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[pic] We express our ardent spirit of gratitude, profound regard, indebtness and sincere thank to Mr. XXXXX, our instructor for the course marketing MKT- 3026 American international University- Bangladesh, who has given us the opportunity to work on this project and provided us with proper guidance in preparing this term paper. His efforts helped us to enrich our knowledge and experience regarding conducting research work on a company’s marketing activities and embodying it in the form of a research paper. Our humble gratitude goes to Mr. Golam Mostofa, Deputy General Manager (DGM), Sales & Marketing, Bashundhara Group (Tissue), Miss. Samsur Nahar, Sales & Marketing, Bashundhara Group (Tissue), Md. Mofizur Rahman, Jr. Officer, Sales & Marketing, Bashundhra Group (Tissue) -for helping us with all sort of information relevant to this project. Our apology to these people for disturbing them and wasting their valuable time. [pic] Bashundhara Group (BG) is a leading private-sector industrial conglomerate in Bangladesh. It currently has 14 on-going concerns, ranging from real estate development and management to manufacturing and services. The BG has a particular focus on urban housing, recreation centers, and commercial ventures. Thus, the motto of the Group is “ For the People, for the Country". At the crux of all industrial processes deployed at the Group’s enterprises stands the need to ensure environmental stability. As a result, conscious efforts are made to use re-cycled material as industrial input. The Bashundhara Tissue Industries Ltd. (BTIL) is the countries leading producer of various types of tissue paper and an impressive range of allied products. The BTIL is currently the largest retailer of tissue paper products in Bangladesh. This company was established at a time when the use of tissue and allied products was not so common. The advent of these items in the domestic market has tangibly transformed personal hygiene standards of the common people. The BTIL plays a vital role as an important import-substitution industry and has recently begun limited exports. [pic] Bashundhara Group (BG) is incorporated in Bangladesh with the objectives of offering with modern household products to increase the living standard of Bangladeshi people. Bashundhara Tissue Industry was launched in collaboration with a German firm in 1995. The company maintains excellent quality standards and has earned the coveted quality management certification, the ISO 9002. Perfect hygienic conditions are applied at every step of the production processes deployed at the BTIL. The technology is automated, including the final packaging and product-sealing method. Consequently, there is simply no room for any member of the plant’s personnel to touch any component of the BTIL’s range of products, not even during its final packaging phase. Bashundhara guarantees that the entire range of hygiene and personal body-care items, marketed by the BTIL, is completely safe and reliable. The company is run by a group of veteran business people with sophisticated knowledge to meet both customers need and fulfill organizational goal. The BG also works in close partnership with the City Corporations, the Government of Bangladesh, other private sector companies, multilateral institutions, the environment department, and myriad financial institutions. The new member which is adding today in Bashundhara family is Bashundhara wet tissue. For the first time any Bangladeshi company is launching this product. The purpose of introducing this new kind of product is to give our people a new experience of freshness and hygiene. We are targeting specific segments in the consumer and business market, taking advantage of opportunities indicated by higher demand for new improved and hygienic tissue. The primary marketing objectives of this plan are to achieve first year unit sales of 300000units. The primary financial objectives are to achieve first year revenue of 35-lakh TK. keep first year losses less than 1. 5-lakh TK, and break even early in the second year. [pic] For the tissue industry “ Climate & Culture" of a country is very important. As Bangladesh has a tropical climate for that there is an increasing demand for special types of tissue which people would be able to use for quick cleaning and refreshing. But in Bangladeshi markets the “ wet tissue" product hardly can be found. Those that exist, the price are far out the reach of Bangladeshi people. BTIL have managed to produce a high quality of wet tissue with reachable price. The estimated market for wet tissue is 50-lakh TK, with 45% growth expected within 2years. To win the market BTIL must carefully target specific market segments. [pic] Bashundhara tissue is targeting people for both cleaning and hygiene purpose. There for it is targeting some specific segments during the early stage like facial use for female, hygienic use for infants, medical purpose, also for outgoing people or travelers. BTIL will cover the major cities in Bangladesh within the first 4 months. After that it will try to cover the markets which are mainly based on the districts-towns by the end of 2007. BTIL will try to give the knowledge of wet tissue for all the working class people in Bangladesh. Also it will try to inform the parents, how wet tissue can create the safety of their children. [pic] The BTIL wet tissue adopts Ag ++ ion antibacterial material which has different features: âœ“ skin moistening âœ“ disinfection âœ“ decontamination âœ“ resistance for pathogenic diseases âœ“ getting rid of body odor âœ“ stop itching âœ“ diminish inflammation Special Feature: Bashundhara wet tissues are moistened with a high quality facial lotion, which is kind and gentle for the skin. Physical elements of the product: Packaging: The product will come in three different kinds of Packages. First, there will be single pack for individual. Each pack will contain one tissue paper. Second, will be bundle of single pack for family. Here we will tie up 10 single pack and reduce the price. Last one will come in box which will be for kids. Each box will contain 20 tissues. Color: The color of the tissue will be white for the box. But the color of single pack will be different. It will come in blue and pink. As research has shown colorful things attract kids the box for kids will come in multicolor like red, blue, green. Smell: The product will have two kinds of fragrance one is flower’s another is sophisticated. [pic] Though there are several tissue industries are entering the Bangladeshi market, but non of them is producing the wet tissue product. There are some imported wet tissues which can be found in some specific markets but those are still very limited for Bangladeshi people. There for Bashundhara has a huge advantage of introducing a complete new tissue product both for personal cleaning and hygiene. [pic] BTIL will distribute its products through a network of select store and non-store retailers in the top 40 Bangladeshi markets. Among them 22 major markets in Dhaka city and the rest of the markets are in the whole country. Among the most important channel partners being contacted are: âž¢ Convenient stores âž¢ Super stores âž¢ Super markets âž¢ Drug stores âž¢ Departmental stores Although distribution will initially be restricted to Bangladesh, we plan to expand into other Asian countries like India, Nepal, Pakistan etc. we will emphasize trade sales promotion in the first 2 years. [pic] - Strengths a. Current Market Leader: The whole idea of quality tissue was first introduced in Bangladesh by Bashundhara Group in 1995 and for 12 years it’s holding the market for the best tissue product supplier. Also it has earned the experience of making the best tissue product and has gained the consumer trust with its better service and good products. b. Technology Bashundhara tissue manufacturing plant makes use of imported raw material and a modern German production technology. This technology and the same brand of plant are being used in many parts of the world, including countries in Asia, Africa, Australia, Europe and the Americas. c. Operation and maintenance by highly skilled and trained personnel Bashumdhara provides high experienced workers and quality inspector, who are working hard to maintain the quality of the product. d. Strong Distribution Channel Basundhara’s first success “ the Bashundhara Facial Tissue" has created the strongest distribution channel in Bangladesh. Now it can distribute its products at any place in the country. e. The company inside scenario Established by the leading Bangladesh based business conglomerates, which have excellent business track record for long time. f. Compatibility As we are now the only tissue manufacturer who has a variety of successful tissue products there is a very low risk of consumers doing compatibility with other tissue products. g. Valuing Customers Around 85% of Bangladeshi people have limited income so they have limited budget to pay for personal items. Considering customers’ this limitation in expenditure Bashundhara has introduced mini packs (only 1 tissue) of their products so that customer can maintain their expense and buy good products. This is unique for the working class people because Basundhara has managed to serve its mini tissue packs in every retailer stores. h. Comparing with the 1st world Manufactured products comparable to those which are being produced in the developed countries like UK, USA, China, UAE and Canada. - Weakness a. New type of product As wet tissue consists of moisturizer, some people may not find it comfortable to use it. Again the ingredients that are being used to make the product there are some controversial issues about them. For that customer might get scared. b. Depends lot on the climate Wet tissue is comfortable to use in the warm season, there for the product is less useful in the cold weather. c. Lack of information As this is a new kind of product in Bangladesh people do not have much information about it. So to inform people we have to spend lots money for informative advertising. - Opportunities a. Increasing demand for new types of tissue products As the tissue market is growing, there is an increasing demand for new types of facial & hygienic tissue. Again the major cities environments are getting polluted significantly. Because of that people are looking for products with more hygiene & safety. b. Other manufacturer’s incapability in meeting the market demand Other manufacturer tissue products are not maintaining a satisfying quality. For that it is a great opportunity for Bashundhara to introduce it wet tissue product which contains quality that promises to satisfy customers. c. New sensation for working class people As now-a-days people are getting more involved in field work, the wet tissue would be a sensation for the field working people. d. Diverse application Bashundhara wet tissue has wide range of use. The key ingredient Ag++ ion antibacterial can be used both for facial & hygienic purpose. Therefore it’s going to be useful for various business fields like hospitals, beauty parlors, hotels, transportation. - Threats a. Increased competition More companies are entering the tissue market with more attractive features. Also some foreign country tissue products are also trying to catch the market which is a big threat for Bashundhara. b. Limited buying capability of Bangladeshi people Per head income of Bangladeshi people is very low and it would be hard for Bashundhara to hold on to its customers with the present pricing strategy of the wet tissue product. c. Downward pressure on pricing Increasing competition are pushing the tissue markets to lower its price down. Still our objectives to serve people with better quality and lower price remains the same, as our company is for the people and for the country. d. Recent economic condition The Recent economic condition in Bangladesh has reduced the buying capability of the customers and as well as the confidence to spend. This is an uncontrollable factor for Bashundhara. [pic] As Bashundhara tissue is manufacturing products for both cleaning and personal hygiene, so the target customers are those who has a monthly income around at least ten to fifteen thousand taka. The income range indicates that the target customers are from upper class or upper middle class in the society. This is the target customer because these class people have jobs or business which more outgoing purpose and very little time to own personal take care. So in order to keep clean and safe these upper or upper middle class people will need Bashundhara wet tissue in their day to day life. After meeting the demand of the upper class and upper middle class Bashundhara has a secondary target market, the middle class and lower middle class people of Bangladesh. [pic] The company’s internal information was collected from the interview of: âž¢ Mr. Golam Mostofa Deputy General Manager (DGM), Sales & Marketing, Bashundhara Group (Tissue). âž¢ Miss. Samsur Nahar Sales & Marketing, Bashundhara Group (Tissue). The other relevant information such as the company’s technological information, the other companies that are working with bashundhara, were gathered from the company’s official web site (www. bashundharagroup. com) and the daily newspaper. [pic] As Bashundhara is market leader of tissue products in Bangladesh, also it has the modern German technology by its side and with the customer trust Basundhara has greater possibility of possibility to achieve its organizational objective and goals enhancing customer satisfaction. Bashundhara has set big but achievable objectives for the first 1 year of marketing entry. -during the initial year on the market, Bashundhara is aiming for the maximum number of markets in the major cities of the country through the sales volume of 3000000 by using its strong distribution channel. -after that Bashundhara is targeting the five, three stars hotels, air lines, road transportation, restaurants and the hospitals to achieve its break even early in the first year. Goals Bashundhara has an extreme growth in Bangladesh for that it could achieve its sales target in less than one year. Bashundhara has already started to export its products through out the world especially in Middle East, southern Asia, UK. Now Bashundhara is targeting the developed countries of the world. [pic] As tissue industry is expanding faster and faster day by day so the market growth rate is high. Comparing to the market growth rate Bashundhara has a very high level of market share (approximately 1000000 customer outstanding). So considering the whole market Bashundhara is in \* star-phase. And in product life-cycle Bashudhara is in the growth level. The recommended strategy for Bashudhara to capture the upper & middle class people of Bangladesh specially the urban people, Bashundhara should follow the product development strategy in the in the existing tissue market with new product “ BASHUNDHARA WET TISSUE" To achieve the 25-lakh customer by 2007, Bashundhara should emphasize on promotion and pricing. After these two major issues the minor issues should be distribution and production. The promotion is the priority because people know little about the new product category “ Bashundhara wet tissue" and the quality features introduced by Bashundhara. Then comes pricing because of the aggressive marketing efforts by the other tissue industries and the recent economic condition in Bangladesh. Recommended strategy at a glance | | | |\* (Stars) |?(Problem child) | | | | | Cash cow | Dogs | POSITION BASED ON THE MARKET SHARE | | | | Market penetration | Product Development | | | | | Market development | Diversification | DEVELOPMENT GROWTH STRATEGY Product category Existing New | | | | Line extension | Brand extension | | | | | Multi brands | New brands | BRAND DEVELOPMENT STRATEGY [pic] â–ª Growth [pic] By conducting research Bashundhara has identified the specific features and benefits that the target market segments value. Feedback from market tests, surveys, and focus groups has helped Bashundhar to develop the wet tissue product. Bashundhara is also measuring and analyzing customer attitudes towards competing brands and products. Brand awareness research will help us determine the effectiveness and efficiency of our messages and media. Finally, Bashundhara will use customer satisfaction studies to gauge market reaction. Some results of the survey are given below Q. Cause of using wet tissue? A. freshness (60%) B. Antiseptic (20%) C. Children (15%) D. Others (5%) [pic] Q. Price of the product A. 3-5 Tk. (45%) B. 5-7 Tk. (40%) C. 1-2 Tk.(15%) [pic] [pic] a. Promotional Tactics At first we needs to make people aware about the new product’s usefulness, the technology and the ingredients that Bashundhara is using so we need to elaborate the benefits of the technology rather than the features in their advertise. b. Advertisement The media we will use to promote our product is television, newspaper and billboard. As the product is new for the people of Bangladesh at the beginning of the product life cycle we have to give long informative advertisement. The advertisement of newspaper will come only in the edition of division cities. We will give advertisement only in the billboard of division’s city. c. Sales promotion For the publicity of the product we have made a deal with three mobile companies Grameen phone, Aktel and Banglalink that we will give a free pack of wet tissue with every pre paid card of three hundred and six hundred taka. d. Public relation After reaching the local market Bashundhara needs to build up relation with the print media. They can choose the local newspaper journalists to promote Bashundhar. Bashundhara should invite them into a press conference or into a dinner and through them they will convey the product benefit to the customers. [pic] One of the opportunities of Bashundhara is that its aggressive pricing strategy. Bashundhara always tries to keep its price within the limit of Bangladeshi people. Thus people can get benefit from the products that Bashundhara manufactures. Bashundhara is offering different prices for customers of different categories. This will help Bashundhara to capture the whole market in near future. Units & Prices | Units | Price (TK) | | Single Pack | 6 | | Bundle of single packs (10single packs) | 50 | | Box (20 tissues) | 100 | Price Adjustment Bashundhara must concentrate on pricing adjustment. This should be done to achieve the goal of 5-lakh wet tissue user with in two year. Because considering the economic condition of Bangladeshi people it is tough for Bashundhara to reach that target by dealing with only the upper class people. They should also concentrate also on middle class and lower middle class people. To do so they should adjust the price of their products. Bashundhara can divide their product pricing based on the core features as well as augmented features. For example wet tissue with fragrance would be priced higher than tissue without fragrance. Here, augmented product is designed for higher class and core product for lower middle class people. Bashundhara can use segmented pricing. They can offer discount for working parents. - Distribution tactics Our channel tactics is to use selective distribution to have Bashundhara wet tissue sold through all the well-known markets and departmental stores. During the first year we will add channel partners until we have coverage in all the majors market and super stores in the major cities of Bangladesh. in support of the channel partners of Bashundhara, it will provide demonstration products, detailed specification handouts, and color photos and displays featuring the product. Bashundhara will also arrange special trade term for retailers that place volume orders. - Product tactics Bashundhara can make their packaging an attractive and convenient one. To attract rich and middle class customers more. As mentioned earlier Bashundhara is in star phase scenario. So the decision making should be done carefully. Because any mistake made by Bashundhara will lead opportunity to other manufacturers. [pic] Basundhara will introduce its new product in February 2007. Following are the summaries of the action programs, bashundhara will during the first five months of 2007 to achieve its stated objectives. February Bshundhara will initiate a 1000000tk trade sales promotion campaign to educate dealers and generate excitement for the product launch in February. Bashundhara will exhibit major shopping malls, hotels & restaurants, airlines, bus services, beauty parlors, and provide samples to selected product reviewers, opinion leasers as part of public relation strategy. March Bashundhara will start a campaign on the products safety sides. It will illustrate how the product is working for creating hygiene for customers and also for the children. This campaign will mainly target the anxious parents- who are conscious about their children’s safety. April Bashundhara will hold a trade sales contest offering prices salesperson and retail organization that sells the most Bashundhara wet tissue product. May Bashundhara wll start distributing it products in the district cities of Bangladesh. Here Bashundhara has to use sales-persons to make people aware of the product also the benefits. Bashundhara will start some BTL (below the line) advertisements to get attention of the lower middle class people. June Bashundhara will start a new campaign targeting the holy Ramadan. It will illustrate the people of the product’s benefit to use it in Ramadan month. Also it will concentrate on exporting the product in the outer world. [pic] Total first year sales revenue for the Bashundhara wet tissue product is projected at 35-lakh Tk. The average whole sale prices are given below | Units | Price (TK) | | Single Pack | 5 | | Bundle of single pack (10 single packs) | 47 | | Box (20tissue) | 97 | Expected sales in the first year | Units | Variable cost | Fixed cost | Expected unit sales | | Single Pack | 3 TK | 1-lakh | 50000 | | Bundle of single packs (10 single packs) | 44 TK | 1-lakh | 25000 | | Bow (20 tissue) | 94 TK | 1-lakh | 20000 | Bashundhara anticipates that a first-year loss of up to 1. 5-lakh Tk on the wet tissue product. Break-even calculations indicate that the Bashundhara wet tissue product will be profitable after the sale volume exceeds 1. 2-lakh unit in the products second year. Break-even calculations of each product are given below. | Products | Break-even volume | | Single Pack | 100000/(5-3)= 50000unit | | Bundle packs (10 single packs) | 100000/(47-44)= 35000unit | | Box (10tissue) | 100000/(97-94)= 35000unit | [pic] Bashundhara is planning tight control measures to closely monitor quality and customer satisfaction. This will enable Bshundhara to react quickly in correcting any problems that may occur. Other early warning signals that will be monitored for signs of deviation from the plan include monthly sales (by segments & channels) and monthly expenses. [pic] Wet tissue is a new concept to Bangladesh. Only a few companies have come up with the wet tissue product but none of them have come up with the supplementary and the value added features. Through the strategy that stated above Bashundhara can target all classes of people in Bangladesh. The promotional plan that is mentioned will help Bashundhara to reach their desired goal by the end of 2008. [pic] ----------------------- Hi Hi [pic] Low Low Relative Market Share New Product Existing Product Existing Market New Market Brand name Existing New Bashundhara’s Current Position KEY: 0 TIME SALES freshness 60% antiseptic 20% childrens 15% other 5%