

**Internship Report**

On

“Analyzing Distribution Strategies of ACI-Colgate Based on  
RetailersFeedback”



Inspiring Excellence

**Colgate**®

**Submitted to:**

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Date: 29 August, 2017

## LETTER OF TRANSMITTAL

Date:29.08.2017

MS. Tania Akter  
Lecturer,  
BRAC Business School

Dear Madam,

As part of completing internship requirement, I hereby submit my internship report on the “Analyzing Distribution Strategies of ACI-Colgate Based on Retailers Feedback”. This report contains a detailed description of the product Colgate, its distribution strategies, distribution control, distribution channel relationship, promotion, development areas and more. It contains my experiences and learning as an intern in ACI, Consumer Brand especially at Colgate, where I have taken part in observing the market, interviewed various shopkeepers in different location and finding out the gaps to develop strategies for Colgate. I would like to thank my supervisor, MD. Adnan Quayum, Product Executive, ACI Consumer Brands for giving me the opportunity to do internship in ACI Colgate. I also appreciate the insights and guidance that you provided me with preparing this report and complete my internship.

I hope you find this report satisfactory.

Sincerely yours,

---

MD. Safiul Bari

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## Acknowledgement

I would start by thanking the Almighty Allah for all His blessings. Firstly, I want to sincerely thank my internship adviser MS. Tania Akter, Lecturer, BRAC Business School for giving me the opportunity to do my internship report under her supervision and for her unending support and providing the necessary help for the completion of this report. I would like to thank Md. Adnan Quayum (Product Executive, ACI Consumer Brands) for teaching me all the basics of my tasks and patiently showing me every elaborate detail and guiding me throughout my internship period, Mohammad Mazharul Islam (Sr. Product Executive, ACI Consumer Brands) for all his guidelines and support, necessary tips and guidelines during the activation period, and the entire team for being helpful and supportive in every little help I needed and for creating the opportunity for me to bring out my best performance.

The Colgate logo is displayed in a large, white, italicized serif font with a subtle drop shadow, set against a light pink background that features a white diagonal stripe on the right side.

## Executive Summary

ACI Limited is one of the most leading FMCG's of Bangladesh. Beside own products ACI Consumer Brands import globally acclaimed home care products. Among them Colgate is one of the most successful brands in Bangladesh. Colgate Palmolive is the current leader in manufacturing and distribution of oral care and general hygiene products in the world (Crescendo Networks, 2011). In Bangladesh, the product is so popular and still running successfully. ACI Limited has many distribution strategies to distribute Colgate to the utmost customer. To develop the distribution channel, the organization conducted a Retailers study to learn from the shopkeepers.

This report includes the distribution strategy of ACI. Also, it includes the structure of distribution strategy and the controlling and maintaining process. Beside this, competitors' strategies are thoroughly analyzed based on retailers' feedback. ACI conducted this retailer's survey to analyze market gaps and based on that a fair recommendation has been provided to develop distribution channel.

During the study, Dhaka zone was covered only. First, entire Dhaka zone was divided into territories. Then some areas (mostly called beat) had been selected within those territories. After that, the shopkeepers were interviewed and they share their opinions about the product, its distribution system, policy, suggestion and everything.

With all the information and findings from survey, adequate analysis has done in terms of Colgate present distribution's situations. Suggestions are provided at the end of the report for the betterment of the brand in future.

## Table of Contents

Chapter 1.....	1
Introduction .....	2
1.01: Origin of the report.....	3
1.02: Objectives of the Internship program.....	3
1.03: Methodology.....	4
1.04: Sampling Plan.....	5
1.05: Scope.....	5
1.06: Limitations .....	5
Chapter 2.....	6
Company Overview.....	6
2.01: ACI Historical Background.....	7
2.02: Logo.....	8
2.03: Company Mission.....	8
2.04: Company Vision .....	8
2.05: Company Values .....	9
2.06: Company Profile.....	9
2.07: The Management Committee and Board of Directors .....	10
2.08: Support Activities.....	11
2.09: Business Units .....	12
2.10: Fundamental Departments of ACI .....	13
2.11: Quality Policy .....	13
2.12: Environmental Policy .....	14
Chapter 3.....	17
Literature Review .....	17
Chapter 4.....	19
Job Responsibilities .....	19
4.01: Nature of the Job .....	20
4.02: Different Aspects of Job performance.....	20
4.03: Critical Observation .....	26

Chapter 5.....	28
Distribution Strategy of ACI Colgate .....	28
5.01: What is Distribution Strategy?.....	29
5.02: Formulating Distribution Strategy .....	30
5.03: Controlling and maintaining the distribution chain in ACI.....	32
5.04: Competitors’ Product Analysis.....	35
Chapter 6.....	38
Analysis market gaps and Findings .....	38
6.01: Inception .....	39
6.02: Finding Gaps in the Market based on Survey .....	39
6.03: Other Observations.....	45
Chapter 7.....	46
Recommendations for Developing Distribution Strategy.....	46
7.01: Recommendations .....	47
7.02: Additional Recommendations .....	49
Chapter 8.....	51
Conclusion.....	51
Bibliography .....	53





# **Chapter 1**

# **Introduction**

## Introduction

ACI is the trusted brand in Bangladesh. To expand its business category ACI imports international products. As a part of this, they import Colgate brand in Bangladesh which is very successful in India and going well in Bangladesh as well. To finish my BBA program, I have to complete internship program and so that I joined Colgate Department in ACI Consumer Brand. ACI-Colgate is conducting a survey program on retailers. Here, all the shopkeepers' in Dhaka is interviewed about the Colgate. It does not include any super shop like, Agora, Shopno or any other branded super shops. It includes the retailing shop including pharmacy shop around Dhaka. All the retailers' shops are divided into three categories. They are Category A, B, C that indicates big, medium and small shop respectably. Also, ACI divides the Dhaka into four zones to survey better. Also, within these 4 zones, there are many territories where this survey work was conducted. The main reason is to do this survey to learn about the consequence of distribution channel strategy of Colgate. During this survey, certain criteria and rules have been followed. Analyzing the survey data, distribution strategy will be developed in future. Moreover, some general gaps and judgment are recommended. Furthermore, this research work will continue time to time as it is the way to develop better distribution strategy.



### 1.01: Origin of the report

This report has been as a part of my BBA program. The report I prepared on, “Analyzing Distribution Strategies of ACI-Colgate Based on Retailers Feedback” based on the organization of ACI Ltd. This report gave me the opportunity to explore the efficient, innovative and effective analysis of distribution strategies of Colgate. The report on “Analyzing Distribution Strategies of ACI-Colgate Based on Retailers Feedback” is prepared by individually under the supervision and guidance by Ms.TaniaAkter, Lecturer, BRAC Business School.

### 1.02: Objectives of the Internship program

The objectives of the Internship program can be classified into two kinds. Such as:

- Broad Objective**
- Specific objective**

#### **Broad Objective:**

The broad objective is the one which exists in the long term output basis during the whole internship program. In this case, the broad objective is to learn to analyze distribution strategy of ACI-Colgate based on retailers’ feedback. Also, I would like to observe every step following to distribute the product to its ultimate customer. Similarly, it is a great opportunity for me to learn real life research and implement the outcome to develop the distribution channel. Beside this, it is the only way to know about the competitors strategy and handle own distribution channel.

#### **Specific Objective:**

Except the broad objective, there are several short or specific objectives. The following objectives are:

- To learn about distribution strategy.
- To know how distribution strategy are formulated.
- To experience how distribution chain is controlled and maintained.
- To find out competitors strategy.
- To analysis market gaps

- To develop the distribution strategy by recommending possible judgments.

### 1.03: Methodology

Several methods have been used while establishing and doing the analysis part of the report are given below:

#### Primary Sources:

Most of the cases, the information was extracted from primary sources which is from the retailers. The survey was conducted in Dhaka and covered 465 individual shop or retailer. The shops are divided into three categories:

**Category A-** These outlets are financially well enough to stock more products. They have hard cash in hand and have the ability to buy more.

**Category B-** These category shops are moderately good. They also stock product more and buy the products weekly basis.

**Category C-** Category C shops are not good financially. They are not interested to stock more. They just buy the product and sell it.

After conducting the survey, all the data was noted down and was gathered all information using Microsoft Excel. In addition to, different shop and pharmacy in different location has been surveyed. The locations names where survey was conducted are given below:

Zone	Territory	Beat(Bazar)
Dhaka-A	Kawranbazar, Gulshan	Indira Road, Mohakhali Wireless Gate, Banani.
Dhaka-B	None	None
Dhaka-C	New Market, Mohammadpur, Mirpur, Kachukhet.	Hatirpool, Rayer Bazar, Pallabi, Ibrahimpur, Kazipara.
Dhaka-D	None	None

Table 1: Survey Area

## Secondary Sources:

In some events, I used secondary sources from their website, such as: Colgate's previous reports, sales report, beat name etc.

### 1.04: Sampling Plan



- Population: All the retailers in Dhaka city.
- Sampling Frame: ACI Consumer Brand Sales database.
- Sampling Elements: Individual retailers in Dhaka City. (Along with pharmacy shop)
- Sampling Procedure: Non probability Convenience sampling technique is used.
- Sampling Size: 465 retailers.
- Time period and data collection: 20 May- 28 July, 2017.

### 1.05: Scope

After reading this report, the reader will easily understand the distribution policy of ACI-Colgate. Also, it includes the distribution process which is strategically maintained and controlled. Beside this, the competitor's distribution strategy, its effects; promotional offers are mentioned in this report. Along with this, the reader will observed the market gaps and possibilities of developing the distribution channel.

### 1.06: Limitations

- Confidentiality issues of some information.
- Reluctant behavior of some retailers when taking interviews.
- Time



# **Chapter 2**

# **Company Overview**

## 2.01: ACI Historical Background

ACI was established as the subsidiary of Imperial Chemical Industries (ICI) in the then East Pakistan in 1968. After independence the company has been incorporated in Bangladesh on the 24th of January 1973 as ICI Bangladesh Manufacturers Limited and also as Public Limited Company. This Company also obtained listing with Dhaka Stock Exchange on 28 December, 1976 and its first trading of shares took place on 9 March, 1994. Later on 5 May, 1992, ICI plc divested 70% of its shareholding to local management. Subsequently the company was registered in the name of Advanced Chemical Industries Limited. Listing with Chittagong Stock Exchange was made on 22 October 1995.

Bangladesh is a country which is small in size but large in population. ACI Limited is one of the most popular corporate names in Bangladesh. It is the most trusted brand as well as ensured quality product supplier. ACI Ltd plays an important role as a contributor to national economy. Along with this, they have left their footsteps in international platform through foreign investments, joint ventures and brand affiliations. ACI has been accepted as a founding member of the community of Global Growth Companies by the World Economic Forum which is the most prestigious business networking organization.



Figure 1: ACI Center, Main Office of ACI Limited.Sources: aci-bd (2017)



Figure 2: Formulation office of ACI Ltd

Sources: aci-bd (2017)

ACI Limited stands for the name “Advanced Chemical Industries limited” which refers that they started their business with Pharmaceutical goods. After that they spread different branches of product lines within their operation. aci-bd (2017)

## 2.02: Logo

The logo of ACI Ltd is very fascinating. It is green in color and there are waves in the logo.



**ACI Limited**

**Colgate®**

Figure 3: Logo of ACI Ltd.

Source: ACI bd (2017)

## 2.03: Company Mission

ACI's Mission is to enrich the quality of life of the people through responsible application of knowledge, technology and skills. ACI is committed to the pursuit of excellence through world-class products, innovative processes and empowered employees, to provide the highest level of satisfaction to our customers. aci-bd (2017)

## 2.04: Company Vision

To achieve the mission ACI will,

- Provide products and services of high and consistent quality, ensuring value for money to our customers.

- Endeavour to attain a position of leadership in each category of our businesses.
- Develop our employees by encouraging empowerment and rewarding innovation.
- Promote an environment for learning and personal growth.
- Attain a high level of productivity in all our operations through effective utilization of resources and adoption of appropriate technology.
- Promote inclusive growth by encouraging and assisting our distributors and suppliers in improving efficiency.
- Ensure superior return on investment through judicious use of resources and efficient operations, utilizing our core competencies.

## 2.05: Company Values

The core values of ACI are:

- Quality
- Customer Focus
- Innovation
- Fairness
- Transparency
- Continuous Improvement



## 2.06: Company Profile

The Company Profile is mentioned below:

Company Name	Advanced Chemical Industries Limited
Nature of Business	Manufacturing, Processing, Retail, Service
Managing Director	Dr. ArifDowla

Address	ACI Center, 245 Tejgaon Industrial Area, Dhaka 1208
Phone	880 2 887 8603
Fax	880 2 8878619 & 8878626
Email	info@aci-bd.com

Table 2: Company Profile

## 2.07: The Management Committee and Board of Directors

The Management Committee:

Dr. ArifDowla	Managing Director
Dr. F H Ansarey	Executive Director, Agribusinesses
Mr. Syed Alamgir	Executive Director, Consumer Brands
Mr. M. MohibuzZaman	Chief Operating Officer, Pharmaceuticals
Mr. PradipKarChowdhury	Executive Director, Finance and Planning
Mr. SabbirHasanNasir	Executive Director, Logistics
Mr. PriyatoshDatta	Director, Quality Assurance, Pharma
Mr. AbdusSadeque	Director, Marketing & Sales, Pharma
Ms. Sheema Abed Rahman	Director, Corporate Affairs
Mr. Md. MonirHossain Khan	Financial Controller
Mr. Imam Ahmed Istiak	Director, Operations, Pharma

Table 3: The Management Committee

The Board of Directors:

Mr. M. AnisUdDowla	Chairman
Dr. ArifDowla	Managing Director



Mr. WaliurRahmanBhuiyan,OBE	Director
Mr. GolamMainuddin	Director
Mr. Md. Fayekuzzaman	Director
Mrs. NajmaDowla	Director
Ms. ShusmitaAnis	Director
Mr. Abdul-MuyeedChowdhury	Director
Mr. Juned Ahmed Choudhury	Director
Ms. Sheema Abed Rahman	Director

Table 4: The Board of Directors

## 2.08: Support Activities

Basically, strategic business unit and joint venture are operated individually but both are strongly controlled by ACI Center. ACI Center (ACI Headquarter) is the in charge of HR, Financing and planning and Commercial exercises, Training and development, Distribution and MIS. To managing the whole operation, the assisting functions fall under a key segment:



Figure 4: Support Activities of ACI Limited

Source: aci-bd (2017)

## 2.09: Business Units

Strategic Business units

- 1. Pharmaceuticals**
- 2. Consumer Brand and Commodity Products**
  - I.** Household Insecticides.
  - II.** Antiseptic and Personal care.
  - III.** Home Care
  - IV.** Female Hygiene
  - V.** Commodity Foods
  - VI.** ACI Electronic Division
- 3. Agribusiness**
  - I.** Crop Care Public Health.
  - II.** Livestock and Fisheries.
  - III.** Fertilizer
  - IV.** Cropex
  - V.** Seeds
  - VI.** Motors
- 4. Subsidiaries**
  - ❖ ACI Formulations Ltd.
  - ❖ Apex Leather Crafts Ltd.
  - ❖ ACI Pure Salt Ltd.
  - ❖ ACI Pure Flour Ltd.
  - ❖ ACI Foods Ltd.
  - ❖ Creative Communication Ltd.
  - ❖ ACI Motors Ltd.

- ❖ ACI Electronics Ltd.
- ❖ ACI Logistics Ltd.
- ❖ ACI Godrej Agrovat PVT Ltd.
- ❖ Tetley ACI Bangladesh Ltd.
- ❖ Asian Consumer Care Ltd.

#### 5. Joint Venture

- ❖ ACI Godrej Agrovat PVT Ltd.
- ❖ Tetley ACI Bangladesh Ltd.
- ❖ Asian Consumer Care Ltd.

### 2.10: Fundamental Departments of ACI

- Administration Department
- Financing and Planning
- Commercial Department
- MIS
- Distribution
- Training and Development
- HR

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### 2.11: Quality Policy

ACI is the first company in Bangladesh who obtained ISO 9001 certification for quality management system in all categories.



## Figure 5: ISO 9001 Certified for Quality System

Source: aci-bd (2017)

One of the important visions is to provide products and services of high and consistent quality, ensuring value for money to their customers.

To attain the Vision ACI will:

- Aim to achieve its business excellence by understanding, accepting, meeting and exceeding customer expectations.
- Follow International Standards on Quality Management System to ensure consistent quality of products and services to achieve customer satisfaction. ACI will also meet all national and regulatory requirements relating to its present businesses and make sure that current Good Manufacturing Practice (CGMP) as recommended by World Health Organization is followed for its pharmaceutical operations and conforms to all other guidelines and best practices relating to its other businesses.
- Commit itself to quality as the major consideration in all its business decisions. All employees of ACI follow documented procedures to confirm compliance with quality standards.
- Develop a pool of human resources of the Company to their full potential through regular training and participation in seeking continuous improvement of the Quality Management System.

### **2.12: Environmental Policy**

ACI is the first company in Bangladesh to who obtained ISO 14001 Certification for Environmental Management System.

ACI is committed to formulate and conduct all its operations in an environmentally friendly manner, ensuring continual improvement in the utilization of resources and prevention of pollution or degradation of the environment.

In pursuit of this Goal, ACI will:

- Comply with all local and national legislations and regulations.
- Conserve natural resources like water and energy for sustainable development, and adopt environmentally safe processes.
- Ensure appropriate treatment of all effluents prior to discharge.
- Ensure appropriate communication with internal and external interested parties on environmental issues.
- Create awareness on environmental issues among our employees and stakeholders
- Ensure waste management in an environmentally responsible manner through continuous up gradation of technology.



Figure 6: ISO 14001 Certified for Environmental Management

Source: aci-bd (2017)

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# **Chapter 3**

# **Literature Review**

Marketing Channel decisions are the most critical decision now days. If one considers major strategy of the marketing mix (product, price, promotion and distribution), the greatest potential for achieving a competitive advantage now lies in distribution (Obaji, 2011). Also, specialist paid a big attention to elaborate the procedures of marketing channel design (Gudonaviciene&Alijosiene, 2008).

In the past, distribution channel focused on the functions performed by a distribution system, the associated utility of these functions and overall system. However, gradually it is changing and viewed as the set of interdependent organizations involved in the process of making goods or service to consume or use (Coughlin, Anderson, Stern, & El-Ansary, 2001). This institutional perspective pays more attention to its relative members like wholesaler, distributors, retailers etc.

In general, the concept of distribution refers to where and how the product and service are to be delivered to sell, all the essential mechanism and logistical support for the transfer of foods and service to its customer (Stern et al, 2006). A successful marketing channel ensures that a desired product is distributed in a desired amount to a desired channel to satisfy customers (Kotler&Keller, 2009).

Nowadays, marketing channel ensures global environment where serving their product and service. In today's world marketing channel structure and strategy must be formulated based on globalization<sup>®</sup> (Rosenbloom& Larsen, 2008). Every organization must follow basic code regarding to globalization in distribution policy.





# **Chapter 4**

# **Job Responsibilities**

#### 4.01: Nature of the Job

I joined ACI Consumer Brand as an intern on 01 May, 2017 and my core brand was ACI Pure Salt. After working there for several weeks I was replaced in Colgate. To learn more, I also observed Equal-Canderal brand. I have to do the regular office work from 8.30 AM to 6.00 PM, 5 days a week. Also, I learned basic official assignment. In this short time, I acquired the corporate culture of ACI. Maintaining a good relationship with supervisors, line managers and the Directors as well as others internee mate. We would like to help each other and establishing a perfect corporate environment. Along with this, my core job responsibility was to survey Colgate market. To do my job, I have to collect the name of the retail shop and survey there associated with sales representative. After that I documented all the data and submitted to my supervisor. Moreover, I was assigned several works regarding Colgate's branding. I got opportunity to work with very talented person at office which will leave a great impact in my future career.

#### 4.02: Different Aspects of Job performance

I accomplished several different tasks in my internship period. Furthermore, the major jobs I performed are given below:

- Collecting necessary documents before visiting market.
- Maintaining internal and external relationship
- Visiting market with sales representative
- Collecting data
- Documenting the collected data
- Submitting the report to supervisor.
- Consulting the outcome with the interested party.

Here, I am discussing the job responsibility briefly:

1. **Collecting necessary documents before visiting market:** Before going to the market to survey, I have to collect all the necessary documents like, location name, beat name,

ASM (Assistant Sales Manager) contact number, SR (Sales Representative) contact number, retailer shop list etc. I collected all the documents from ACI server that is confidential and I had the right to use it.

2. **Maintaining internal and external relationship:** After getting the entire necessary document I had to discuss with the concerned party about the survey procedure. If they want any specific information, I had to focus more on that point. Most of the time, supervisor instructed me what to do. Also, I had to maintain some external relationship with ASM, ZSM, SR, and DSR. As, I had to contact them before visiting the place under their territory.
3. **Visiting market with Sales Representative:** Sales Representative (SR) is the person who takes the order from the market. Basically, they take the order of every consumer product along with Colgate. Before visiting the market I used to contact them and receive related information about the market. SR did his duty and I observed the retailers. Also, I observed how SR approaches to retailers, how they motivate them to take order, how they approach trade offers to them and the reaction of retailers towards trade offer. Along with this, I asked retailers open ended questions and they responded more or less.
4. **Collecting Data:** I tried to visit each and every shop to collect data. Every necessary point I counted responsibly. Also, I noted down the survey response collecting from the market. As, I have the list of the shop, so I could specify the problem of individual shop. I have visited almost every zone in Dhaka and surveyed 465 shops in Mirpur, Gulshan, Mohammadpur, New Market, Kawranbazar zone.

Here, the survey questionnaires are given below:

Retailer Study
Territory: Mirpur
Beat Name: Kazipara
Shop's Name: VaiVai Enterprise, 131/2 Kazipara.
Retailer Name: AbdurRahman
Question: Hello brother, how are you? I am coming from ACI Headquarter. I am conducting a survey on retailers study. It will be benefited for you. We can give you a better service if you cooperate with us. Would you like to give me some time?
Respondent: ok.
Question 1: Do you stock Colgate regularly?
Respondent: Yes.
Question 2: What kind of Colgate you stock?
Respondent: Basically, I stock Colgate Active Salt, Colgate Total, Colgate Max Fresh, Colgate visible white etc. Most of the time, I don't stock Colgate Herbal as customer preference is very low for it.
Question 3: which SKU you prefer most?
Respondent: Almost all. 50 gram, 100 gram, 150 gram, 200 gram.
Question 4: What types of customer prefer what SKU and what kind of Colgate?

Respondent: General people like Colgate Active Salt, Colgate Total. Medium or upper class prefers Max Fresh most. They buy 200 gram and 150 gram.

Question 5: Do you accept our offer (buy 6 get 1 toothpaste)?

Respondent: Sometimes. As I don't have hard cash every time, I can't accept it. I accept offer if sell is more. It is not possible to stock more if sell is low.

Question 6: Does SR come regularly?

Respondent: yes. But I did not get the product according to time schedule.

Question 7: Does they behave well and cooperate with you?

Respondent: Yes.

Question 8: Do you stock other companies' toothpaste?

Respondent: Yes, of course. I stock Pepsodent, Colgate, Close up, Sensodyne etc.

Question 9: What types of benefit you got from others toothpaste related to Colgate?

Respondent: Other companies provide the trade offer like you. Also, their SR is very much punctual about time and promise. Moreover, Pepsodent gives us 250-500 taka for 'Product Display'.

Question 10: What will encourage you to stock our product more?

Respondent: You should increase consumer benefit more, so that they will buy your product and we can stock more. Also, you should give an offer we can afford to. You should promote your product more. In addition to that, we are the person who interact and motivate the customer to buy product. Some customers do not have any brand preference and we give them the product we like. So, it should be a good relationship with the company and us.

Question 11: Thank you very much. We will work on that.

Respondent: welcome.

Figure 7: Survey Questionnaire

Source: Retailers' Feedback Survey

5. **Documenting the collected data:**After collecting raw data, I have to pile up all the raw data in a excel file. All the information are kept in the excel file with individual name. The report include the name of the territory, beat name, SR name, Retailer shops' name and the reason to deny our product.

Here, one of the documents is given below:

**ACI Colgate Retailers Study**

<b>Zone Name:</b>	Dhaka- C (SP)	<b>Time &amp; DATE</b>	10 am – 3.00 pm (17/07/2017)
<b>Area Name:</b>	KACHUKHET	<b>SR Name:</b>	KAMAL
<b>Beat name:</b>	IBRAHIMPUR-1	<b>Surveyor Name:</b>	SAFIUL

Mediplus	MP
Colgate	CG
SENSODYN	SD
Brush UP	BP
CLOSEUP	CL
PEPSODENT	PP

Beat name	Outlet Name	Available SKU	Reason for Not Buying
Ibrahimpur-1	Abdul Huqe General	CG,CL,PP,MP	STOCKS AVAILABLE
Ibrahimpur-1	Abdul Kuddus store	CG,CL,PP,MP	STOCKS AVAILABLE (PREFER UNDERRATE WHOLESALE)
Ibrahimpur-1	Abdul Malek store	CG,CL,PP,SD,MP	STOCKS AVAILABLE
Ibrahimpur-1	Adorsho General	CG,CL,PP	STOCKS AVAILABLE (PREFER 100GRAM COLGATE)
Ibrahimpur-1	Al Modina pharmacy	CG,CL,PP	STOCKS AVAILABLE
Ibrahimpur-1	Apurbo store	CG,CL,PP	STOCKS AVAILABLE
Ibrahimpur-1	BipaHelthKeyar		CLOSED
Ibrahimpur-1	Bismillah store	CG,CL,PP	ORDER TAKEN
Ibrahimpur-1	Bismillah store	CG,CL,PP	STOCKS AVAILABLE (NOT INTERESTED IN TRADE OFFER)
Ibrahimpur-1	Bismillah store	CG,CL,PP	ORDER TAKEN
Ibrahimpur-1	Borisal General	CG,CL,PP	STOCKS AVAILABLE ( CUSTOMERS DO NOT PREFER COLGATE)
Ibrahimpur-1	BorshaVaraitics	CG,CL,PP	STOCKS AVAILABLE
Ibrahimpur-1	Doli store	PP,CL	THEY PREFER PEPSODENT DISPLAY

Ibrahimpur-1	FahimMedicin	MP	DOCTOR'S PREFERENCE
Ibrahimpur-1	FahimOusud	MP	DOCTOR'S PREFERENCE

Figure 8: Documenting the survey

Source: Retailers' Feedback Survey

6. **Submitting the report to Supervisor:** Afterwards documenting the file, I send it to my Supervisor. He carefully observed the report and discussed about it. Also, I gave him the necessary note beside the information.
7. **Consulting the outcome with interested party:** In addition to this, I had to discuss with product manager, brand consultant, brand development officer and others interested parties. I shared all the necessary information to them. Also, we shared experience with other brands. It was a fantastic discussion and knowledgeable session as well.

### 4.03: Critical Observation

#### Market overview:

- Report's fact changes depending on locations.
- Distribution Strategies are not same in all the markets.
- Skills and efficiency of SR impacts more on the market.
- Personal relationship with retailers effects on sales volume.

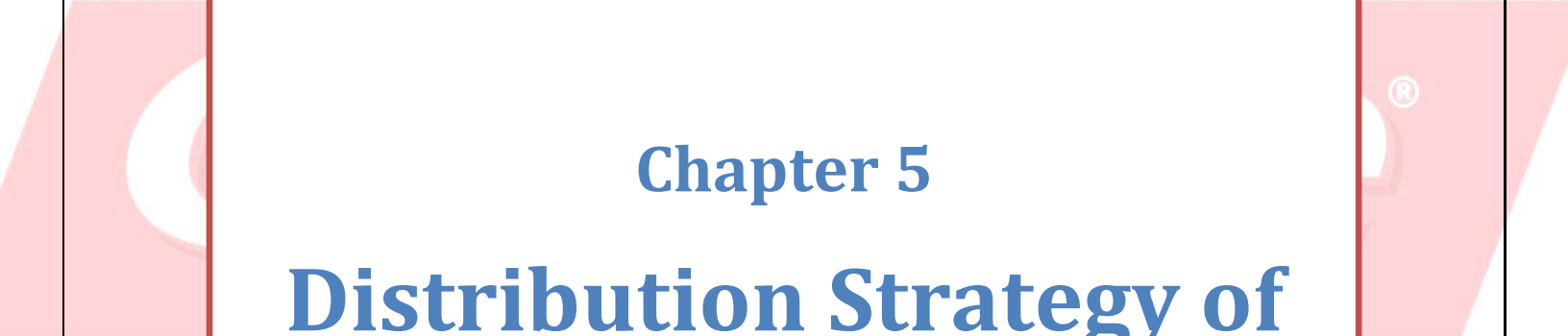
#### Internship Overview:

- ACI is the place where corporate cultures are maintained properly.
- Employee and Employer relationship is excellent.
- What I learned in ACI was more knowledgeable and skillful.
- I enjoyed to learn practical knowledge and can relate to my academic theory.



Moreover, it was a fantastic 3 months with learning and having a good memory at ACI Consumer Brand (CB).

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# **Chapter 5**

# **Distribution Strategy of ACI Colgate**

## 5.01: What is Distribution Strategy?

Distribution strategy is all about how effectively a firm distributes goods or service to its ultimate consumer. It includes several steps from distributor to wholesaler and retailer and finally the consumers. According to Kotler& Keller (2009), a successful marketing channel ensures a desired product is distributed in a desired amount to a desired channel to satisfy the desired consumer. It is one of the important parts of marketing mix.

There are two channels of distribution available for any organization.

1. **Direct Distribution:** Direct distribution involves distributing the product or service from manufacturer to ultimate consumer. It does not have any intermediaries between manufacturer and consumers. The benefit of this distribution is manufacturer can control the whole process.
2. **Indirect Distribution:** Indirect Distribution involves distributing the product or service by the use of an intermediary. In this process, manufacturer can sell their product to wholesaler or retailer and consumer buy from them.

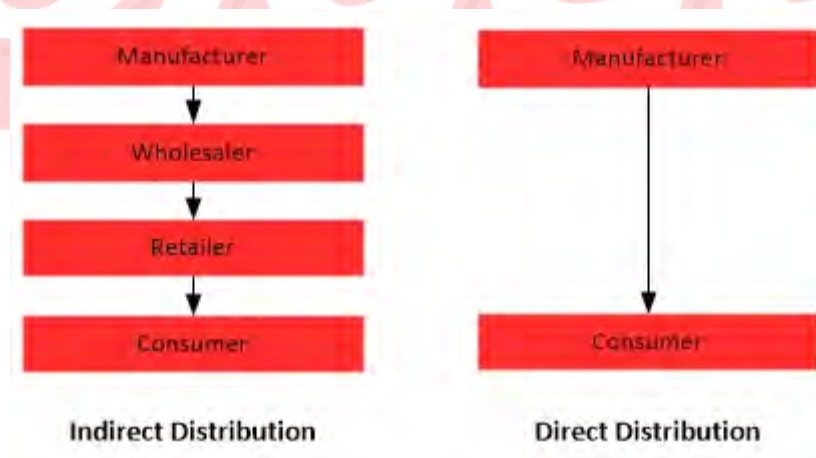


Figure 9: Two types of Distribution Strategy

Source: Learn marketing (2017)

## 5.02: Formulating Distribution Strategy

ACI-Colgate formulates a smooth and effective distribution strategy where they follow both Push and Pull Strategy.

**Push Strategy:** A push strategy is where manufacturer focuses their marketing effort on promoting their product to the next party in distribution chain (retailer or wholesaler). It includes convincing them to stock ACI's product. Also, ACI conducts various promotional activities to connect with the retailers. Mostly, ACI provides Colgate to retailer and retailer sells it to customer.

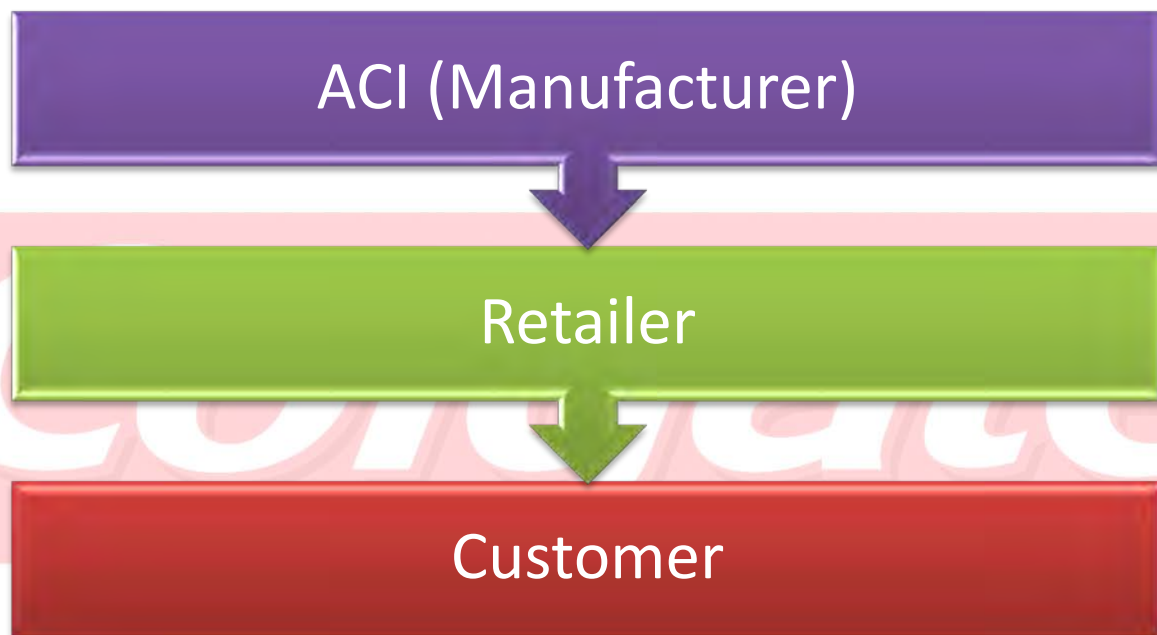


Figure 10: Push Strategy

Source: Learn Marketing (2017)

ACI-Colgate uses a combination of promotional mix strategies:

1. Representation at trade shows
2. Trade offers
3. Incentives for the retailers to display the product on a key shelf
4. Discounts on bulk buy
5. Distribution chain allows extended credit.

**Pull Strategy:** A pull strategy involves the manufacturer promoting their product to the target market to create demand. ACI uses this strategy to create demand in the market for Colgate and force retailers to stock their product.



Figure 11: Pull Strategy

Source: Learn Marketing (2017)

ACI Colgate uses several promotional mixes to create demand in the market:

1. Providing discount.
2. Free gift
3. Major event sponsorship



They lead the root level employees called SR and DSR who are responsible to sell the product to retailer.

### Responsibility of SP and GP team

SP (Special Product) and GP (General Product) teams are mostly responsible to distribute the product through SR (Sales Representative). The products belong to them:

#### SP Team:

Colgate Active Salt, Colgate Total, Colgate Visible white, kids, toothbrush, mouthwash.

#### GP Team:

Colgate CDC, Colgate Herbal, Max Fresh, Sensitive org and Sensitive Relief.

## Products



Figure 13: Colgate category

Source: Colgate Palmolive (2017)

The main reason to divide the product with different teams is to sale more and focus individually all the product. SR can give extra effort to the product. However, there is a problem in these teams. It was found in the market that there are miscommunication between SP and GP team. Sometimes retailer demands SP products to GP teams and they cannot provide it. Also, they cannot inform it to GP team about the demands. So, this miscommunication is happened in the market.

### **Responsibility of ZSM and ASM**

ZSM and ASM are the most important persons who lead the team strategically. They set the strategy along with upper level management and implement those with the association of SR and DSR. They have a target and try to fulfill the target strategically. After a time period they evaluate the sales volume and take further decision accordingly.

### **Responsibility of Sales Representatives**

Responsibility of SR is the most important part of distribution strategies. SR is the person who receives the order from the retailers. First, they start to visit the market and offer their products to retailers. If retailers need those products, he gives order to him. Also, SR presents trade offer (if trade offer is available) to retailer like “Buy 12 get 2 free”. Beside this, they provide gifts to their valuable customers (retailers).

Here, the most important element is building relationship between SR and retailers. I observed it closely that a good relationship always effects in sales volume. It is noticeable that the retailer has enough products in stock but he orders again due to SR’s motivation. Sometimes, the shopkeeper has no hard cash to order but they can order because of the good relationship with SR.

### **Responsibility of Delivery Sales Representative (DSR)**

DSR’s responsibility starts after taking order from SR. DSR is the person who is responsible to deliver the ordered product according to shop’s address. Also, DSR collects money from the retailers.

It is important to deliver the product in time. Sometimes, the retailers need to stock product based on customer excessive demand but unfortunately he did not get the product in time. So, it causes loss to the retailers. That’s why DSR must be punctual about time and session.



## 5.04: Competitors' Product Analysis

During survey, it was found that so many competitors' product available in market. Major toothpaste which are available in the market:

- Pepsodent
- Close Up
- Colgate
- Brush Up
- Sensodyne
- Medi Plus

Among them Pepsodent and Close up are the close competitors of Colgate. In Bangladesh, people use Pepsodent, Close up and Colgate mostly. Also, Sensodyne is used frequently because of dentists' preference. Here, overall analysis of the competitors' product is given below:

1. **Pepsodent:** Pepsodent is going well in the market. According to retailers, Pepsodent is the brand, customers buy more. Also, they have so many promotional activities in the market. To create a dentist accepted toothpaste image they conduct many activities. Bangladesh Dental Society and Unilever Bangladesh's oral care brand Pepsodent celebrated the world's Dentist Day. (The Daily Star, 2016). In addition to that, they have lucrative trade offers to the retailers. Furthermore, they rent a place as "window display" to draw attention to the customers. Besides trade offer, they have customers' offer like "Free toothbrush" with Pepsodent. Moreover, their distribution channel is so strong and attentive much.



Figure 14: Promotional Activities of Pepsodent

Source: Unilever BD (2017)

2. **Close up:** Close up is another popular brand in Bangladesh. According to Financial Express (2012), Close up acquired 8<sup>th</sup> position as a brand in Bangladesh. Also, they run so many promotional activities. Moreover, they have customers' promotion like, "Free headphone with Close Up".



Figure 15: Promotional Offer of Close up

Source: Unilever BD (2017)

3. **Sensodyne:**Sensodyne already set their image as dentists' preference brand. Along with little shop you can find it medicine shop too. It is so much popular to teeth conscious people.



Figure 16: Doctors' Preference

Source: Sensodyne BD (2017)

# Colgate®

# Chapter 6

## Analysis market gaps and Findings

## 6.01: Inception

According to Obaji (2011), marketing channel decision is the most critical decision in the management. He believes if the company wants to achieve competitive advantages, he/she must focus on distribution.

ACI Colgate is the international brand in which distribution is considered to be important and gives more attention to it. They survey constantly to observe the market, its gaps, and problems lying on retailers and consumer behavior also.

To know the current market situation retailers feedback was taken. Also, the market gaps, reason behind decreasing sales volume and others information related was needed. By conducting retailers' survey lots of valuable information extracted from the market as well as retailers necessity.

## 6.02: Finding Gaps in the Market based on Survey

After visiting 465 retail shops, so many gaps have been identified in the market that slowing down distribution channel. However, the outcome was more or less positive.

In survey, it is found, almost every outlet stocks Colgate. Also, retailers order Colgate regularly. However, almost every pharmacy keeps Sensodyne mostly. On the other hand, some category A pharmacy who keeps other toothpaste, orders Colgate too. Moreover, there are some internal issues behind this. As it is confidential those reasons are ignored in this report. Here, every gap and its details are included. However, based on location it may changes as it was mentioned earlier. Also, it is different based on the category of the outlet. Along with this, SR's skillful presentation about the product effects on sales volume. The main gaps are given below:

1. **Trade offers unavailability:** Most of the A category retailers want to profit more. As, they have no problem in cash, they can stock more. This type of retailers always seek trade offer. Basically, ACI-Colgate offers "Buy 6 get 1 and Buy 12 gets 2". So, A and B category retailers take the advantages and profit more. Unfortunately, they did not get this trade offer often. It causes them turned away from Colgate as competitor still gives them trade offer.

2. **Not interested in trade offer:** On the other hand, there are some retailers who are not interested in trade offer at all. As, if you want to take the offer, you have to order at least 6. Retailers like C category or small shop do not interested to stock more. Rather they will take 2-3 pieces as they have other toothpaste in stock to sell.

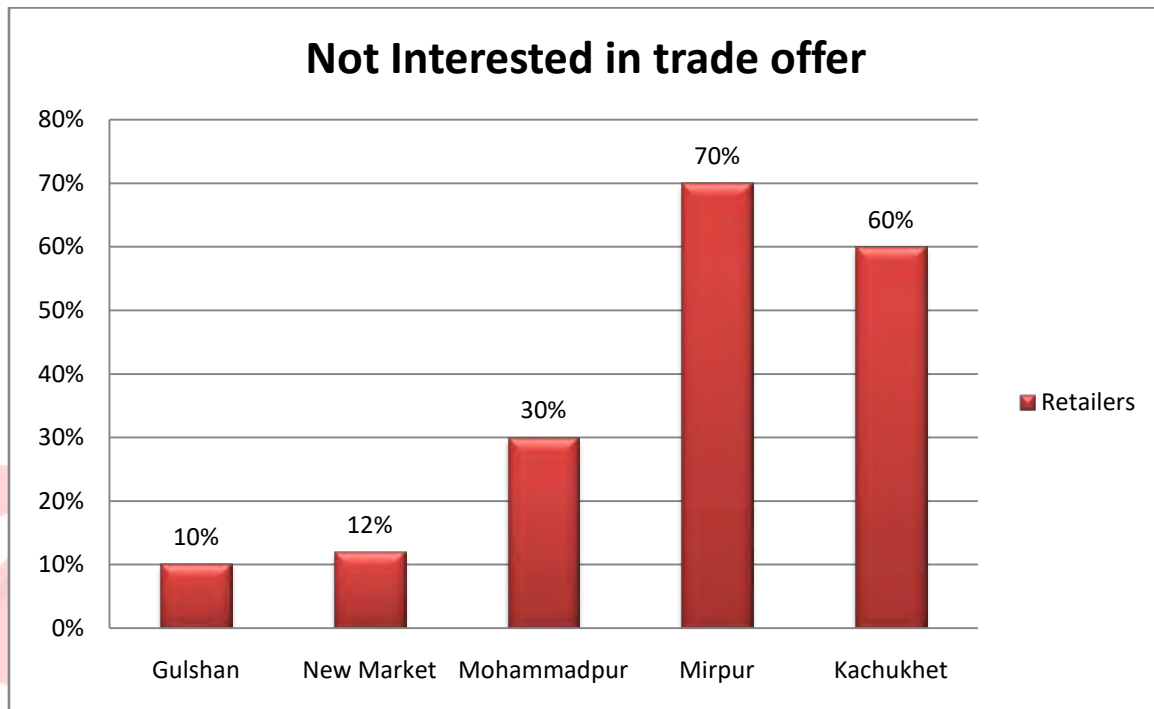


Figure 17: The percentage of retailers not interested in trade offer based on location

Source: Retailers Feedback Survey

3. **Window Display Wanted:** Pepsodent toothpaste applies this strategy usually. They rent a place where they display their product only with a big banner. This is called 'Window Display'. Most of the time, retailers demand this type of display where all the category of Colgate will be shown.



Figure 18: Window Display of Pepsodent

Source: Google (2017)

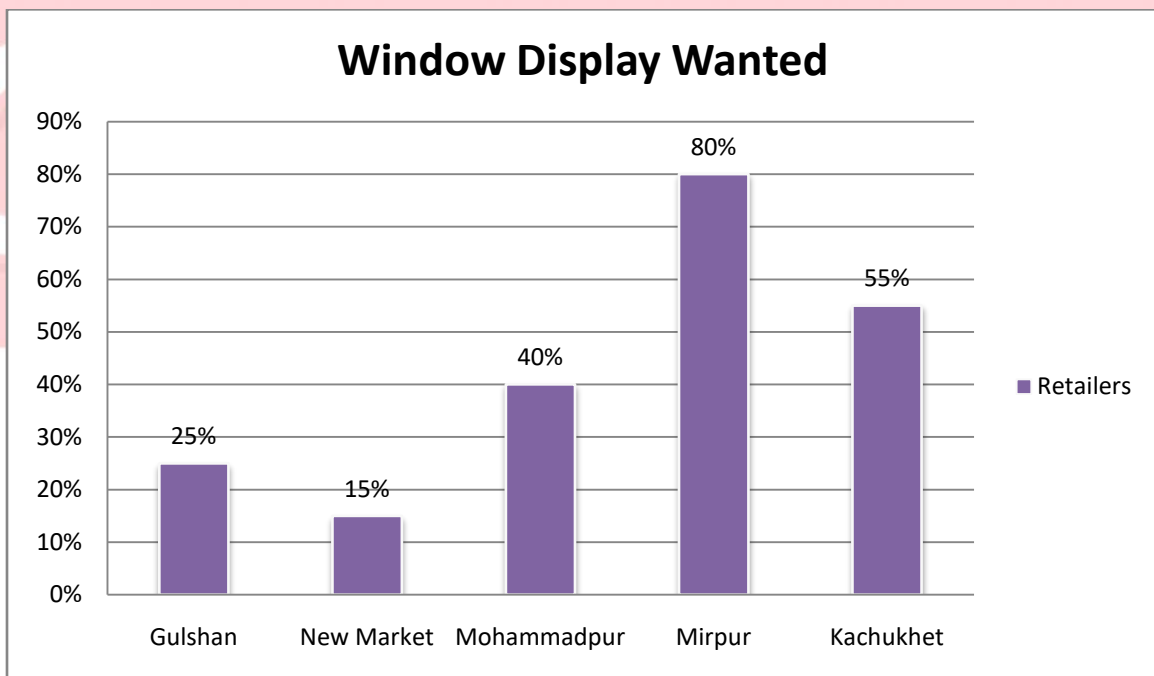


Figure 19: The percentage of retailers wanted window display

Source: Retailers feedback survey

4. **Dentists Recommended Toothpaste:** Basically, medicine shop does not sell general toothpaste like Pepsodent, Close up or Colgate. They prefer Sensodyne as dentist suggests it more to their patients. However, A or B category medicine shops stock all kinds of toothpaste including Colgate.



Figure 20: Dentists' Preference

Source: Google (2017)



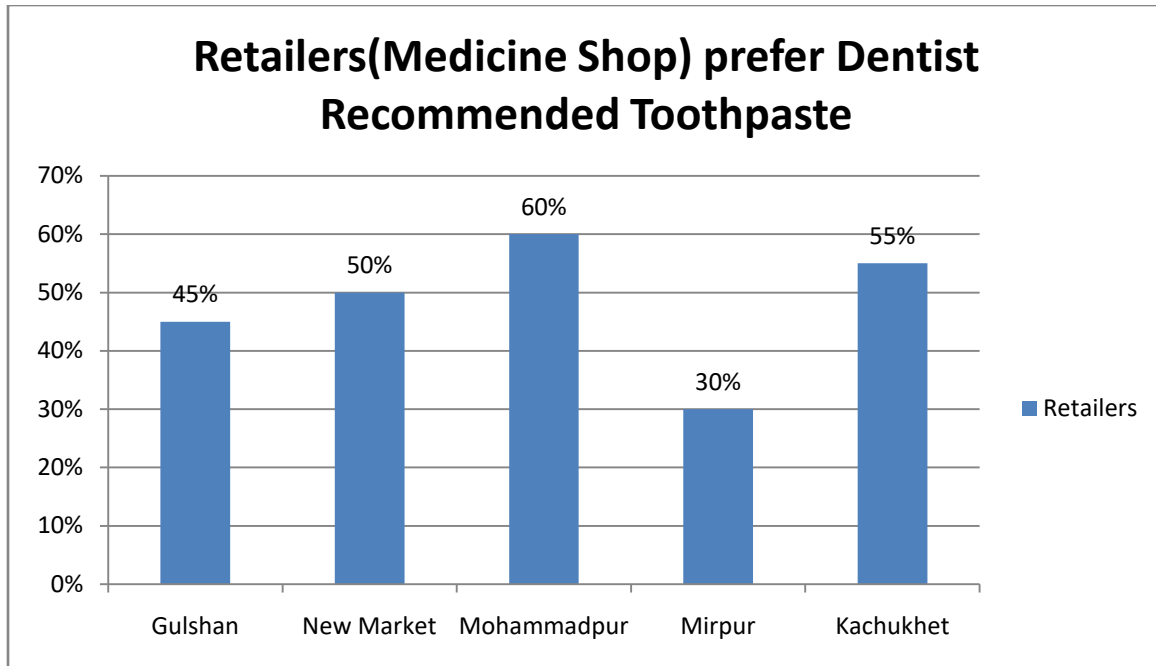
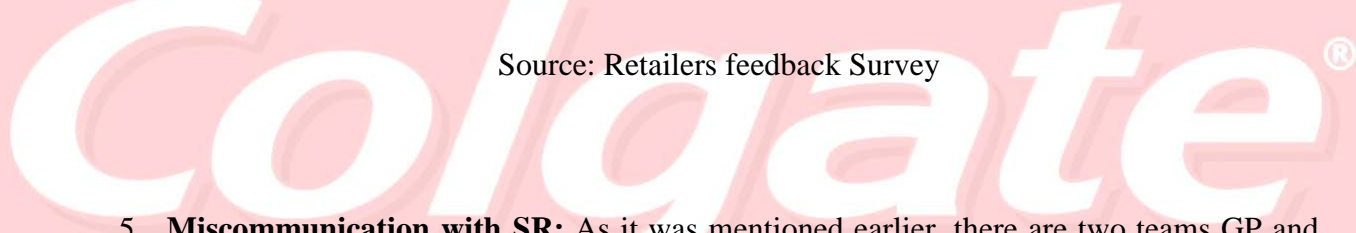


Figure 21: The percentage of medicine retailers prefer dentists' recommended toothpaste

Source: Retailers feedback Survey



5. **Miscommunication with SR:** As it was mentioned earlier, there are two teams GP and SP who are responsible to get orders. However, product is different based on team. Sometimes, retailers demand the product to SR that does not belong to their team causes misunderstanding between SR and retailers. Also, the deadline given to retailers cannot be fulfilled by DSR. So, they cannot sell on time. Along with this, SRs' behavior is a big factor because they do not take products from that SR they do not like.
6. **Small market, smallsell:** There are some beats (Market or place) where outlets are mostly in C category. These type of markets stock less, even order less than any location. Since their market is small, they do not have enough money to stock or even order more.
7. **Customers' preference:** Customers' preference is another issue to stock less or decreasing order of Colgate. According to the retailers, customer prefers Pepsodent or Close up first. They do not use Colgate usually although it is an international famous brand.

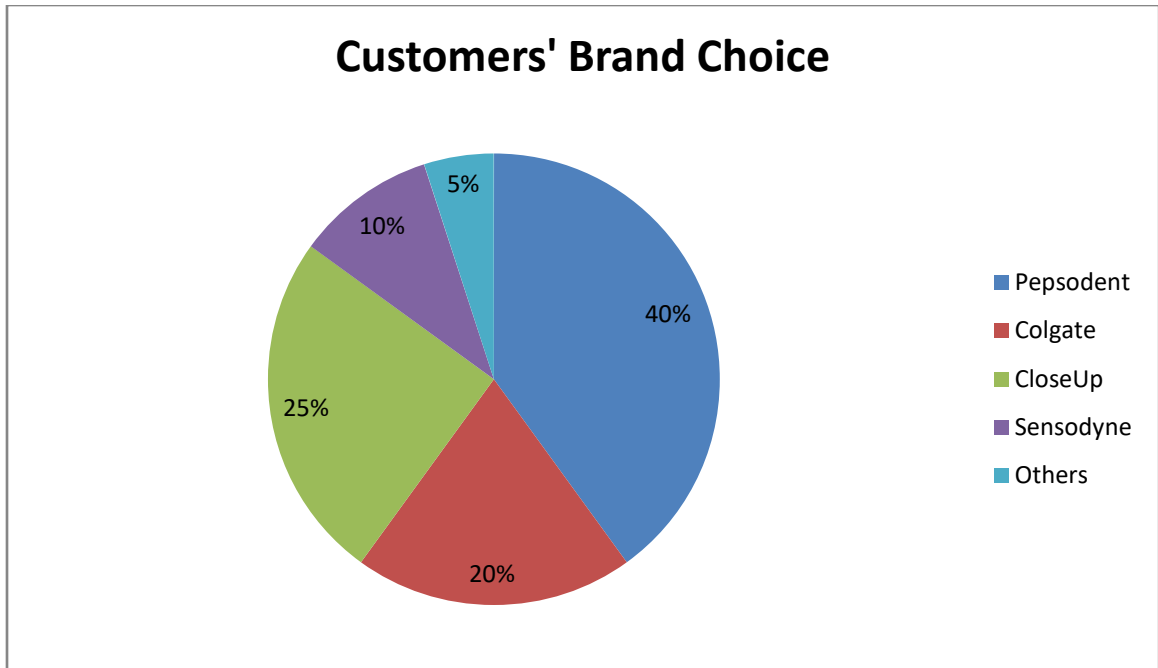


Figure 22: Customers' Brand choice according to retailers feedback

Source: Retailer Feedback Survey

8. **Lack of hard cash:** As it was mentioned earlier about some C category shop who cannot order because of hard cash. They are not interested to stock Colgate at all. While they do not have enough money, they cannot take the advantage of trade offer.
9. **Missing outlets:** It is not happened usually but a few outlets complain that SR does not come regularly. The retailers wait for Colgate even ACI products but unfortunately SR misses those outlets somehow.
10. **Exhibition of Colgate is not appropriate:** Most of the outlets exhibit Colgate a place where people can hardly be seen. As we know, several customers cannot recall brand name at the time of shopping. Seeing the brand at the shop he or she can recall his preferred brand. Unfortunately, maximum outlets display Pepsodent and Close Up in sight. Where customer hardly finds Colgate to see.
11. **Lack of preferred SKU:** It happens rare but it can hampers distribution channel for a while. As an example, retailers want 100 gram Colgate max fresh that is unavailable at that time. Sometimes, Colgate cannot provide proposed SKU due to unavailability of stock.

**12. Lack of branding about Colgate:** It is true that Colgate is a known and famous international brand. According to You Me and Trends (2017), Colgate is the number 1 toothpaste brand in India in 2017 and the most leading toothpaste brand with the 55% share of the toothpaste industry. However, a few retailers do not know about this product even its customers. It is not famous brand in Bangladesh because of less branding.

### 6.03: Other Observations

After conducting survey on retailers, some critical things are observed is given below:

- 1. Building Relationship:** Building relationship between ACI and retailers are the most important factor to gain competitive advantages. Since, ACI is not selling Colgate only; they sell over 100 of different products. Also, retailers are the medium to reach desired customer. So that, they should focus on more building a fair relationship with them. According to Alexander, Miesing and Parsons (2005), to continue relationship with stakeholder, quality offering and service are needed.
- 2. Effective Service:** A good effective service is better than any good product you are going to sell. ACI should analyze the whole service they are giving to the retailers. They should create an effective service blueprint to fulfill its ultimate customers. Every step must be included on this blueprint. It includes how to behave with the retailers, how to approach something, its timing. Moreover, SR must professional enough to handle the situation and learn to satisfy its customers.
- 3. Finding out the importance of retailer:** Since, it was found trade offer is not important to some retailers. On the other hand, some retailers wait for this eagerly. So, first identify what is their needs, what could be the better option to satisfy him, what will encourage the person to order more. When they identify each and every problem, they can come up with a fair solution.
- 4. To know market, go market:** Survey work is always helpful to know the market. A company must do research on the current market to know what is going on there. Research is the most effective way to identify the gaps and develop strategy to fulfill the gaps.

**Chapter 7**

**Recommendations for  
Developing Distribution  
Strategy**

## 7.01: Recommendations

According to Kotler& Keller (2009), a successful marketing channel ensures that a desired product is distributed in a desired amount to a desired channel to satisfy the desired consumer. So, it is the most important element of marketing complex. After conducting retailers' survey, several strategies are suggested that can be taken into account.

1. **Lucrative Trade Offer for A & B category shops:** As, it was found in the survey that trade offers are mostly accepted in A & B category shops. Since, the retailers have hard cash to order so that ACI should offer something lucrative to them. By doing this, they can increase their sales volume.
2. **Product Display:** According to Abidin& Aziz (2010), window display is one of the methods that sells silently, increase store's image and assist to make decision. The authors added that, it is so influential to youth in Malaysia. So that product display or window display could be another strategy for ACI to spell.



Figure 23: Window Display of Colgate

Source: Colgate Palmolive (2017)

3. **Dental Promotional Activities:** Experts' opinion plays a significant role in marketing arena. According to Basuroy and Ravid (2010), Experts' reviews enhance marketing

activities. Customer always trusts expert's opinion. It is psychologically proven that, people trust anything from the specialist. So, if ACI tries to conduct promotional dental facilities, it will create an image of trusted medically proven brand.

4. **Petty Credit for small shop:** As it was mentioned before, a few retailers cannot order product due to lack of money. So, for this type of retailers if ACI introduced small credit option that could bring significant changes to distribution channel. However, this process should be conducted after consulting financial folk.
5. **Consulting SR regularly:** SR is the person working at the root level and responsible for ultimate processing. Since, ACI has got so many complaints from the retailer; they should be trained properly according to market condition. Also, it can increase their self-efficiency. Barling and Beattie (2008) stated that, self-efficiency beliefs enhance sales performance. If ACI wants 100% efficiency from them, they should give adequate training and consultation to them. Beside this, SR is more knowledgeable about the root level market. So that, ACI should discuss more and more gradually to develop strategy. Moreover, by doing this kind of activity ACI can understand 'Area Sales Managers' role in the ground. According to The Daily Star (2011), without a good area manager, SR cannot be efficient enough.
6. **Conducting various promotional activities:** ACI-Colgate should introduce various promotional activities for their customers too. They should give proper advertisement on TV, radio, newspaper etc. The response of consumer is positively related with brand promotional activities. (Cotton and Babb, 1978). Also, they can promote their brand at social network that is the strongest place nowadays. According to Habibi and Richard (2013), brand communities established in social media has positive effects on brand loyalty.



Figure 24: Promotion on Social Network

Source: Colgate Palmolive (2017)

7. **Keeping the product available:** ACI-Colgate must keep their product available. They should maintain their whole distribution chain properly and keep it smooth to meet the desire of the customers.
8. **Focusing on location to apply strategy:** As the survey findings enlightened that, everything is different depend on location. What found in Mirpur, it was absolutely different in Kawranbazar. As an example, when I visited a beat in New Market, I found retailers want credit to order. On the other hand, in Kawranbazar they are interested in trade offer more. So, ACI should execute their strategy based on individual location.

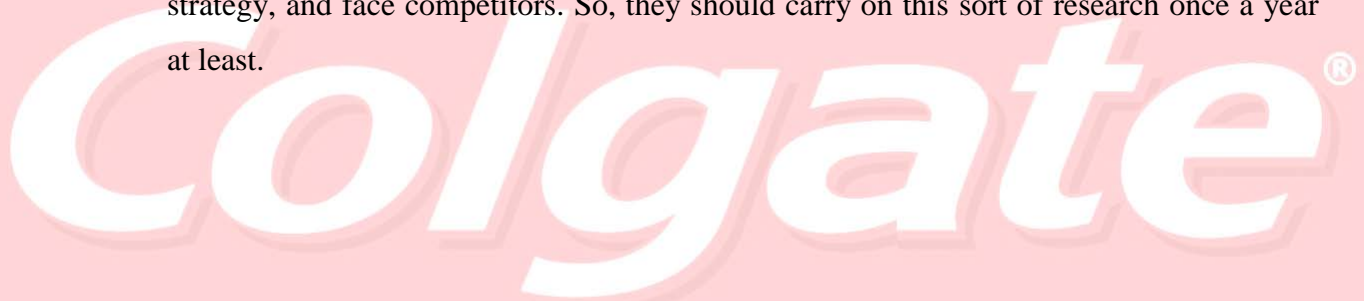
## 7.02: Additional Recommendations

Analyzing retailers' feedback, these recommendations might help ACI to develop distribution strategy:

1. **Consulting SR regular basis:** ACI should consult their SR on the regular basis. There will be a fair discussion where SR can speak out about the difficulty facing in the market.

It will motivate them to work more too. Also, their opinions must be regarded respectfully. Along with this, SR must be trained to provide effective service.

2. **Forming caring image to retailers:** Besides building a fair relationship with them, ACI must create an image that they care about them. Providing necessary help beyond company policy might build a lifetime relationship. Also, it will be a good example of humanity and good promotion too.
3. **Dividing retailers based on the location and their needs:** This is the most important point, ACI should consider. When they divide their retailers based on location, they would know what strategies should be appropriate. Some of the market is not big and trade offer is not appropriate. So, they have to fulfill this market with another way. On the other hand, for wealthy customer, ACI should bring a lucrative offer, they cannot refuse.
4. **Surveying the market on regular basis:** Last of all, survey work must be going on. This is the only way to know about the market, identify gaps, gain knowledge, analyze strategy, and face competitors. So, they should carry on this sort of research once a year at least.

The Colgate logo is displayed in a large, white, italicized serif font with a subtle drop shadow, set against a light pink background that has a slight gradient and a soft shadow effect.



# Chapter 8

# Conclusion

ACI is the most prominent and trustable organizations in Bangladesh. From 1968, they are fulfilling customers' needs and building a sustainable relationship. It produces good quality products. Now, ACI Consumer Brands are the most efficient name to serve its ultimate users. It was initiated with two major brands- ACI Aerosol and Savlon in 1995. The division started to take new business through off shoring trade as well as local manufacturing. Also, they import international products in Bangladesh. Colgate is the brand internationally recognized and trusted. However, in Bangladesh it is not yet market leader. So that developing effective product analysis is needed. For this reason, ACI-Colgate is conducting a survey finding its gaps. Also, this survey helps them to find the problems have in the market. Moreover, it is the only way to identify their market position. According to the consequence of the survey, ACI must take proper action as soon as possible. Furthermore, it will help them to create an effective strategy and fight back to the ground. By doing this kind of research work they ensure their quality, better service, customer satisfaction and the sustainability of this brand.

The Colgate logo is displayed in a large, white, italicized serif font with a registered trademark symbol (®) at the end. It is set against a light pink background that has a slight gradient and a soft shadow effect behind the text.

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