution. If there is a less demand of product in a market then the DR face huge difficulties to complete his BSR percentage. The lower sales of any product can cause surplus of that product in the warehouse.
- Tobacco sector is always a very challenging sector to work with. Because in the sector we cannot do any traditional marketing or any promotional activity. So, it is really hard to get your customers and increase the number of the customers. To build a good

relationship with the customer companies provide many different gift items. So, distribution of gift was also very challenging. It helped to improve market sometimes it worked as a barrier.

Recommendations:

- It would be much more efficient working in a particular territory. Because the more I say in the market I will be more experienced in the market. The more you can build relationship with your customers the more your sales will increase. There is no other way to improve your market without working in the field(Wasserman, 2009).
- To create a good market and develop the poor clusters brand promotional activities needs to be taken. Because there is very little or no opportunity to promote cigarette brands. So, companies needs to create more communication with the direct consumers. If they are aware of the product and have the knowledge of the product. They will be able to know the value and compare it with the competitors' products(Business Queensland, 2016).
- Before recruiting any DR all the required qualification should be checked. Because the DRs and SRs are directly involved with the retailers. If they do any mistakes it will impact the overall sales of the route. Because bad words are really harmful in marketing field.
- Numeric distribution must be highly maintained. Because in future it can be a threat for supply chain and proper distribution will be effected. In some routes it is really hard to maintain the numeric distribution. So, the DR should increase the sales volume in other routes.

- The proper distribution of gift needs to be done to create new markets. Philip Morris Bangladesh Limited always do this type of promotional activity to keep pace with the retailers. Because in tobacco business retailer is a great way to create the communication with your consumers. Building relationship with the consumer will be helpful to attract new consumers.

4. Conclusions:

Since 2008, PMIBD is fighting to achieve a good market share. They took different strategies in different times. Project Outreach is one of those strategies which is also really successful one. This idea was really effective to do the sales and distribution in some poor clusters and British American Tobacco dominated clusters.

The company is doing business with partnership Dhaka Tobacco Industries. They do the production and distribution part. So, the success of the DR project shows the potential of the company and their own sales forces. Bangladesh is a huge market in the tobacco business. So, PMI should start looking to invest more in this country.

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