

Report on
Branding and Communication mix of Transcom Beverages Ltd

By:

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BRAC BUSINESS SCHOOL

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

BRAC Business School

BRAC University

January, 2023

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Declaration

It is hereby declared that

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

Student's Full Name & Signature:

A handwritten signature in black ink, appearing to read 'Sajid Arefin', written over a horizontal line.

Sajid Arefin

Student ID: 18104246

Supervisor's Full Name & Signature:

Ms. Raisa Tasneem Zaman

Senior Lecturer, BRAC Business School

BRAC University

Letter of Transmittal

Ms. Raisa Tasneem Zaman

Senior Lecturer,

Brac Business School

Brac University

66 Mohakhali, Dhaka-1212

Subject: Internship Report Submission

Dear Ma'am,

I'm happy to submit my internship report, titled " **Branding and Communication mix of Transcom Beverages Ltd**" in compliance with the guidelines.

I have given my every best effort so that the report's conclusion contains the required information and recommendations in the most brief and organized manner.

I sincerely hope and pray that this report will meet your expectations.

Sincerely yours,



Sajid Arefin

Student ID: 18104246

Brac Business School

Brac University

Date: 22 September, 2022

Non-Disclosure Agreement

This agreement is formed and entered into by and between Transcom Beverages Ltd and Sajid Arefin, a student at Brac Business School, Brac University, to firmly forbid the publication of the specified firm's sensitive information.

Acknowledgement

I want to start by thanking my almighty Allah for allowing me to reach this point of my life. Then I want to thank Ms. Raisa Tasneem Zaman ma'am, a distinguished faculty member, for her continuous support in giving me the necessary guidance and details to complete this internship report.

Second, I want to express my gratitude to Sharfuddin Bhuiyan, my team leader and internship supervisor, for all of his assistance, including guiding me and providing me with both official and emotional support throughout my internship. He patiently explained every necessary detail to me and corrected me when I was mistaken. I also want to show my thankfulness to the management of Transcom Beverages Ltd as well as my team and coworkers for their enthusiastic help with the preparation of my internship report.

Last but not least, I'd want to thank my parents for raising me in a way that allows me to be the greatest version of myself every day, as well as my little sister and my cats, who have continued to help me become mentally strong during my four years of undergrad study.

Executive Summary

My time as an intern at Transcom Beverages Ltd (PepsiCo) is expressed in this report. I've gained a lot of knowledge about ATL & Digital marketing and other aspects of marketing and sales during my internship. With the advent of Digital marketing, consumer expectations and behavior have been drastically altered, and this report focuses on the consumer behavior and the beverage consumption according to different brands in the country. I gained experience on the basic functions of Branding and Trade Marketing among other Marketing functions and understood how fundamentally different it is from traditional marketing. In fact, the program has helped me uncover a new interest in marketing. TBL's work and employee culture was admirable and desirable to me, in addition to the knowledge, learning, and training provided. The experience I gained at TBL will serve as a foundation for future endeavors.

Keywords: Beverages, Branding, Digital Marketing, Trade Marketing, Sales

List of Abbreviations

ASM= Area Sales Manager

RSM= Regional Sales Manager

ADC= Area Development Coordinator

AOP= Annual Operation Plan

CC= Chemical & Consumable

CE= Customer Executive

GM = General Manager

BOD = Board of Directors

MD = Managing Director

TBL= Transcom Beverages Limited

FMCG = Fast Moving Consumer Goods

FMO= Focus Month Objective

GRB= Glass Refined Bottle

KPI= Key Performance Indicator

LY= Last Year

MTD = Month to Date

ND = Numeric Distribution

NSM= National Sales Manager

RC = Royal Crown

CAGR = Compound Annual Growth Rate

CSD = Carbonated Soft Drinks

RFL = Rangpur Foundry Ltd

PMX= Post Mix

PSR= Pre-Sales Representative

PM= Packaging Materials

RM= Raw Materials

QCM = Quality Control Manager

HR = Human Resource

BSTI = Bangladesh Standards and Testing Institution xii

OOH = Out of Home

POSM = Point Of Sales Material

SKU= Sales Keeping Unit

SP= Sales Promoter

IT = Information Technology

CM = Consumer Promotion

R&D = Research and Development

TDM = Territory Development Manager

SGM = Strategic Group Mapping

EPB = Export Promotion Bureau

TBL= Transcom Beverages Limited

TBPL= Transcom Beverages Premier League

TDM= Territory Development Manager

USM= Unit Sales Manager

SKU = Sales Keeping Unit

POS = Point of Sales

PET = Polyethylene Terephthalate

YTD = Year to Date

GDP = Gross Domestic Product

CEO= Chief Executive Officer

SWOT= Strength, Weakness, Opportunity, Threat

FY= Fiscal Year

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Chapter 1

Student Information

Name : Sajid Arefin

ID:18104246

BRAC Business School

Internship Information:

Period: January 2022-April 2022

Company Name: Transcom Beverages Ltd (PepsiCo)

Department/Division: Marketing

Address: Gulshan Tower (10th Floor), Plot # 31, Road, 53 Gulshan North Ave, Dhaka

Internship Company Supervisor's Information:

Sharfuddin Bhuiyan Shamol (Head of Marketing)

Sadman Shahriar (Assistant Brand Manager)

Job Scope – Job Description/Duties/Responsibilities

For my internship, I was involved in different sort of activities. My key responsibilities can be summed up as below:

- Assisted brand manager & senior trade marketing officer for ATL & BTL branding activities
- Liaise with agencies regarding branding creatives and campaign promotional items
- Confirmed delivery of goods at various Distribution house throughout the country
- Proposed ideas for recent 7up - Campaigns. (7Up Ramadan Campaign)
- Proposed ideas, updated the Regional Sales Manager and Area Sales Manager regarding sales and trade promotions

- Contacted PSR, SR, ASM, RSM for confirming orders and delivery and noted down issues if faced.
 - Established communication between field workers and in house officers.
- Worked on focus SKU to ensure PSRs take orders and SEs can reach target every month.
- Conducted Market visits to monitor the Modern Trade activities in the capital city
- Worked on behalf of Sales Executives and participated in making agreements.
- Helped Market Development Officer and Field Development Manager while making Eateries Pepsi exclusive.
- Acquired stores on behalf of company and made them Pepsi-exclusive.
- Worked with Key Accounts Executives on different occasions.

Internship Outcomes:

My overall learning from the internship program at TBL was extremely resourceful. I got the basic idea of Trade Marketing among other Marketing functions and understood how fundamentally different it is from traditional marketing. In fact, the program has helped me uncover a new interest in marketing. TBL's work and employee culture was admirable and desirable to me, in addition to the knowledge, learning, and training provided. The experience I gained at TBL will serve as a foundation for future endeavors.

Student's contribution to the company

I was the Marketing Intern at TBL for four months from January to April 20, 2022. This was a great opportunity for me to gather practical experience by getting involved as an intern with an organization as acclaimed and giant as TBL.

During that time, my professional responsibilities included involvement with various sectors of marketing, sales, branding, promotion, and advertising. My prime duties were assisting the brand managers, Senior Trade marketing officer and Head of Marketing on various activities, helping in different marketing campaigns, gathering market information. Also, I had participated in various supply chain activities like confirming the delivery of various materials and used to contact with various on field officers to gain insights about the current market. I also assisted the Market Development Officer, Field Development Manager and Sales Executives in the process of making restaurants Pepsi-exclusive. My broad observation of the marketing functions at TBL enabled me to better understand the concepts and work thoroughly with my project

Benefits to the student:

As a marketing intern in a big corporation like Transcom Group and working with an international brand like PepsiCo, I got to learn firsthand on how the beverage industry runs and operates their business. I got to learn about ATL & BTL, Organized trade, Modern Trade and employee branding activities of Transcom Beverages Limited. During my internship tenure, I also worked in two major campaigns (Pepsi Fizz Campaign) and 7Up Ramadan campaign and got to work with Shakib Al Hassan in two 7Up TVC's. I got to experience how the sales force works and distribution occurs from plant to consumer. I experienced how to deal with retailers and provide them incentives to boost the brand to the consumers. Overall, this broad knowledge

that I got to learn and experience during my 4-month tenure in Transcom Beverages (Pepsi Bangladesh) will help to bolster my career in both Branding and Sales

Problems/Difficulties (faced during the internship period):

There were some difficulties during my internship tenure which was a tough challenge as I was entering the corporate world for the first time. Some of them will be discussed below:

- The pandemic crisis: Just after I jointed TBL as an intern, our Senior Brand manager got affected with covid-19 including half of the staff of tbl, during the initial few days, it became a bit difficult for me to know and understand on how to work in a hybrid environment and achieve daily objectives.
- System loss: Sometimes, communication is hampered with the sales force and there becomes a delay in completion of a task as most of the time the Sales executives and ASM's are busy doing market visits or are in roads, during which the noise and the distractions makes the communication difficult and as a result there occurs a system loss with delay in task
- Dhaka Traffic: My office was almost 10km away from my home, and during office hours my journey was very difficult as I do not have any mode of transportation other than public buses, and TBL didn't have any transport system for their employees.

Recommendations (to the company on future internships):

Transcom beverages Ltd is a great place to learn and develop professional skills for a good career. As a marketing intern, I had the best kind of bosses and their teachings and trainings taught me a great deal in the 4 months. A simple recommendation would be that TBL can start a flagship internship program where graduate students can gain a learning experience working

with these great leaders and develop as an effective leader themselves. And another recommendation would be to consider the working hours for Saturdays and provide a company vehicle so that the employees can commute with less stress.

Chapter 2

2.1 Introduction

2.1.1 Introduction to Transcom Beverages Ltd



Figure: Transcom Beverages Ltd. Logo

Transcom, one of Bangladesh's leading commercial organizations, has been in operation for more than 33 years. It currently employs over 18,000 people. Transcom has 16 operational entities ranging from medicine, foods, lighting, electronics, and media, and thus the businesses under this group include, in addition to beverages, pharmaceuticals, newspapers, radio channels, and so on, through companies such as Transcom Eskayef Pharmaceutical, Transcom Distribution, Transcom Foods, Transcom Electronics, Transcraft, and Bangladesh Electrical Industries, among others. Transcom is the local agent or comprador of international brands, and TBL is hence the only distributor of the mentioned drinks.

Transcom Beverages Ltd. has been leading the soft drinks market in Bangladesh for the last few years. It is the sole franchisee of PepsiCo in Bangladesh for bottling, distributing and marketing of world renowned CSD (carbonated soft drinks) brands like Pepsi, 7up, Mirinda, Mountain Dew, Slice, Diet Pepsi, 7up Lite and international drinking water brand Aquafina in Bangladesh. It is actually a part of Transcom Group Limited, which is a Bangladeshi business conglomerate.

2.2 Overview of the Company

2.2.1 Corporate Profile

CEO/MD	Simeen Rahman
Head Office	Gulshan Tower, Gulshan 2 Circle
Total Manpower	1200 + (Approx.)
Total Territories	7
Total Offices	1 Head Office, 4 Plants
Market Investment	180 million Taka
Serving Industries	Beverages, Food

The following is a summary of the corporate information of TBL: Organizational Information of TBL:	
Ownership Type	Private Limited
Chairman	Shahnaz Rahman

TBL is currently headed by Shahnaz Rahman and houses over 1200 employees. Established as a subsidiary of Transcom Group Ltd., the total investment made in the beverage market by TBL has been 180 million takas more or less. It serves 7 territories all over Bangladesh.

Transcom Group

Transcom Beverages Limited is a subsidiary of Transcom Group, one of the largest conglomerate groups in the country. Transcom Group started in 1885 and has grown to be one of the most successful and largest conglomerates under the leadership of the late Latifur Rahman. The following are some of the largest businesses of Transcom Group:

- Transcom Electronics
- Transcom Foods
- Transcom Beverages
- Eskayef Pharmaceuticals

- Mediastar
- Transcom Consumers
- Transcraft

Transcom Group has many more subsidiaries, which are one of the dominant companies in its respective sectors.

Transcom Beverages

Transcom Beverages is one of the many subsidiaries of Transcom Group. In 2000, it took over the role as the sole franchisee and bottler of PepsiCo in Bangladesh, a position it has held onto since then. They are also responsible for the distribution and marketing of PepsiCo in Bangladesh. The head office of Transcom Beverages Ltd, is in Gulshan-2, Dhaka.

Mission, Vision and Goals

The mission of TBL is “through thoughtful practice, committed to providing customers with better and more efficient services.” In order to ensure continuous improvement and growth, the company actively pursues the concept of developing and deploying personnel, technology and capital with maximum efficiency. The mission also includes:

- Increasing sales volume
 - Providing economically sound business opportunities for their members.
 - Practicing high ethical business standards.
-
- TBL's aim is to enable progress via technological excellence, integrity, and unmatched customer service. The company's beliefs revolve around the concept of offering high-quality customer service with consistency and creative methods through the continued cooperation of responsible people. To point out:
- Providing products and services of high and consistent quality, ensuring value for money to its customers.

- Developing its employees by encouraging empowerment and rewarding innovation
- Encouraging and assisting in the qualitative improvement of the services of its suppliers and distributors.

As a result, the main goals of TBL stands at:

- To improve profitability in terms of sales generation
- To achieve 100% target as predicted and set by the management
- To increase efficiency of operations and performance
- To capture a bigger market share in the food and beverage industry of Bangladesh
- To provide better customer service to the loyal and loving customers of TBL
- To improve employee training and generate better results from them that are in line with the organizational practices.

Values

- Care for our customers, consumers and the world we live in.
- Balance short term and long-term goals
- Respect others and succeed together
- Integrity in our daily operations
- Excellence in everything
- Thinking ahead and out of the box

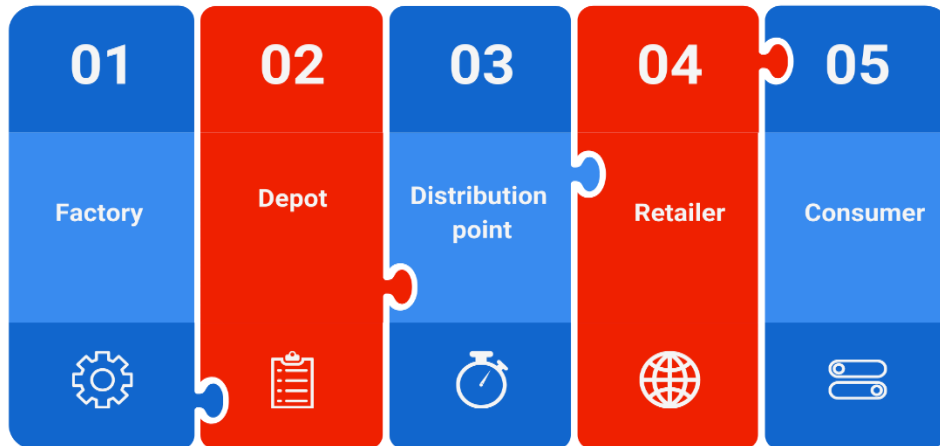
Brands

The following are the brands under their portfolio:

- Pepsi
- 7up
- Mountain Dew
- Mirinda Orange
- Aquafina
- Mango Slice
- Tropicana
- Evervess Soda Water
- Diet Pepsi
- 7up Light
- Pepsi Black

These brands have prospered in Bangladesh and have enjoyed growth and popularity. In 2016, PepsiCo named Transcom as “Bottler of the Year”, marking six times since 2000 Transcom Beverages has won this prestigious title. In 2009, Transcom Beverages won the title of “International Bottler of the Year” (The Daily Star, 2016). Under Transcom Beverages, 7up has won the award of Best Beverage Brand in Bangladesh every year since 2009 to 2019.

Business Model

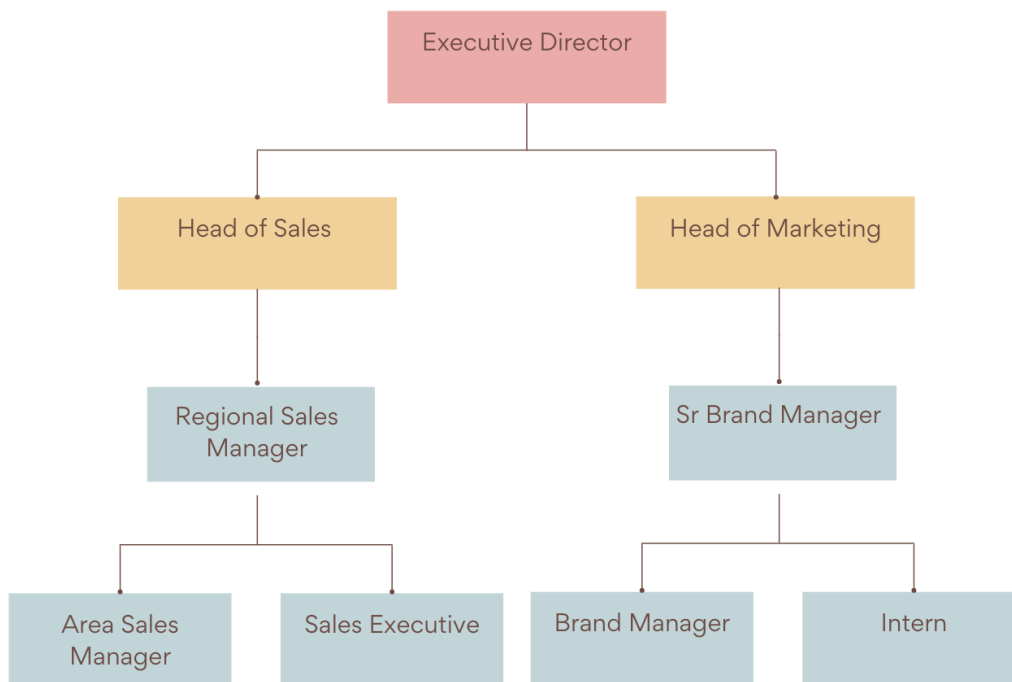


The company operates in the following manner:

The CSD (Carbonated Soft Drink) is manufactured and bottled in the factory, from which it travels to the company depots, which are warehouses where the products are stored. From the depots, bottles are transferred to the Distribution Branch. The Distribution Branch are hubs from where the CSD cases are spread out to retailers across the country, from which the consumers, the end of the chain, buy the soda drinks.

The company has a total of approximately 2500 people. The following diagram highlights the two main hierarchy of command that is within this company.

Transcom Beverages Ltd



- At the top of the hierarchy is the executive director, who sits at the head office. He makes the final executive decision regarding the company.
- Next is the head of sales, who sits at the head office. He makes the important strategical decisions regarding sales. He reports to the Executive Director.
- Reporting to the Head of Sales are the **Regional Sales Managers**. They oversee the operations over the main regions which is divided based on geographic mapping for distribution. The RSM manages the overall team for one region.

- The Area Sales Managers report to the RSM and are in charge of all the jurisdictions that fall under a specific region. He oversees the activities of the Sales Executives.
- The Sales Executive monitors the PSRs and ensure they covered all retailers within their designated routes. They also go on market visits to assess the situation.
- The PSR (Sales Representative), are at the responsible for distributing cases of the soda to retailers.

2.3 Management Practices

It starts with the Country Manager, responsible for the overall operation of the activities in Bangladesh for PepsiCo. He oversees the BOD and the MD. From here, the distribution of power is allotted to the General Managers of Marketing, Finance, HR, Plant and Sales, the last two being the most complicated and layered sections. The GM of Plant or Factory Operations is responsible for overseeing the Maintenance, Quality Control and Production. On the other hand, the GM of Sales is responsible for overseeing the tasks Sales Operations according to Area, Regions, and Distributor counts.

Human Resources Department:

Human resource management involves developing and administering programs that are designed to increase the effectiveness of Transcom Beverages Limited (PepsiCo). Therefore, human resource management focuses on several important areas, including recruitment and staffing, compensation and benefits, education and training; Labor & employee relations.

Marketing Department:

A marketing department promotes Transcom Beverages Limited (PepsiCo) and drives sales of its products or services. It provides the necessary research to identify target customers and other audiences. Marketing Department's job to reach out to prospects, customers and the community, while creating a succulent image that represents Transcom Beverages Limited (PepsiCo) in a positive light.

Supply Chain Department:

Transcom Beverages Limited (PepsiCo) products are the main raw materials (patties, sauce) imported from abroad and usually materials like bread, beverage, vegetables, packaging, etc. are supplied by the district level suppliers. The Supply chain department manages the movement and monitor all raw materials of the company.

Finance Department:

The revenue of Transcom Beverages Limited (PepsiCo) is managed by this department. This department's tasks typically include financial planning, organization, auditing, accounting, and control. The finance department is also responsible for producing the company's financial statements on a quarterly, monthly, and annual basis.

Commercial Operations Department:

This department is in charge of managing product development, developing new market prospects, and selecting the best pricing to balance profit and customer happiness. It also helps to reduce company costs and manage Transcom Beverages Limited's LC (PepsiCo).

Information and Technology Department:

This department is responsible for configuring and ensuring computer networks in Transcom Beverages Limited (PepsiCo) offices. They work in this capacity to ensure that the network is operating properly and that all employees can communicate through the internet. Information Technology employees ensure the system security and denote the problem in order to solve it when the system is in an event of a problem. Wi-Fi and store computer software for billing, digital menu etc. all the software and system managed by IT department. The sales tracker software Durbin is also maintained by the IT department.

Industry and Competitive Analysis

➤ SWOT Analysis of TBL

The SWOT analysis of TBL revealed the following data:

Strengths

- Among the Market Leaders: TBL/Pepsi is currently a key player in Bangladesh's soft drinks market, competing with Coca-Cola for sales.
- Product quality: TBL holds all relevant licenses and certifications from national and international organizations such as BSTI, EPB, and others. TBL has also received numerous awards for its quality in bottle processing.
- Brand Image: A customer would prefer to have Pepsi over any other brand he/she sees. This is just because of the fame and trust that Pepsi has created amongst the customers.
- Value price: As a worldwide franchise, TBL offers the lowest pricing. In some identical units, it even charges less than coke.
- High profit margin: TBL has always maintained a strong profit margin, with the exception of a few times when the situation was terrible. According to sources, the profit margin was 30% in 2015-16.
- Effective distribution channel: TBL has its own distribution truck fleet and distribution system throughout Bangladesh. TBL territory managers, working with the largest number of distribution houses in the country, provide items wherever there is a need. TBL is the only soft drink firm in Bangladesh with cutting-edge distribution systems and technologies.
- Extensive Product Line: TBL has over 9 products in product line and a wide span of flavors and layers.

- Employee Turnover: TBL thinks that employees must be motivated to give their best effort and that they must never fail to meet the employees' basic expectations. After the fundamentals are presented, they tend to focus on verbal rewards, bonuses, appreciation, and promotion based on success, so that employees see TBL as a part of their own family and life.

Weaknesses

- Low impact advertising; TBL's advertisements are not as touching, and they lack emotional appeal when compared to Coca-ads, Cola's which are usually emotive and feel-good.
- Prioritizing brand image above product development: TBL prioritizes brand image over product development.

Opportunities

- Emerging trends: The next generation has a significant impact on all businesses. According to the preceding portions of the research, the trend of soft drink consumption is increasing and will continue to increase for a long time. Mountain Dew has also produced a lot of buzz among young people.
- Franchise Partnerships: Pizza Hut, Pizza Inn, KFC and other franchise support TBL and only TBL beverages can be seen in those café and restaurants. This helps to get exposure and definite sells. Such exposures can be further increased with other famous fast-food chains to boost sales.

- Advertisement and Sports activation: Sponsoring in sports events along with adventurous advertisement can be a good opportunity to market the product to the right population and go head-to-head with coca cola to become market leader.

Threats

- Existing competitors and new entrants: The soft drink industry is highly competitive. In the beginning, there were only Coke and Pepsi. Other brands have now begun to enter the market. Companies such as Praan, MGI, and Globe soft drinks have attempted to compete in recent years, with SMC now introducing an electrolyte drink to the market.
- Coronavirus Pandemic: The coronavirus outbreak in Bangladesh impacted the soft drink industry severely at a time when sales were on the increase overall. Sales of beverages were predicted to fall by more than 80% in April 2020, which is normally the start of the summer. If individuals continue to view drinking soft drinks during a pandemic as a bad thing, this may persist.

❖ Porter's Five Forces Model Analysis of TBL

The Porter's analysis revealed the following information:

Threat of New Entrants: (Low):

In the case of TBL, the danger posed by new competitors in the beverage sector is fairly small. There are some reason workings behind that. First of all, the industry is experiencing strong product differentiation. Secondly, the established firms like TBL enjoys economies of scale.

Rivalry among established companies: (High):

The Coca-Cola Company and TBL have engaged in the closest rivalry on the global market, not just in Bangladesh. Customers frequently switch suppliers during offer and discount seasons, increasing the competitive pressure. TBL also competes with many other businesses such as Partex Beverage Ltd, Akij Food & Beverage Ltd., Praan Beverages Limited and Globe Soft Drinks Ltd. This makes it hard for TBL to increase its market share.

Bargaining power of buyers: (High):

After the covid pandemic, people are more cautious about their health and what they drink. In that regard, heavy sugar drinks like Pepsi is dependent on the consumers which gives the buyers a higher bargaining power over the brand.

Bargaining power of suppliers (Low):

In the case of big companies like TBL, the bargaining power of suppliers is often very low. It is because Pepsi is a wide known company around the world and in our country is no different. So there will always be more distributors interested to get their contract, lowering the bargaining power of suppliers.

Substitute products: (High):

Aside from Mountain Dew, all TBL products have an alternative. In the case of Pepsi cola, for example, we get coke. Tropicana is represented by Frutika. Every Pepsi product, including this one, has a global or Bangladeshi substitute. People can easily switch to different brands because of these alternative products.

Summary and Conclusions

TBL is one of the top performers of the beverage industry and has a good brand image and enjoys economies of scale as well as value pricing to entice customers.

With more of POSM and OOH, trade schemes and price offs, TBL has become more adept in advertising that can generate sales and attract future clients.

Pepsi has easy substitutes in the market from both local and global brands. In terms of cola-flavored carbonated beverage, Pepsi has direct competition with Partex's RC Cola and Coca Cola distributed by Abduk Monem. The only advantage it has in a sweetness/price mapping matrix, is the price point being lower than Coke. In terms of clear carbonated drinks, 7Up and Sprite are almost the same, with 7Up being more widely available and in more sizes than Sprite.

Recommendations/Implications

TBL is working hard to keep their market share high through launching different promotional activities both towards the consumers and customers. To get improvised for the TBL beverage market share the following factors should be given importance:

Focusing on Consumer Branding

From my experience at TBL, it came to my attention that Pepsi Bangladesh is more inclined towards providing retailers with incentives and are mostly retail oriented branding. One simple suggestion would be that they focus on consumer branding as well, since Pepsi has been a big name among customers for a long period of time.

Publicity

Publicizing gift for consumer by promotion and increasing activities that enhance brand visibility can work positively for Pepsi and curb the unavailability of it.

Switching Other Operations

Only bottling and promotional consumer programs aren't the end-all of sales management. Sales motivation is holistic, encompassing correct recruitment, coaching and direction furthermore as incentives. Motivation comes not merely from the lure of tangible rewards however from being treated well. Paying attention to the whole process is the best thing they can do for salespeople.

Advertising More

TBL is not regular in their TVC activities which may create a problem in this competitive beverage market. Furthermore, with TVCs targeted towards the youth, a gap still remains, this has to be met with better and proper advertising.

Examining Pricing Strategy

The product rate must be competitive, however nonetheless profitable. Although Pepsi cola has won the price war with its chief competitor, the clear carbonated beverages have been all priced in the same way. TBL can take advantage of this.

Designing Store for Sales

TBL can take gain of cross-merchandising strategies and impulse sale opportunities to drive sales for diminishing sale products such as Mirinda and Mountain Dew. Doing exceptional store-centric marketing can engage new consumers.

Connecting with the Customer

Excellent customer support is the important thing for growing sales. Listening to the customer to apprehend their wishes and wants can help TBL provide value-added offerings and products.

Increasing promotional incentives

Consumer Offers are the key to increase any organizations sales. In this case, TBL can offer discount, free products, free toys etc to their customers with their SKU's. TBL can offer extra cases needed for wholesalers to carry their products by which they can use those cases at the time of emergency. They should also give emphasis on promotional campaigns for mountain dew in schools/colleges/universities as their promotional activities for dew is infrequent than other SKU's.

Chapter 3

(3.1.1) Introduction

Background of the study

The food and beverage industry of Bangladesh contributes to around 22% of the economy in the nation and around 2.45% of the nation's total workforce, exporting to over 90 countries (Ashraf and Rashid, 2017). With the considerable growth of the GDP, the private consumption of the people of Bangladesh have also increased over the years, implying a positive rise in the consumption pattern.

Furthermore, consumer goods refer to the final goods and services consumed by households, and the consumption of these goods and services is defined as Private Consumption, and this includes all products from Bangladesh's food and beverage industry, such as milk and dairy products, biscuits and bakery products, frozen foods, ice cream, tea, coffee, baby foods, soft drinks, tobacco, and others.

Besides the others from this hoard of FMCG products, the level of consumption in the food and beverage industry of Bangladesh has also enormously increased, exclusively in the past two decades. Since the Independence which opened doors to global marketing, the companies in this sector have been serving the changing food habits of Bangladeshi people, giving rise to the liking for beverages such as carbonated drinks.

Observing prominent growth since its inception in the 1980s with two or three manufacturers or brands available in the market (Islam and Fatema, 2014). With the changing scenario, the number has widely increased, with their being multiple beverage brands in the industry now. Transcom Beverages Ltd., International Beverages Private Limited, Partex Beverages, Globe Beverage Company, Pran RFL Group, Akij Food & Beverages, Globe Soft Drinks Limited, and AM Beverage Limited are among the biggest beverage makers. The popular brands of soft drinks from these companies are Pepsi, 7up, Coca Cola, Sprite, Mirinda, Mountain Dew, RC Cola,

Lemon, Virgin, Zam Zam Cola, Pran Up, Pran Cola, Maxx Cola, Mojo, Clemon, Speed, URO Cola, URO Lemon, FizzUp, Royal Tiger Energy Drinks and others. From 12 companies in 2000, the industry now has 21 food and beverage companies as of 2021. The diverse product range of the industry adds to the preference for soft drinks, with the sales of soft drinks across the country being powered by a growing young population, increasing temperatures and western food habits and lifestyle (Hossain and Ahmed, 2019).

In order to meet the market's requirements, the industry has been continuously changing and investing in innovation. The potential market for soft drinks, which is predicted to rise. So, we can say that the food and beverage sector is one of the fastest developing businesses in Bangladesh, and it has the potential to be one of the primary promoters of employment, economic growth, and value addition in Bangladesh's industrial portfolio. As a result, it is critical to research and report on the leading players in the beverage industry.

Problem Statement

Effective market research can provide important insights into shifts in trends, the economy, demography, and client demographics. It can be one of the most important components in providing critical information to businesses so that they can make sound business decisions. Because carbonated soft drinks are an important element of the food and beverage industry ecosystem, the purpose of this study is to examine the current state of the marketing functions of one of the leading players in the beverage sector, Transcom Beverages Ltd.

(3.1.1) Literature Review:

In recent years, the role and influence of marketing has received great attention and many researches has been conducted on consumer buying patterns and consumer behavior. Some studies argue that marketing functions has lessened (Verhoef and Leeflang, 2009), and that Strategic role of marketing has diminished (Murphy,2005). To add on, marketing departments are now engaging more in tactical than strategic decision making (Sisodia and Sheth, 2005).

A London-based marketing performance and management consultancy polled 1200+ companies in Asia, Europe, Australia, and North America about the importance and major contributions of marketers in their enterprises. According to the report, over 84 percent of marketers were ranked low in their respective organizations' hierarchies (Lukovitz,2012). Furthermore, crucial duties such as product creation, segmentation, pricing, and channel management monitoring were separated from the basic activities of traditional marketing.

Although, Gotz et al (2009) speculates that Marketing plays a great role in executing and successful management of market orientation. Basically, marketing-oriented responsibilities in a company should be evolved because the marketing functions speaks largely about the customers preferences and how they want their product. Marketers are also responsible for gathering, analyzing and communicating customer and competitor insights (Lovelock and Wirtz,2011). “Marketing departments who bear a strong role in Management decision making has a positive effect on company performance” (Moorman and Rust,1999).

Among the key functions of Marketing, Promotion or Advertisement has found to be significant and revolutionary (Kotler,1998). Kotler states Advertisements as one of the prime four tools different companies use to persuade their potential customers. An organized advertisement has the potential to increase awareness towards a product (Adelakun,2019).

Singh (2012) talks about how through advertisements marketers aim to achieve top of the mind recall among consumers. This is important because out of the total cost, almost 30 percent cost is attributed as promotional expenses.

Therefore, advertisements can be stated as the important part towards any product launch campaign and very critical to a marketing campaign. Hence, advertising and other responsibilities of marketing department should maintain consideration of expenses and quality control to induce sales of their product and progress the growth of an organization.

For the analysis part of the report, SWOT and Porter's Five forces model have been used along with Strategic maps for competitor analysis. It is used effectively to develop organizational strategies and competitive strategies (Gurel,2017).

(3.1.2) Objectives:

The objectives of the research can be defined in two sections:

Broad Objective:

Generating a status report on the overall marketing functions of Transcom Beverages Ltd

Specific Objective:

1. Performing a competitor analysis using a strategic group map and locating TBL with respect to other competitors
2. Conducting a survey on soft drinks intake of the University students of Bangladesh.
3. Identifying problems within Transcom Beverages Limited and recommending solutions

(3.1.3) Significance:

The preparation of a status report allows for the tracking and analysis of the business's performance and overall health, as well as the identification of areas for improvement and chances for growth. Transcom Beverages Ltd. will benefit from this study by having an analysis of recent performance to assist them track and guide decision-making, as well as the ability to examine and resolve any identified concerns based on the research survey and analysis results. It not only keeps senior management informed, but it also keeps stakeholders informed about what is going on within the firm.

(3.2) Methodology:

Data & Data Sources

This report has been prepared with two data sources: primary and secondary.

The main data source was various TBL executives who participated in individual interviews. In addition, fieldwork during direct sales activities was an important primary source of first-hand information. The survey conducted in this research that has been used for further analysis is also a data collection source.

The secondary source of information has been different websites, journals, articles and resource materials collected over the internet and TBL Head Office.

Research Methodology

The research is exploratory research that focuses on both qualitative and quantitative analysis aiming to study the overall marketing function of Transcom Beverages Limited (TBL). SWOT and Porter's Analysis has been used for an internal-external analysis of TBL, which Strategic Group Mapping has been used for Competitor Analysis. Lastly, a Survey has been conducted with Random Probability Sampling among the University students of Dhaka in order to generate results on soft drink consumption behavior and characteristics to understand the results for future use. A total of 250 samples were taken, of which the flavor of CSD, frequency of purchase, choice of substitution, and ranking preferences based on different attributes of the CSDs, for example, flavor, quality, etc. were judged. The respondents answered a set of 10 questions to complete the survey and the survey area was inside Dhaka only.

(3.3) Findings and Analysis

In the sales performance analysis, TBL has achieved way beyond its actual target, with 73% more sales of Pepsi in 2020 than 2021, 16% more sale of 7up and 90% more sales of Mountain Dew. Even the unconventional products of TBL, Everness and Aquafina grew by 58 and 210%. The only decrease in sales was for Mirinda.

The survey results showed that the frequency of soft drink intake was more than 3 times a week for most respondents. 60.7% of them prefer Coke over other brands and will buy TBL products as a substitute when their favorite ones lack availability. The study also found that taste is the major consideration of respondents when choosing a soft drink brand over the other, and the more frequently they see ads on are in social media.

➤ Strategic Group Mapping for Competitor Analysis:

Two strategic group maps have been prepared here. They have been graphically shown and interpreted below:

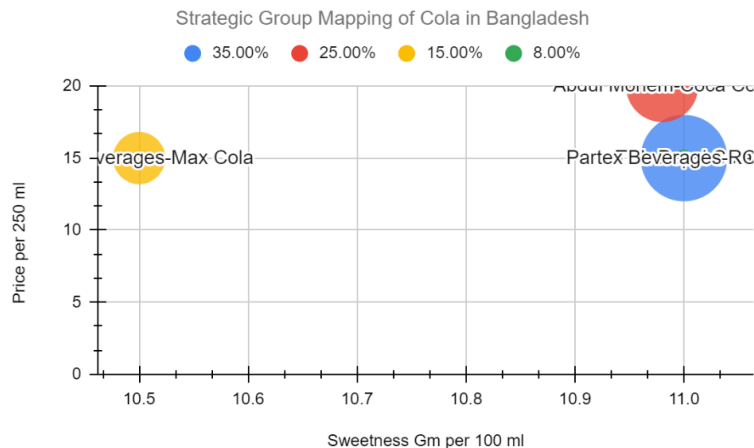


Figure: SGM of cola carbonated beverages of Bangladesh

The figure shows that in terms of sweetness and price consideration where sweetness is plotted in X axis and Price in Y axis, Partex Beverage's RC Cola, Coca Cola supplied by Abdul Monem Grou in Bangladesh and TBL fall in the same area. The bubble of RC is superimposed by the Pepsi Cola of TBL; hence this is the direct competitor of Pepsi. So even though Pepsi is ahead of the price of Coca Cola here, and head-to-head with sweetness, RC Cola can be a tough competition.

Another strategic map has been prepared as follows:

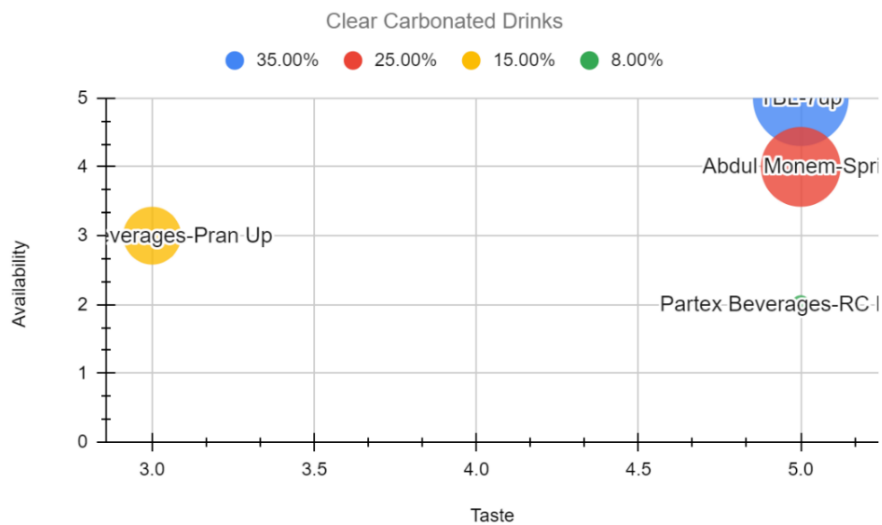


Figure: SGM of clear carbonated beverages of Bangladesh

This was conducted on the clear carbonated beverages and showed that In terms of availability, 7up beats Sprite, however, both have the same enjoyable taste. When it comes to great taste, RC Lemon is a good competitor, however, it is less available. And far from the competition is Pran Beverage's Pran Up. Hence the direct competition of 7up is with Sprite.

3.3.2 Survey Data Analysis:

A survey has been conducted on a sample size of 42 respondents where we surveyed people from different age demographic starting from the ages 15 to 55. People were asked about their preferences for soft drinks, why do they like it, their price expectations and suggestions to improve the taste of which flavor of CSD, frequency of purchase, choice of substitution, and ranking preferences based on different attributes of the CSDs, for example, flavor, quality, etc. were judged. The respondents answered a set of 12 questions to complete the survey and the scope was inside Dhaka only. Among them, 65% are from the age group of 15-25 and 35% reside among the age of 25 to 35. So It has been found that the products of PepsiCo has more attraction among the youth.

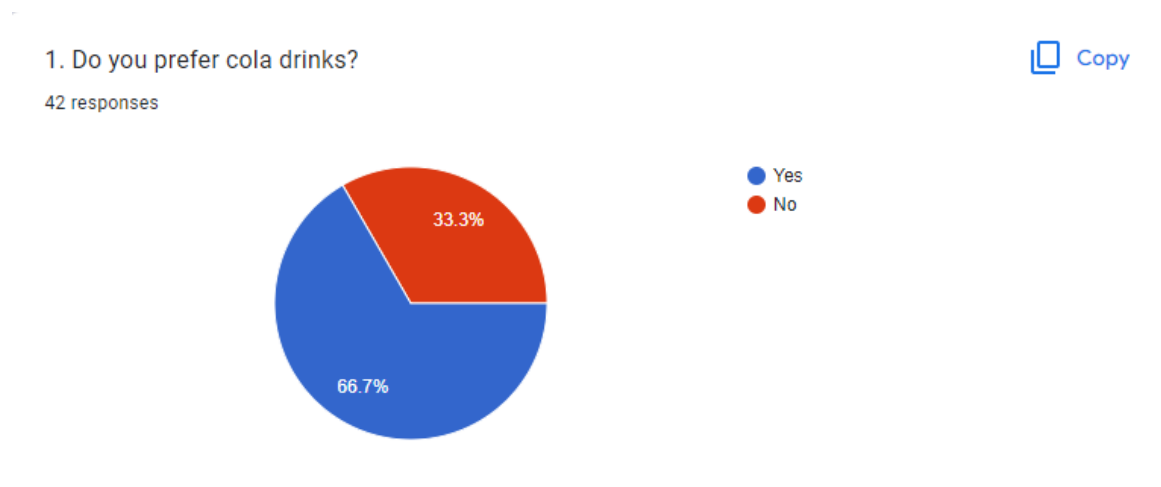


Figure: Cola flavored drink preference rate

Majority of the people, namely the youth and adult men and women prefer to have cola drinks, which is 66.7% to be exact, while a 33.3% prefers not to have cola flavored beverages, which could be a good indicator to show that the cola category dominates the consumer market.

2. Among the following brands, which brand do you prefer to drink ?

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42 responses

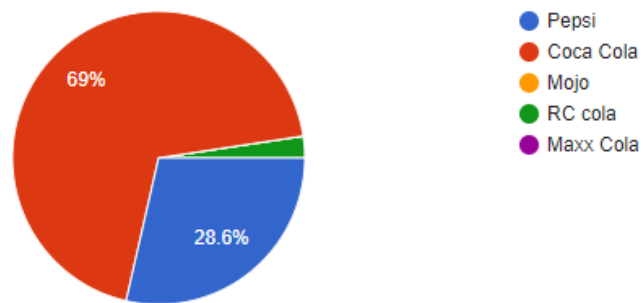


Figure: Preference among different brands

It is clearly seen that, while a 69% majority of the consumers is said to have Coke as their first priority for cola drink, Pepsi is also a dominator over other brands with a good 28.6% of the consumers in random sample pool. But in distribution and availability, Pepsi is said to be more available throughout the country.

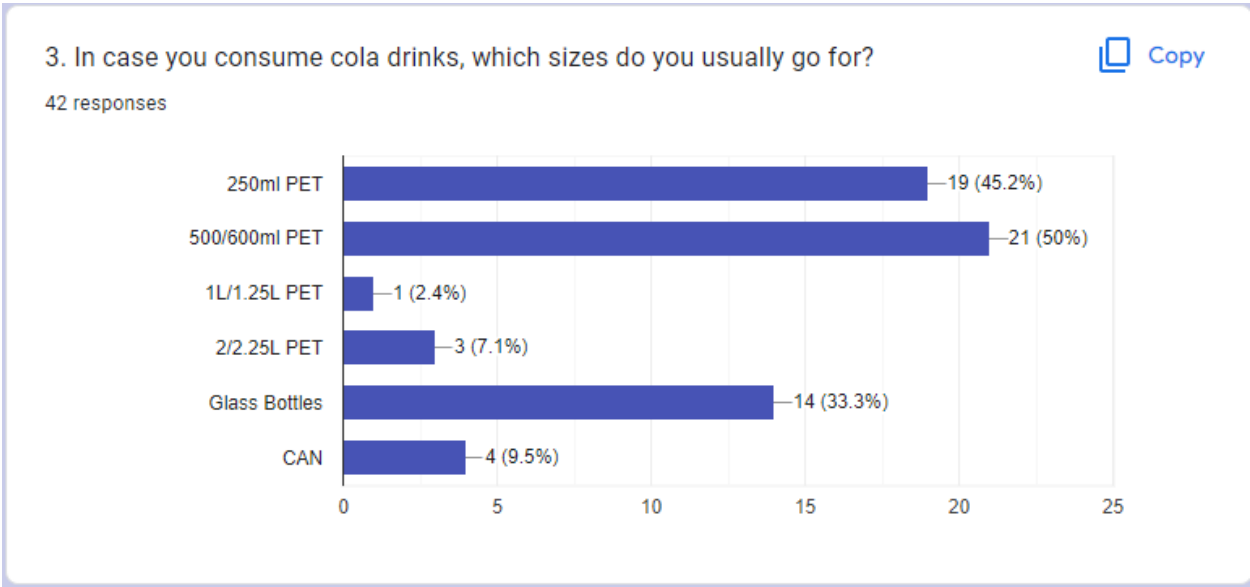


Figure: Consumer size intake frequency

Consumers were given options and quantities of different SKU's from where they were asked about their preferred choice in terms of size. It can be seen the 250ml PET holds 45.2% of the polls, while 50% among them said that they tend to take the 500/600ml sizes of the beverage. A good 33% also agreed on having Glass bottles as their preferred size while CAN and 2/2.25L holds 9.5% and 7.1% respectively.

4. When was the last time you drank a bottle of cola?

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42 responses

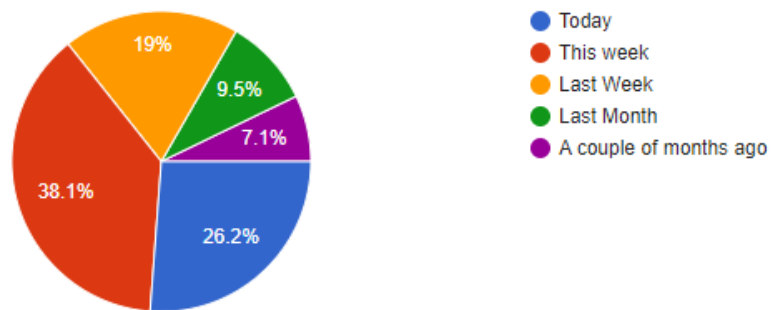


Figure: Consumption rate among the common people

When asked about the frequency of their intake of soft drinks, it was found that 38.1% said that they had it that particular week, while 26.2% said that they had a beverage on that particular day. While a 19% said that they had it last week. So it can be said that, due to the weather conditions, soft drinks seem to have a way around people's minds in terms of consumption of beverage in the summer.

5. In case you consume Pepsi, Before vs now ? Do you notice any changes?

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41 responses

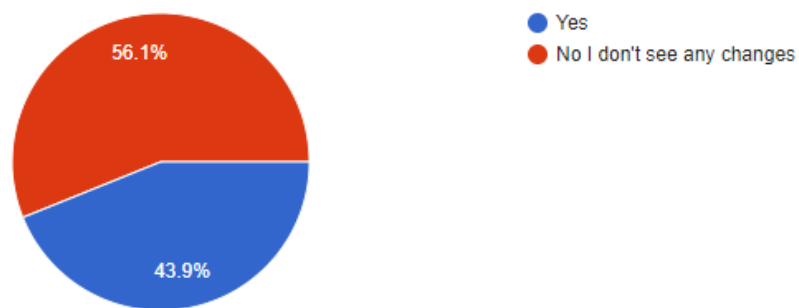


Figure: Pepsi taste response among consumers

Pepsi has changed their flavor and made it more fizzy and less sweet in taste to win the consumer's hearts. But in this case it can be seen that a good 56.1% tends not to notice any changes in terms of taste while 43.9% agrees to having noticed changes.

6. If yes, then what sort of changes are you noticing?

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24 responses

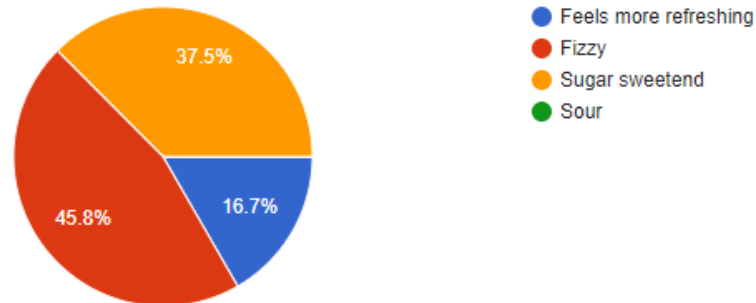
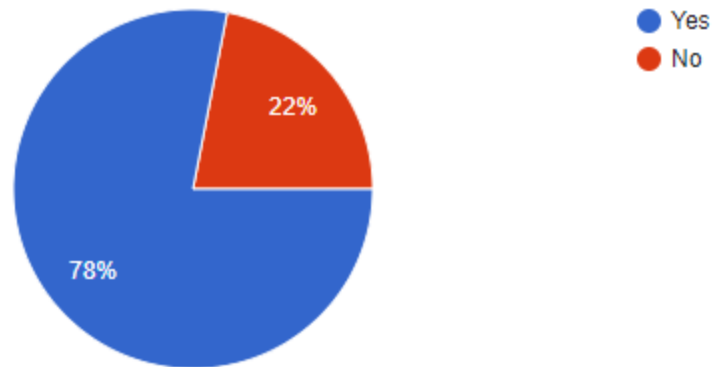


Figure: Cola flavored drink features noticed by consumers

When asked about the particular changes the consumers were noticing, a good 45.8% said to have found it fizzier and 37.5% thought that it was sugar sweetened. A 16.7% said that this new version of Pepsi brings in more refreshens the consumer's thirsty day.

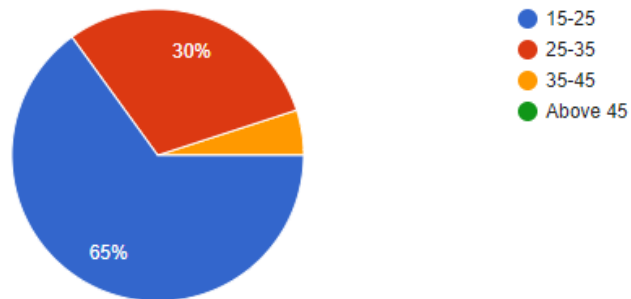
8. Do price of beverage play any role in your consumption?



On another question of the consumption pattern, it was asked that if the price of beverage plays a role in their consumption. 78% said Yes while 22% said No. So, it can be understood that since the target market is mostly the youth population, and most of them still get a limited pocket money from their parents, the price of a soft drink plays a big role in their consumption pattern. Specially in a time when the country is going through an inflation and a price hike on most goods, young people find it difficult to consume based on their wants rather than needs.

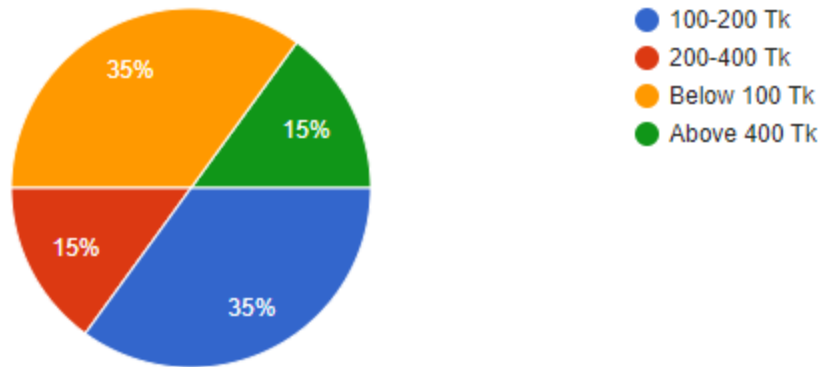
9. Which category below includes your age?

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Among the sample pool, 15–25-year-old youth seem to be more into soft drinks among others. They are 65% of the whole target group for the company. After that the people from 25-35 tend to be 30% of the sample. So, it can be understood from this that Pepsi is more of a youth brand product.

10. How much do you spend on soft drinks/beverages per week ?



It has been seen that, in a random sample of 20 people, 35% has spent 100-200tk for soft drinks in a week, whereas another 35% has spent less than 100tk weekly. Only 15% spent from the range of 200-400tk and another 15% spent more than 400Tk per week. So, while a good amount of people prefers to have a lot of soft drinks, it has been seen that students and young people are more health conscious after the covid pandemic and they tend to spend lesser for consumption of soft drinks.

(3.4) Summary and Conclusion

TBL is one of the top performers of the beverage industry and has a good brand image and enjoys economies of scale as well as value pricing to entice customers. Pepsi has easy substitutes in the market from both local and global brands.

In terms of cola-flavored carbonated beverage, Pepsi has direct competition with Partex's RC Cola and Coca Cola distributed by Abdul Monem. The only advantage it has in a sweetness/price mapping matrix, is the price point being lower than Coke. In terms of clear carbonated drinks, 7Up and Sprite are almost the same, with 7Up being more widely available and in more sizes than Sprite.

In terms of clear carbonated drinks, 7Up and Sprite are almost the same in taste, while 7Up contains less sugar per Kcal. Also, it has an enormous demand and widely distributed even among the rural and remote areas of the country.

TBL outperformed their aim in the sales performance study, with 73% more Pepsi sales in 2020 than in 2021, 16% more 7up sales, and 90% more Mountain Dew sales. TBL, Everness, and Aquafina's innovative offerings increased by 58 and 210%, respectively. Mirinda's sales were the only ones to fall.

After conducting survey among a sample set of people, it has been found that mostly youth population prefers to have soft drinks like Pepsi and Mountain dew, where 65% are among the ages of 15-25 and 30% are from the ages of 25-35. To add on, a good 78% agrees that the price of a drink has an effect over their choice of brand and consumption patter while 22% said that the price does not affect their choice. The effect of coronavirus pandemic made the Target population more health conscious due to which a total of 70% of the sample said they spend less than 400Tk per week on beverages while only 30% spend more than 400Tk over soft drinks.

This report has provided some interesting insights into what kind of service the customers and traders are getting and what is their expectation from TBL's Marketing and R&D departments. It also analyzed the perceptions of retailers and consumers on how it has helped to build the relationship with the brand as well as increase the sales. The prospect of collection of information from customer and the experience of TBL is the major finding of this report.

(3.5) Recommendation:

TBL is giving a lot of efforts to meet the demand of their consumers and keep their brand image intact as Pepsi is famous brand renowned around the world. They are conducting campaigns and various trade marketing offers for the retailers and consumers to consume their good. To gain more market share, the following things may be implemented:

Quality: TBL can improve the quality of the soft drink and provide more nutritious value to their products to provide the consumers with more value and reason to consume their product.

Publicity: Providing different gifts and rewards for consumers for buying their product will help enhance their brand visibility to the consumers and gain more market share as a result.

Advertisement: Creative TVC with a witty touch can provide the consumers with entertainment and improve the brand image to the consumers. Also, the target market can be persuaded more by producing more creative TVC's for the consumers.

Examining Pricing Strategy

The product rate must be competitive, however nonetheless profitable. Although Pepsi has won the price war with its chief competitor Coca Cola, and 7Up has more market share than Sprite, but still with the decrease in purchasing power of the people due to the inflation, they should come up with a strategy which will induce the customers to still buy their product.

Connecting with the Customer

Excellent customer support is the important thing for growing sales. Listening to the customer to understand their feedback and providing customer value will be very beneficial for TBL.

Increasing promotional incentives

Consumer offers are crucial for improving any company's sales. With their SKUs, TBL can offer deals, free products, complimentary gifts, and so on to their clients. TBL can provide extra cases for distributors to carry their items in, which they can utilize in an emergency. They should also give emphasis on promotional campaigns for mountain dew in schools/colleges/universities as their promotional activities for dew is infrequent than other SKU's.

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