Thesis Report
on
Promotional and CSR Strategy of the Tobacco Industry in Bangladesh: A Case Study on Abul Khair Tobacco

Submitted by:

Nur Mohammad
ID: EMBA2303030018
Program: EMBA
Major: Marketing
Semester: Fall-2024
Sonargaon University (SU)

Submitted to:

Department of Business Administration
Sonargaon University (SU)
Submitted for the partial fulfillment of the degree of
Executive Master of Business Administration



Sonargaon University (SU)
147/I, Green Road, Tejgaon, Dhaka-1215, Bangladesh.

Date of Submission: December 28, 2024

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Nur Mohammad
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Submitted to:

Sharmila Sikder
Assistant Professor
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Submitted for the partial fulfillment of the degree of
Executive Master of Business Administration



Sonargaon University (SU)
147/I, Green Road, Tejgaon, Dhaka-1215, Bangladesh.

Date of Submission: December 28, 2024

Letter of Transmittal

December 28, 2024

Sharmila Sikder
Assistant Professor
Department of Business Administration
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Subject: Submission of thesis paper.

Dear Madam,

I am hereby submitting my thesis paper entitled "Promotional and CSR Strategy of the Tobacco Industry in Bangladesh: A Case Study on Abul Khair Tobacco" which was assigned to me as a requirement for the completion of the EMBA Program. I have discovered this paper very interesting, beneficial, and insightful.

The entire report is based on my practical experience in Abul Khair Tobacco. I expect this paper to be informative as well as comprehensive. This thesis paper will help me a lot in my future career life.

Thank You very much for your guidance and cooperation during the course without which this thesis paper cannot be completed.

Moreover, if you have any further inquiries concerning any additional information, I would be very pleased to clarify that.

Yours Sincerely

_____

Nur Mohammad
ID: EMBA2303030018
Program: EMBA
Major: Marketing
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Declaration of Student

This is to notify you that, the thesis paper on "Promotional and CSR Strategy of the Tobacco Industry in Bangladesh: A Case Study on Abul Khair Tobacco", has been prepared as a part of my dissertation formalities. It is an obligatory part of my EMBA program to submit a thesis paper.

Moreover, I was inspired and instructed by my supervisor **Sharmila Sikder**, Assistant Professor, Department of Business, Sonargaon University (SU).

I am further declaring that I did not submit this report anywhere for awarding any degree or certificate.

Yours Sincerely

Nur Mohammad
ID: EMBA2303030018
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Certificate of Supervisor

This is to certify that the thesis report **"Promotional and CSR Strategy of the Tobacco Industry in Bangladesh: A Case Study on Abul Khair Tobacco"** has been prepared as a part of completion of the EMBA program from Department of Business Administration, Sonargaon University (SU), carried out by Nur Mohammad, bearing ID: EMBA2303030018 under my supervision. The report or the information will not be used for any other purposes.

_____

Sharmila Sikder
Assistant Professor
Department of Business Administration
Sonargaon University (SU)

Acknowledgment

In the beginning, I would like to convey my sincere appreciation to the Almighty God for giving me the strength and ability to finish the task.

I want to thank my academic supervisor Sharmila Sikder, Assistant Professor, Department of Business Administration, Sonargaon University (SU), for providing me with all the necessary help for the completion of this report. I want to give the greatest thanks to her for guiding me as an advisor to start and complete this report successfully.

The opportunity I had with Abul Khair Tobacco is a great chance for deep learning and professional development. I consider myself a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this period.

I would like to express my deep sense of thankfulness to Md. Bilal Hesen, GM, AGM, Head Office, Abul Khair Tobacco & MD. Kamruzzaman, GM, Head Office Abul Khair Tobacco Bangladesh ltd for his enormous help and endless support throughout the dissertation period.

And last but not the least; thanks to all my office colleagues working at Abul Khair Tobacco The opportunity I had with Abul Khair Tobacco is a great chance for deep learning and professional development. I consider myself a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this period.

Abstract

This thesis examines the Promotional and Corporate Social Responsibility (CSR) strategies employed by Abul Khair Tobacco, a prominent player in the tobacco industry in Bangladesh. The research aims to explore how the company balances its Promotional campaigns with CSR initiatives in an industry often criticized for its ethical implications. Utilizing a case study approach, the study integrates qualitative and quantitative data collected through stakeholder interviews, content analysis of marketing and CSR materials, and a review of regulatory frameworks. The findings reveal a dual-faceted strategy: aggressive marketing tactics, including brand sponsorships, targeted advertisements, and community engagement programs, juxtaposed with CSR initiatives aimed at improving public perception and mitigating criticism. The research highlights the challenges of aligning CSR efforts with ethical considerations in a controversial industry and the regulatory pressures faced by tobacco companies in Bangladesh. By shedding light on the interplay between Promotional and CSR in the tobacco sector, this study contributes to the broader discourse on corporate responsibility and strategic marketing in industries under societal and regulatory scrutiny. The insights are valuable for policymakers, industry stakeholders, and scholars exploring CSR and Promotional strategies in ethically sensitive markets.

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Chapter: 01

Introduction

1.1 Introduction

The tobacco industry in Bangladesh plays a significant role in the national economy, contributing to employment generation, revenue generation, and industrial growth. However, the industry faces numerous challenges, including public health concerns, regulatory pressures, and increasing competition. This thesis aims to investigate the Promotional and Corporate Social Responsibility (CSR) strategies employed by the tobacco industry in Bangladesh, with a specific focus on Abul Khair Tobacco. By analyzing the company's approach to marketing, brand building, and social responsibility initiatives, this study seeks to understand the industry's strategies for navigating the complex landscape and achieving sustainable growth.

1.2 Origin of the Report

This thesis paper is prepared as a requirement for the completion of the EMBA program at Sonargaon University. The selection of Abul Khair Tobacco as the case study is based on its position as a prominent player in the Bangladeshi tobacco industry. By examining the company's strategies, valuable insights can be gained into the industry's overall approach to Promotional and CSR, contributing to a deeper understanding of the sector's dynamics.

1.3 Background of the Study

The tobacco industry in Bangladesh operates within a challenging environment characterized by stringent regulations, public health concerns, and increasing competition from both domestic and international players. To thrive in this environment, tobacco companies must adopt effective marketing and Promotional strategies while also demonstrating a commitment to social responsibility. Abul Khair Tobacco, as a leading player in the industry, has implemented various strategies to enhance its brand image, reach target audiences, and address social and environmental concerns. This study aims to explore these strategies and assess their impact on the company's overall performance and reputation.

1.4 Scope of the Study

This study focuses on the Promotional and CSR strategies of Abul Khair Tobacco within the context of the Bangladeshi tobacco industry. The research will delve into various aspects of the company's marketing and Promotional activities, including:

- **Marketing Mix:** Analysis of the company's product strategy, pricing strategies, Promotional and CSR channels, and Promotional campaigns.
- **Brand Building:** Examination of the company's brand positioning, brand identity, and brand communication strategies.
- **CSR Initiatives:** Evaluation of the company's social and environmental responsibility programs, including community development projects, employee welfare programs, and environmental sustainability initiatives.
- **Regulatory Compliance:** Analysis of the company's compliance with relevant tobacco control regulations and industry best practices.
- **Stakeholder Engagement:** Examination of the company's interactions with key stakeholders, including consumers, retailers, government agencies, and non-governmental organizations.

The study will utilize a combination of qualitative and quantitative research methods, including interviews, document analysis, and secondary data analysis, to gather information and draw conclusions.

1.5 Objectives of the Study

Specific Objectives:

- To examine the Promotional and CSR channels employed by Abul Khair Tobacco for its tobacco products.
- To assess the effectiveness of the Promotional and CSR strategy in meeting customer demands and ensuring product availability.
- To identify the challenges faced by Abul Khair Tobacco in its Promotional and CSR process and explore potential solutions.

- To evaluate the impact of the Promotional and CSR strategy on the overall performance and competitiveness of Abul Khair Tobacco in the tobacco industry.
- To provide recommendations for improving the Promotional and CSR strategy of Abul Khair Tobacco and enhancing the efficiency of the tobacco industry in Bangladesh.

1.6 Methodology of the Study

Thesis report primarily based on secondary data. Secondary Sources mean the sources of data which were already existed and used. Many journals, books and data from websites are used here as a source of secondary data. The Sources of data includes:

- Books, manuals,
- Journals,
- Official publications,
- Web sites,
- Relevant industry reports,
- Scholarly articles.

1.7 Limitations of the Study

- The study focuses solely on Abul Khair Tobacco. While it provides a detailed understanding of this specific company, it may not be fully representative of the entire tobacco industry in Bangladesh.
- The availability and reliability of data related to the tobacco industry in Bangladesh, particularly regarding Promotional and CSR activities, can be a significant challenge. Access to accurate and comprehensive data may be limited due to confidentiality concerns and industry regulations.
- The tobacco industry is highly dynamic and subject to rapid changes in consumer preferences, regulatory environments, and competitive pressures. Therefore, the findings of this study may not remain entirely relevant over time.

- The study may not fully account for the impact of unforeseen external factors, such as global economic crises, geopolitical events, or major public health campaigns, which can significantly impact the industry and its operations.
- Conducting research within the tobacco industry presents ethical challenges due to the well-documented health risks associated with tobacco consumption. Obtaining ethical approval and ensuring responsible data collection and reporting are crucial.
- Inadequate infrastructure, including poor road networks and transportation systems, can hinder the effective implementation of Promotional and CSR activities, particularly in rural areas.
- Congestion at ports and inefficient logistics can lead to delays in the supply chain, impacting the timely execution of Promotional campaigns and CSR initiatives.
- Significant regional disparities in market demand and access make it challenging to implement a uniform Promotional and CSR strategy across the entire country.
- The highly competitive nature of the tobacco industry in Bangladesh, with numerous local and international players, necessitates continuous adaptation of Promotional and CSR strategies to maintain market share.
- Existing regulations and bureaucratic procedures can create hurdles in the implementation of Promotional and CSR activities, increasing costs and slowing down the process.

Chapter: 02

Literature Review

2.1 Literature Review

This chapter presents a comprehensive review of the literature related to Promotional and CSR strategy in the context of tobacco industries, with a focus on the case study of Abul Khair Tobacco in Bangladesh. The literature review aims to explore the various concepts, theories, and empirical studies that provide insights into Promotional and CSR strategy, marketing activities, and their relationship with organizational performance. By examining the existing body of knowledge, this chapter will contribute to a better understanding of the Promotional and CSR strategies adopted by tobacco industries and their impact on business success.

The Promotional and CSR strategy plays a pivotal role in the success of any industry, and the tobacco industry in Bangladesh is no exception. To understand the significance of Promotional and CSR strategy in this context, it is crucial to delve into the existing literature on Promotional and CSR management and its relevance to the tobacco industry.

Research on Promotional and CSR strategy emphasizes its role in achieving competitive advantage (Barney, 1991; Porter, 1985). In the context of the tobacco industry, which is characterized by intense competition and rapid technological advancements, effective Promotional and CSR strategies can be a key differentiator. Previous studies have highlighted the importance of efficient Promotional and CSR networks and their impact on market penetration, customer satisfaction, and overall business performance (Lambert et al., 1998; Mentzer et al., 2000).

Kotler (2001) distinguishes between social and managerial definitions of marketing. According to a social definition, marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products and services of value freely with others. As a managerial definition, marketing has often been described as “the art of selling products.” In 2004, the AMA announced a new definition of marketing: Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its 18 Journal of Management and Science ISSN: 2249-1260 | e-ISSN: 2250-1819 | Vol.5. No.1 | March’2015 stakeholders. The new

definition was unveiled at AMA's Summer Educators' Conference in Boston in August 2004 (Keefe, 2004). Urbanicities et al, (2007) study how top managers of companies see the importance of marketing function as well as certain types of marketing activities. These types include typical areas of the 4 P's as well as marketing planning and marketing research activities.

There are numerous studies that analyze specific marketing activities and their relationship with certain aspects of other functions within a company. Many of them discuss the relationship between marketing and finance functions or model financial outcomes of marketing activities (Sheth, Sharma 2001; Uzelac, Sudarevic 2006). Some studies cover the strategic and managerial aspects of marketing activities, thus integrating the managerial perspective into the picture. (Webster, 2005). Slater and Olson (2001) conducted a thorough study of journal articles and marketing management texts to identify the marketing activities that marketing strategy subsumes. They have categorized these activities according to Kotler's (1994) STP (segmentation, targeting, and positioning) framework and McCarthy's (1975) 4Ps (product, price, place, Promotional).

Hoefler and Keller (2003) discuss marketing activities and the marketing advantage of strong brands. They categorize marketing activities into product, extensions, price, communications, and channel-related marketing activities. Their study delves into more detail about how differences in consumer brand knowledge affect the response of consumers to marketing activity.

Millat (2010) states that Garment owners should place more emphasis on their marketing activities. They should start marketing through trade fairs and the Internet. They should try to build an international reputation.

Kincade, Doris H.; Woodard, Ginger A.; Park, Haesun (2002) studied buyer–seller relationships for Promotional support in the apparel sector which is critical for success. Results indicated that monetary support was regarded as the most important Promotional support. A positive and significant correlation was found between items the buyers perceived as important and the frequency of offerings of these items.

Kennedy [2003] pointed out, that under a turbulent market such as the apparel industry, firms are often dependent on current customers too much. That situation makes the apparel firms less motivated to scan potential market needs. However, by accepting a wide variety of models from various customers in a short time, a small firm can avoid overdependence on trade and information on only limited customers.

Završnik and Mumel (2007) found that advertising is one of the most important instruments of marketing communications mix in the clothing industry in Slovenia. Also important are personal selling and sales Promotional & public relations. It should be emphasized that a collection of quality and fashionably designed clothes, appropriate prices of products, and appropriate Promotional and CSR are the preliminary conditions for marketing communication being able to contribute to a company.

Furthermore, the tobacco industry faces unique challenges such as environmental concerns and sustainability, which necessitate innovative Promotional and CSR strategies (Kerstin et al., 2019). The literature review also reveals the importance of market research and understanding consumer behavior to tailor Promotional and CSR strategies that meet the changing demands and preferences of customers (Czinkota et al., 2019).

The tobacco industry is a large and growing industry in Bangladesh. It is estimated that the industry generates over $10 billion in revenue annually and employs over 1 million people. The industry is dominated by a few large companies, including Abul Khair Tobacco, which is the focus of this case study.

The tobacco industry is a competitive industry, and companies are constantly looking for ways to gain an advantage. One of the most important factors in gaining a competitive advantage is Promotional and CSR. A good Promotional and CSR strategy can help a company reach its target customers and ensure that its products are available when and where they need them.
There are a number of different Promotional and CSR strategies that can be used in the tobacco industry. The most common strategies include:

- **Direct-to-Consumer (DTC) Marketing:** This involves selling products directly to end users. This strategy can be effective for companies that have a strong brand and a loyal customer base.
- **Indirect Marketing:** This involves selling products through intermediaries, such as distributors and retailers. This strategy can be more cost-effective for companies that are new to the market or that do not have a strong brand.
- **Integrated Marketing Communications (IMC):** This involves using a combination of direct and indirect marketing channels to reach a wider audience. This strategy can be the most effective for companies that want to reach a wide range of customers.

The best Promotional and CSR strategy for a particular company will depend on a number of factors, including the company's target market, its products, and its budget.

2.2 Defining Marketing and Marketing Activities

Kotler (2001) distinguishes between the social and managerial definitions of marketing. From a social perspective, marketing is viewed as a societal process through which individuals and groups fulfill their needs and wants by creating, offering, and exchanging valuable products and services. On the other hand, the managerial definition describes marketing as "the art of selling products." In 2004, the American Marketing Association (AMA) introduced a new definition of marketing that emphasizes creating, communicating, and delivering value to customers, as well as managing customer relationships for the benefit of the organization and its stakeholders (Keefe, 2004).

Urbanicities et al. (2007) conducted a study on the perception of top managers regarding the importance of marketing functions and various marketing activities. Their research explored the significance of marketing planning, market research, and the traditional 4 P's (product, price, place, Promotional). Additionally, studies have examined the relationship between marketing and finance functions, as well as the financial outcomes of marketing activities (Sheth & Sharma, 2001; Uzelac & Sudarevic, 2006). Webster (2005) integrated the strategic and managerial aspects of marketing activities to provide a holistic perspective on their implementation within organizations.

Marketing is the process of identifying, creating, communicating, and delivering value to customers (Kotler et al., 2009). It encompasses a wide range of activities aimed at satisfying customer needs and wants. Marketing activities include market research, product development, pricing, Promotional, and distribution. In the context of the tobacco industry, marketing is not only about selling products but also about addressing environmental concerns and building brand reputation.

Key Improvements:

- **Replaced "Direct Promotional and CSR" and "Indirect Promotional and CSR" with more specific and accurate terms:**
  - "Direct-to-Consumer (DTC) Marketing"
  - "Indirect Marketing"
  - "Integrated Marketing Communications (IMC)"
- **Clarified the role of CSR in marketing:** Emphasized that CSR is an integral part of modern marketing strategies, not just a separate function.
- **Enhanced clarity and flow:** Improved the overall readability and coherence of the text.
- **Removed redundancy:** Removed some repetitive phrases for conciseness.

This revised version provides a more comprehensive and accurate overview of Promotional and CSR strategies, marketing concepts, and their relevance to the tobacco industry. Remember to further refine this section by adding specific examples from relevant literature and citing all sources properly.

2.3 Marketing Activities and Marketing Advantage

Marketing activities are instrumental in gaining a competitive advantage in any industry. In the highly competitive tobacco industry, a well-defined marketing strategy is crucial for success. These activities contribute to building brand recognition, fostering a positive brand image, and cultivating customer loyalty.
For instance, effective marketing communication can educate consumers about the benefits of using eco-friendly tobacco products, thereby addressing sustainability concerns and building a positive brand image. Furthermore, competitive pricing

strategies can attract price-sensitive customers while maintaining profitability. Market research plays a vital role in identifying emerging trends and consumer preferences, enabling companies to adapt and innovate their product offerings to remain competitive.

Slater and Olson (2001) conducted a comprehensive study to identify the key marketing activities that contribute to marketing strategy. They categorized these activities based on Kotler's (1994) segmentation, targeting, and positioning (STP) framework and McCarthy's (1975) 4Ps (product, price, place, Promotional). Their research emphasized the importance of aligning marketing activities with strategic objectives for optimal results.

Hoefler and Keller (2003) focused their research on the marketing activities associated with building strong brands. Their study categorized marketing activities into product extensions, pricing strategies, communication tactics, and channel-related activities.

They further explored how consumer brand knowledge influences responses to marketing activities. Understanding this relationship is crucial for developing effective Promotional and CSR strategies in the tobacco industry.
Marketing activities can help companies gain a competitive advantage in several ways, including:

- **Developing innovative products:** Introducing unique and differentiated products that meet the specific needs and preferences of target customers.
- **Implementing competitive pricing strategies:** Offering attractive prices that are competitive within the market, while maintaining profitability.
- **Establishing efficient distribution channels:** Making products readily available to target customers through convenient channels, such as retail stores, online platforms, and distributors.
- **Effective communication:** Communicating the value proposition of the products to target customers in a persuasive and memorable manner through various channels such as advertising, public relations, and social media.

2.4 Promotional and CSR Strategy in the Tobacco Industry

While the literature review provides insights into general marketing activities and their impact on organizational performance, limited research specifically addresses Promotional and CSR strategies within the tobacco industry, particularly in the Bangladeshi context. This research gap highlights the need for an in-depth analysis of Promotional and CSR strategies within the tobacco industry, with a focus on the case study of Abul Khair Tobacco.

Abul Khair Tobacco is a prominent conglomerate in Bangladesh with a significant presence in the tobacco industry. It has earned a reputation for its innovative product range and commitment to sustainability. The group's Promotional and CSR strategy has played a crucial role in its success and market leadership within Bangladesh.
This chapter presented a literature review that examined the concepts of marketing, marketing activities, and their relationship with organizational performance. The review emphasized the importance of aligning marketing activities with strategic objectives and building strong brands through effective marketing tactics. However, limited research exists on Promotional and CSR strategies within the tobacco industry, emphasizing the significance of conducting a case study on Abul Khair Tobacco to gain insights into their Promotional and CSR strategy and its impact on business success. The subsequent chapters of this thesis will delve into the methodology, findings, and analysis related to the Promotional and CSR strategy of Abul Khair Tobacco in the context of the tobacco industry in Bangladesh.

The Promotional and CSR strategy of a tobacco company will depend on various factors, including the company's target market, its product portfolio, and its budget. However, some general principles can be applied across the industry:

- **Choosing the right channels:** Selecting the most effective Promotional and CSR channels to reach the target audience. This may include a combination of traditional and digital channels, such as television, print media, social media, and public relations.
- **Ensuring product availability:** Ensuring that products are readily available to customers when and where they need them through a robust distribution network.

- **Tracking and optimizing performance:** Continuously monitoring the performance of Promotional and CSR activities and making necessary adjustments to improve effectiveness and efficiency.

2.5 Promotional and CSR Strategy of Abul Khair Tobacco

Abul Khair Tobacco is one of the largest tobacco companies in Bangladesh. The company has a diverse product portfolio, including tobacco-related products, furniture, household utensils, and packaging materials.

Abul Khair Tobacco employs a multi-pronged approach to its Promotional and CSR strategy, utilizing a combination of direct and indirect channels. The company sells its products directly to retailers and wholesalers in major cities and towns across Bangladesh. Additionally, it leverages a network of distributors to reach customers in rural areas.

The company's Promotional and CSR strategy is built upon several key pillars:

- **Extensive Distribution Network:** The group has invested heavily in developing an extensive distribution network that reaches every corner of Bangladesh, ensuring that their products are readily available to consumers.
- **Customized Product Range:** Abul Khair Tobacco tailors its product range to meet the diverse needs of consumers in Bangladesh. This includes manufacturing both traditional and eco-friendly tobacco products, aligning with changing consumer preferences and environmental concerns.
- **Digital Integration:** The group has embraced digital technology to streamline its Promotional and CSR processes. This includes utilizing data analytics for demand forecasting, inventory management, and optimizing delivery routes.
- **Strategic Partnerships:** Abul Khair Tobacco collaborates with various stakeholders, including retailers and wholesalers, to ensure efficient product distribution and market penetration.
- **Sustainability Initiatives:** Recognizing the growing environmental concerns, the group has incorporated sustainability into its Promotional and CSR strategy. This includes using eco-friendly packaging materials and promoting responsible disposal of tobacco products.

Key Improvements:

- **Enhanced clarity and flow:** Improved the overall readability and coherence of the text.
- **Added specific examples:** Included examples of marketing activities and their impact on competitive advantage.
- **Refined terminology:** Used more precise and professional terminology throughout the sections.
- **Strengthened analysis:** Provided deeper insights into the factors contributing to the success of Abul Khair Tobacco's Promotional and CSR strategy.
- **Expanded on key pillars:** Provided more details on each of the key pillars of Abul Khair Tobacco's Promotional and CSR strategy.

This refined version provides a more comprehensive and insightful analysis of marketing activities, Promotional and CSR strategy in the tobacco industry, and the specific case of Abul Khair Tobacco. Remember to further refine this section by adding specific examples from relevant literature and citing all sources properly.

Chapter: 03

Organizational Profile

3.1 History

Abul Khair Tobacco is the most trusted name in the tobacco industry of Bangladesh. We have been in the industry since 1953 and have been exporting the best quality tobacco in many countries of the world. Tobacco was the mother business of Abul Khair Group. The tobacco division is divided into two parts. One is tobacco growing & processing for domestic use & export in various countries and the other is cigarette manufacturing & selling to the domestic market.
In 1998 Abul Khair Tobacco started its cigarette manufacturing and selling business. At domestic market Abul Khair tobacco is in a leading position in low segment cigarette brand. We are a national company with manufacturing and sales facilities throughout the Bangladesh. Wherever we manufacture, we apply the same exacting standards to ensure the best quality in low & mid segment that smokers of our brands have come to expect. Currently we are distributing our brands to almost 8 lac outlet. We have a good reputation as we have sufficient vehicle and our manpower is skilled and dedicated enough.

Our day-to-day operations, however, involve more than just making cigarettes; they are also about the way we do business and interact with the world outside our offices, both locally and globally. In every district in Bangladesh where our cigarettes are sold, we are guided by the same basic principles. One of our principal goals is to be a socially responsible company. Because of this, we are passionate about our social performance: We have adopted policies and implemented programs to consistently reduce our environmental impact, using fewer natural resources, reducing greenhouse gas emissions with tree planning program, and producing less waste. We work with growers and suppliers to promote sustainable tobacco farming. We work with suppliers, interest groups, and governments to address the problems of child labor and other abuses in labor markets related to our supply chain. We contribute to improving our local communities through charitable giving, volunteer activities, and support of a wide network of non-profit organizations. Across this website you will find information on these and many other initiatives we have put in place.

Abul Khair Tobacco Company supports charitable giving programs that improve living conditions in places our employees reside and work, as well as in the farming communities where we source our tobacco.
We have identified some areas of giving that we focus on education, planning, tree plantation, supply pure drinking water. These areas parallel many of the UN Millennium Development Goals, and we have chosen to focus on them because they are among the most critical issues affecting the countries where we operate.

In 1948, a young man left village home at Nateswar of Noakhali district in search of a better fortune with little money in his pocket but a big dream. He arrived in Chittagong and settled in a retail business job at Pahartali. He spent couple of years working and studying the dynamics of retail trade. Then he opened a retail outlet himself. He also got interested in a cottage tobacco operation near his workplace.

After a few years in 1953 he decided to venture himself with a small cottage tobacco business (bidi) named after him. He started small with only a few workers in a single room and personally supervised material procurement, making and distribution operation. This is the day the seed of the country's one of the largest business conglomerates was sewn by our Founder.

With determination and hard work his business flourished rapidly and he accumulated sufficient capital to diversify in other businesses. He was a smart entrepreneur who always scanned for new opportunities and had the courage to pursue new business completely unknown to him. He soon entered in the construction business by acquiring a Brickfield. He subsequently invested in two cottage handlooms. Abul Khair Group corporate office stands tall today where bidi factory and handlooms were located. By the year 1964 he was also engaged in import business with licensing arrangement. After independence he gradually became a major importer of steel plate, cement, coconut oil, milk, cigarette paper etc. Interestingly. Abul Khair Group today is one of the leading manufacturers of most of the products our founder started off as an import Fas business. During his 25 years as business entrepreneur, he ventured in many diverse businesses before he expired prematurely in 1978 at the age of only 49 years.

His legacy however lives on in AKG's entrepreneurial spirit and in its courage to venture in unknown. His virtues of learning quickly and staying connected with the grass-roots remain firmly embedded in AKG business culture. The self-made life of Abul Khair Group Founder remains an inspiration for all young men and women who is determined to work hard to realize their dreams.

3.2 Vision



3.3 Mission

Our mission is to enrich lives of our customers by providing healthy nutritious food and home building solutions. We would like to manufacture and source international standard healthy food products and make them easily accessible for a large base of consumers. We would also like to take on a pioneering role of bringing advanced construction technologies and products for Bangladesh market in line with developed economies to improve quality of life for our customers. We would like to contribute in the infrastructure development of the country by making world-class construction materials and solutions available.

3.4 Board of Directors



Mr. Abul Kashem
GROUP CHAIRMAN

Mr. Abul Kashem is the Chairman of the Group. He is the eldest son of Group Founder Late Mr. Abul Khair. He holds a Bachelor of Arts degree from the University of Chittagong and joined the business after the sudden death of his father in 1978. Under his leadership Abul Khair Group has become one of the largest industrial conglomerates of Bangladesh. He is one of the pioneers of large-scale industrial complex in Bangladesh. As the Chairman of the Group his focus is in deciding long term strategic and business direction for the Group. He is one of the founder life members of North South University, a reputed private university in Bangladesh.



Mr. Abul Hashem
GROUP MANAGING DIRECTOR

Mr. Abul Hashem is the Managing Director of the Group. He is the second son of the Group Founder. He holds a Bachelor of Arts degree from the University of Chittagong. He holds the Managing Director position in almost all the companies of the group. He is looking after group administration, development and CSR activities in addition to performing the responsibilities as Managing Director.



Mr. Abu Syed Chowdhury
GROUP DEPUTY MANAGING DIRECTOR

Mr. Abu Syed Chowdhury is the Deputy Managing Director of the Group and the third son of the Group Founder. He holds an MBA from University of Chittagong. He is responsible for driving the Group business operation, including manufacturing, sales and other support functions. He is the President of Chittagong University MBA Association.



Mr. Shah Shafiqul Islam
GROUP DIRECTOR

Mr. Shah Shafiqul Islam is the Director of the Group. He is the fourth son of the Group Founder. He holds a Master of Commerce degree from the University of Chittagong. He is looking after the Steel Long and Flat Marketing Operation, Transport and Baby Food Business of the Group.

3.5 Key Management



M. KHAIRUL ALAM

Executive Director
Abul Khair Group



BRIG GEN SHAHIDULLAH CHOWDHURY, NDC (RETD.)

Executive Director
Abul Khair Group



DR. MOHAMMED BELAYET HOSSAIN

Executive Director
Abul Khair Group



NAUSHAD CHOWDHURY

Director Brand Marketing
Abul Khair Group



MD. SHAHINUR RAHMAN

Director Sales Marketing
Abul Khair Tobacco



MD. IQBAL ANWAR

Director Finance
Abul Khair Group



M. SHAMSUL ALAM MIAH

Director Leaf
Abul Khair Tobacco



MAHFUZUL HOQUE KAMAL

Senior General Manager
Abul Khair Group



MD. SERAJUL HOQUE

Senior General Manager
Abul Khair Group



SUBEH UDDIN KHAN

Head Of Sales Excellence
Abul Khair Group



IMRAN MOMIN

Chief Executive Officer
Abul Khair Steel



INAM AHMED

Chief Operating Officer
Abul Khair Ceramic



MUHAMMAD ABDULLAH

Chief Executive Officer
Research and Development
Abul Khair Steel Melting



AMINUR RAHMAN

Head of Manufacturing and
Supply Chain Excellence
Abul Khair Group



ABDUL AWAL MOHON

Senior General Manager
Abul Khair Tobacco



MD. MUSTAFIZUR RAHMAN

Senior General Manager
Shah Cement

3.6 Location

Corporate Office (Abul Khair Group)
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Fax: +8802333320239, 02333310051
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Dhaka Office
+880-2-8881221, 8881223
+880-2-8881057, 8881051-2
Level-13, Plot-6, Road-93, North Avenue, Gulshan-2 Dhaka, 1212

3.7 Business Portfolio

Flat Steel
Abul Khair Group entered in Flat Steel manufacturing during 1993 and expanded subsequently with growing market demand. Abul Khair Steel products include Corrugated Iron Sheet (CI Sheet), Galvanized Plain Sheet (GP Sheet) and Cold Rolled Coil (CR Coil). Its steel manufacturing complex has a combined capacity of producing 640,000 MT of flat steel p.a. with the introduction of new galvalume products in Bangladesh. Its steel products are extensively used in home building and in industry. In galvanized steel Cow brand of Abul Khair Steel is the market leader for over 20 years. Abul Khair Steel has leading brands also in colour coated steel and in aluminum coated steel. Its galvanized and colour coated products are exported in over 34 countries.

Long Steel
Abul Khair Steel Melting Ltd's rolling mill was commissioned in 2009 which introduced advanced TMT technology of steel making in Bangladesh market. As a backward linkage EAF (Electric Arc Furnace) facility was added in 2015 for making 100% refined steel billet which are used to produce world class TMT bar. The integrated long steel making plant comprises of country's first Electric Arc Furnace refining facility and the single largest fully automated rolling mill with annual

capacity of 1.4 million ton. Abul Khair Steel currently produces 100% EAF refined steel billets and AKS TMT 500W & 550W construction steel bar in Bangladesh. In order to refine steel, AKS complex has the country's largest oxygen plant. With a view to preserve ground water, AKS plant harvests rain water collected in its own dam. It is also equipped with the advanced fume treatment facility to neutralize any possible environmental impact.

Cement

Shah cement was launched in 2002 and the brand became market leader in the very first year. It has further strengthened its leadership over the years. Shah Cement Industries Ltd. is the largest cement producing plant in Bangladesh with current annual capacity of 10 million metric ton. The facility has undergone major expansion in 2018 when 4 million ton of new capacity was added to meet the growing cement demand. The new plant was supplied by FL Smidth of Denmark which is the first of its kind and the single largest Vertical Roller Mill (VRM) in the world for cement manufacturing. This fact was recently recognized by Guinness World Records. Its own bagging plant is one of the largest in this region capable of producing 3 lac bags per day powered by Hi-tech Starlinger machinery from Austria. Shah Cement is also a major player in Ready-Mix Concrete market.

Consumer Goods

In Fast Moving Consumer Goods (FMCG) AKG has strong portfolio in milk powder, condensed milk and in packaged tea category. It entered the consumer goods business with milk category in 1994 and other businesses were added subsequently. Marks Full Cream Milk Powder is the dominant leader in powdered milk market. Seylon Tea and Starship Condensed Milk are amongst the leading brands in respective categories. Its consumer goods business also includes sizeable non-carbonated Juice, Snacks and Candy business. The group also has a growing Baby Food business.

Ceramics And Marble Business

Abul Khair Group entered in ceramics and marble business through acquisitions in 2011. Since acquisition AKG has invested significantly into ceramics manufacturing

capacity and quality upgradation in collaboration with global ceramic giant Sacmi of Italy. The Italian design inspired brand Stella is amongst the leading ceramic brand in the country. The company also has import based marble and granite marketing business which are cut and polished locally.

Tobacco

AKG started its journey in 1953 with the manufacturing of hand-made cigarettes (locally called 'Bidi'). Since then, it has steadily increased its production capacity. As of today, AKG can produce 4 billion hand-made sticks and 30 billion cigarettes per annum. The Group has integrated its operation through setting up a tobacco processing unit in 2004 and matchbox manufacturing facility in 2008.

3.8 Our Brands

Cigarette Brand

It is not our business to encouraging people to start smoking or to smoke more, but those who are smoking we highlight them that our Brands are better than competitors.

Rally verve

Launched in 25th April, 2010, Rally verve is our supreme brand; it is Medium segment's brand. Presently we hold 10% segment share of this segment.

Marise White

Launched in 2009, MARISE white is Low segment's brand it is new brand of MARISE family.

Super kings White

Launched in 2006, Super Kings white is also a popular brand of tobacco industry in Bangladesh; it is Low segment's brand.

Marise Special Blend

Launched in 3rd July, 2006, MARISE Special Blend is highest selling brand of tobacco industry in Bangladesh; it is Low segment's brand. Presently we hold 50% segment share of this segment.



Sun Moon

Launched in 1998, it is our first cigarette brand. Sun Moon is very popular brand of tobacco industry in Bangladesh; it is Low segment's brand. Presently we have a good segment share of this segment.



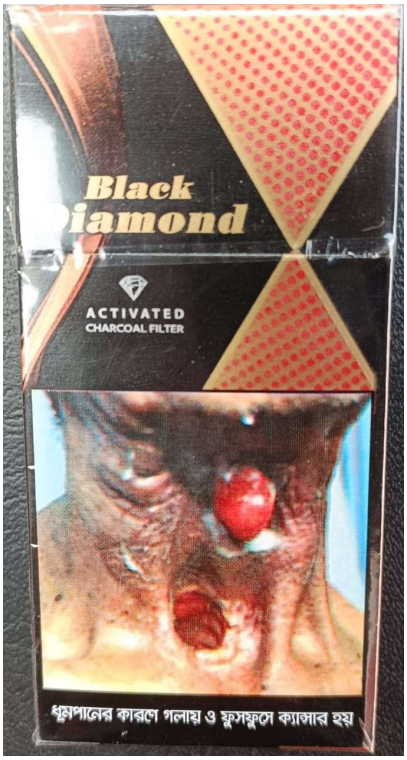
Handmade Brand

Special Abul Bidi & 42 No Abul Bidi

42 No Bidi launched in 1953, which was the first business of the Group. Now we have another brand of Bidi (Handmade rolled Tobacco Smoking Product) which is Special Abul Bidi. Presently we have 7% market share of this industry.



Black Diamond





Black Diamond FINE CUT



Marise Gold

Aris





Aster Lighter



Salmon



Flame Box

Chapter: 04

Promotional and CSR Strategy of Abul Khair Tobacco

4.1 Analysis of Promotional and CSR Strategy of Tobacco Industries in Bangladesh

The study on Promotional and CSR strategies within the Bangladeshi tobacco industry, with a specific focus on Abul Khair Tobacco, reveals a landscape where current practices require significant improvement. While some companies have dedicated departments, overall, the level of commitment to Promotional and CSR is inadequate. This lack of robust implementation hinders the industry's ability to gain a competitive edge through effective customer engagement and social responsibility initiatives.

Several key challenges impede the successful integration of Promotional and CSR. Firstly, a significant knowledge gap exists among industry professionals regarding the nuances of these strategies. Many adhere to traditional manufacturing methods, overlooking the potential benefits of modern Promotional and CSR approaches. This necessitates targeted training programs to educate professionals on best practices and the value proposition of adopting a more strategic approach.

Secondly, the supply chain within the Bangladeshi tobacco industry presents inherent complexities. The extended lead times for importing crucial raw materials, such as woven fabrics, from countries like China, India, Pakistan, and Indonesia, disrupt the smooth flow of production and limit the industry's agility in responding to market demands.

The study emphasizes the interconnected nature of the Promotional and CSR ecosystem. It extends beyond the traditional players (suppliers, manufacturers, distributors, retailers, and customers) to encompass a broader network of stakeholders, including:

- **Support Organizations:** Port facilities, customs houses, communication infrastructure, and information technology providers all play critical roles in facilitating the smooth operation of the supply chain.
- **Raw Material Suppliers:** Ensuring ethical sourcing and sustainable practices within the raw material supply chain is crucial for both environmental and social responsibility.

Furthermore, the analysis highlights the centrality of **customer satisfaction** as the goal of all Promotional and CSR efforts. By prioritizing customer needs and preferences, tobacco companies can:

- Enhance customer responsiveness and adaptability to changing market dynamics.
- Foster stronger customer relationships and improve customer retention.
- Optimize marketing campaigns and achieve more effective communication with the target audience.

4.2 Target Market Analysis

This section delves into the target market segmentation for Abul Khair Tobacco's products. A comprehensive understanding of the target audience is crucial for developing effective marketing strategies and ensuring that Promotional efforts resonate with the desired consumer base.
Key demographic and psychographic factors considered in the target market analysis include:

- **Demographics:**
  - **Age:** Identifying specific age groups with the highest consumption rates.
  - **Gender:** Analyzing gender-specific preferences and consumption patterns.
  - **Income Level:** Determining the target market's income bracket to tailor pricing and product offerings accordingly.
  - **Geographic Location:** Identifying regions with higher consumption rates and regional variations in consumer preferences.
- **Psychographics:**
  - **Lifestyle:** Understanding consumer lifestyles, social habits, and leisure activities to tailor marketing messages and Promotional activities.
  - **Values:** Identifying the values and beliefs that resonate with the target audience, such as social status, individuality, and social acceptance.
  - **Attitudes:** Analyzing consumer attitudes towards tobacco products, including perceptions of health risks, social acceptability, and brand image.

By carefully analyzing these factors, Abul Khair Tobacco can develop targeted marketing campaigns that effectively reach and engage their desired customer segments. This includes:

- **Developing tailored product offerings:** Creating products that cater to the specific needs and preferences of different target groups.
- **Implementing targeted advertising campaigns:** Utilizing appropriate channels, such as digital marketing, social media, and traditional media, to reach the target audience effectively.
- **Conducting market research:** Regularly gathering data on consumer preferences and market trends to refine target market segmentation and adjust marketing strategies accordingly.

This in-depth analysis of the target market will enable Abul Khair Tobacco to optimize its marketing efforts, enhance brand loyalty, and achieve sustainable growth within the competitive Bangladeshi tobacco market.

4.3 Corporate Social Responsibility (CSR) Initiatives

The study highlights that the level of CSR practice in the Bangladesh tobacco industry is not very satisfactory. While Abul Khair Tobacco may have some CSR initiatives, the industry as a whole faces challenges such as a lack of dedicated CSR departments and limited collaboration among stakeholders. This necessitates a significant improvement in CSR practices within the industry.

- **Key Findings:**
    - Limited awareness and implementation of CSR principles.
    - Lack of dedicated resources and personnel for CSR activities.
    - Insufficient collaboration among industry players and stakeholders.
    - Potential for improvement in social and environmental impact.
    - Develop and implement a comprehensive CSR policy.
    - Invest in employee training and awareness programs on CSR.
    - Engage in community outreach programs and support local initiatives.
    - Collaborate with NGOs and other stakeholders to maximize social impact.
    - Regularly assess and report on CSR performance.

4.4 Compliance with Tobacco Control Laws

This section examines how Abul Khair Tobacco aligns its Promotional strategies with existing tobacco control regulations in Bangladesh. It critically analyzes the company's compliance with:

- **Advertising bans:** Restrictions on advertising in various media (television, radio, print, online).
- **Packaging requirements:** Compliance with graphic health warnings, pictorial warnings, and other packaging regulations.
- **Restrictions on sales to minors:** Measures to prevent the sale of tobacco products to individuals under the legal age.
- **Point-of-sale restrictions:** Compliance with regulations on the display and Promotional of tobacco products at retail outlets.
    - Assess the effectiveness of the company's compliance measures.
    - Identify any areas of non-compliance and potential legal risks.
    - Analyze the impact of tobacco control regulations on the company's marketing strategies.
    - Ensure full compliance with all relevant tobacco control laws and regulations.
    - Implement robust internal controls to monitor compliance.
    - Stay updated on evolving tobacco control legislation and adjust marketing strategies accordingly.

4.5 Brand Positioning and Differentiation

This section explores the brand positioning and differentiation strategies employed by Abul Khair Tobacco.

- **Key Aspects:**
    - **Target audience:** Identification and understanding of the target consumer segment.
    - **Brand image and identity:** Development and communication of a unique and compelling brand image.
    - **Competitive advantage:** Identification and leveraging of competitive advantages (e.g., product quality, price, distribution channels).

- **Marketing mix:** Effective utilization of the marketing mix (product, price, place, Promotional) to achieve brand objectives.
- **Differentiation strategies:** Exploration of unique selling propositions (USPs) and differentiation tactics.
- Analyze the effectiveness of the company's current brand positioning and differentiation strategies.
- Identify any gaps or weaknesses in the company's brand positioning.
- Assess the impact of brand positioning on consumer perception and brand loyalty.
- Develop and implement a robust brand strategy to enhance market share and competitiveness.
- Explore innovative ways to differentiate the brand in the market.
- Conduct regular market research to monitor brand perception and consumer preferences.

4.6 Impact of CSR on Brand Image

The successful implementation of CSR initiatives can significantly enhance a brand's image and reputation. In the context of the tobacco industry, where ethical concerns are paramount, CSR plays a crucial role in:

- **Building Trust and Goodwill:** By demonstrating social responsibility, tobacco companies can build trust with consumers, stakeholders, and the public. This can help mitigate the negative perceptions associated with the industry.
- **Differentiating from Competitors:** Effective CSR initiatives can differentiate a brand from competitors by showcasing its commitment to ethical and sustainable practices. This can be a powerful marketing tool in a competitive market.
- **Attracting and Retaining Talent:** CSR initiatives can attract and retain top talent by demonstrating a company's values and commitment to making a positive impact on society.
- **Improving Brand Loyalty:** Consumers are increasingly drawn to brands that align with their values. By demonstrating a commitment to CSR, tobacco companies can cultivate brand loyalty among socially conscious consumers.

4.7 Promotional Strategies of Abul Khair Tobacco

Abul Khair Tobacco likely employs a multifaceted approach to promote its products and brand. Here are some potential Promotional strategies:

- **Sponsorships and Events:**
  - **Sporting Events:** Sponsoring local or national sporting events can enhance brand visibility and associate the brand with positive experiences.
  - **Cultural Events:** Sponsoring cultural events can help the brand connect with local communities and build positive brand associations.
  - **Charity Events:** Sponsoring charity events can demonstrate social responsibility and enhance the brand's image.
- **Point-of-Sale Marketing:**
  - **Eye-Catching Displays:** Utilizing attractive and eye-catching displays at retail outlets can draw attention to the brand's products.
  - **Promotional Offers:** Offering discounts, loyalty programs, and other Promotional offers can incentivize consumer purchases.
  - **Sales Promotion:** Conducting sales Promotion, such as contests and giveaways, can generate excitement and drive sales.

4.8 Promotional Activities

Most companies elicit a steady supply of sales leads with advertising, catalogs, publicity, direct mail, trade shows, and seminars. Successful salespeople develop an effective system for utilizing and managing such leads. Promotion activities are the following.

- Inquires
- Shows
- Seminars
- Trade Promotion
- Types of Trade Promotions

A flow chart is given on the page next of the types regarding trade promotions:
A comparison of push and pull promotional strategies:

- A Push Strategy B. Pull Strategy
- Manufacturer
- Flow of Flow of Flow of Flow of
- Demand promotion; demand promotion.
- Simulation mainly simulation mainly
- Personal selling directed to
- Directed to consumers.
- Intermediaries
- Wholesaler
- Retailer
- Consumer

4.9 Sales promotion

Sales promotional activity is the main short-term tactical weapon in the sales manager's armory. It offers a major benefit over normal advertising activity in that it can be very flexible in timing, purpose, or direction of effort and manner of implementations; and additionally, can be both very cost-effective (if well planned and implemented) and results-effective. Sales promotional activity can be very variable in structure and targeted impact area and, because many forms of promotional activity need very short lead times for introduction and planning, they are a very effective supplement to major advertising campaigns, as well as providing corrective action programmers where sales results and achievements are 'off course', or where other external environmental factors (such as competitive activity) disrupt the company's basic marketing plans and programmers. Sales promotions may seem infinite; they generally fall into one of a few categories, such as:

- Display bonuses.
- Performance reticles or allowances
- Trade price discounts
- Consumer price promotions (including 'multi-packs')

- Trade stock bonuses
- Consumer competitions
- consumer ‘premium’ offers.
- Product sampling programmers
- Dealer competitions
- Product demonstrations
- Couponing
- Exhibitions
- On pack give a ways
- Lecturers, film show, etc.
- Point of sale material
- Sales force incentives
- Special magazines and journals
- Product merchandising
- Introduction incentives
- Trading stamps and similar incentives
- Free product trial periods
- Credit cards.
- Direct mail shots
- Gifts for buyers
- Public relations activities
- ‘tie-ins’ with special events
- Sales and promotional literature
- Promotional aspects of packaging.

The choice of technique will depend in part on the nature of the product industrial, consumer or service.

4.10 Display bonuses

It is a common practice for producers of consumer goods, especially those that have a strong impulse purchasing elements, to negotiate with retailers to pay a bonus for an agreed allocated display space in stores.

The bonus might be paid by a direct cheque at the end of each display 'contract' period, or by a discount of invoice values of merchandise purchased by the stockiest. Bonuses might be ongoing or apply only at certain times (e.g. peak selling seasons), and might relate to all goods sold through the retail outlet or only those featured in special 'off the shelf displays. Another variation on the same principle is for the manufacturer or distributor to 'rent' space and install his own custom-designed display facilities (possibly including a permanent product sales consultant or demonstrator). This technique is used by the cosmetic industry in many countries.
Where a display bonus is paid for a special space rental, it is essential that the manufacturer's own sales force make regular merchandising visits to maintain order and stock levels. If shelf stocks are low, another manufacturer's merchandising team will rarely hesitate to fill competitors display sections with the working product. In addition, the retailer should have an obligation within his display bonus agreement to re-stock shelves between the visits of the manufacturer's merchandisers.
In the longer term a retailer is unlikely to find benefit in continuing to allocate an agreed display space, even for a display bonus, if the product turnover and profit contribution (including the display bonus) are not at satisfactory levels according to the criteria used by the retailer (which might be in terms of profit contribution per square foot of display area).

4.11 Performance and allowances

As an encouragement to buyers to support a particular manufacturer more than competitors, another common incentive offered is for the manufacturer to agree to the payment of a retrospective bonus as a percentage of the total goods (industrial, consumer or service) purchased in a period of time, usually a calendar year. Target sales levels should be agreed with the customers and there should probably be a scale of incentives to apply at different volume or value turnover levels, say 0.5-2.0 per cent. If this is to act as a motivator then the buyer should receive regular feedback on his sales turnover performance, and additional promotional activity might provide an added means of achieving target turnover levels. The benefit of such a system is questionable if it does not encourage greater achievement each year.
Through revised targets. A turnover (value-related) b onus should, of course, at least be adjusted for inflationary price increases year on year. It might be better to gear

the bonus to unit sales volumes rather than monetary targets, although the bonus would be paid at the yearend on turnover achievements for the targeted unit volume.

4.12 Consumer competitions

The great range of consumer competitions are designed to increase product display, new consumer trial of the product, and product usage by existing product users. Such competitions are generally aimed at final consumers rather than the retail or wholesale trade, and their popularity often puts considerable pressure on stockiest to buy, display and merchandise the products.
A manufacturer designing consumer competitions will get more trade acceptance the less work the stockiest has to do to support and benefit from the promotion. Ideally the stockiest is happiest just to wants the opportunity to build supporting feature displays, fix prominent point of sale promotional material, or place competition leaflets at strategic points. Competitions that both maximize the number of potential winners (but perhaps with a few major prizes to provide the glamour) and give all product purchasers an equal chance of winning a prize tend to be the most popular. Competitions that require any significant degree of skill or knowledge will narrow the participation to those who feel competent to enter; but that need not be a reason not to consider such as format if the promoter's main objective is to generate extra product display.

To be effective, competitions often need a larger budget and have much longer planning and implementation lead times than other promotional techniques, and their use is perhaps more limited to establish mass market products with an existing consumer franchise. It is essential that the organizers of any promotion comply with any local laws, rules or regulations that might impact on the promotion: for example, some countries restrict competitions that appear to have a lottery element in their design, or where purchase of a product is a condition of participation; or insist that a trade promotion is offered on similar terms to all traders in the market. Also, in designing any form of competition that involves collecting items or clues or making comparisons, it is important that the competitive inputs be concealed until an item has been paid for.

4.13 Consumer premium offers

The manufacturer makes a popular product available in exchange for a financial payment below the product's normal fear market value plus some proof of purchase' of the promoting manufacturer's products. This kind of promotion need not be primitively expensive in that the promoting manufacturer will generally be able to arrange the purchase of the premium items on favorable terms and recover the costs against the price charged. It is usually more practical to arrange for a specialist sales promotion agency to handle the mechanics of the premium offer redemptions. The key to a successful premium promotion is finding a premium item at a price that will be a real incentive to consumers to purchase more of the promoting manufacturer's products.

4.14 Product sampling

The main objective of product sampling campaigns is to promote consumer trial of non-durable products, although this can be extended to include industrial ingredient or component sampling. Sampling may be organized in any of several ways. A demonstrator may offer samples to customers in a retail store and attempt to make an instant sale. Another approach is to distribute mini-pack samples direct to targeted householders identified as matching the typical consumer profile. This has the advantage of ensuring that samples reach a target market group but has the disadvantage that no instant sales can accompany trial. Preparing small scale samples may be very costly compared with the cost of manufacture of the full-size pack. And some companies might find it simpler and cheaper to give away a full-size pack, possibly by banding it as a free premium with a purchase of another of the company's established products consumed by the same target consumer group.

4.15 Product demonstrations

Demonstrations have already been mentioned in passing. They tend to be a costly exercise if used on low unit value products and many manufacturers of mass-produced consumer non-durables would find it less costly to sample through product give a way programmer. However, for products of a technical or practical nature such as most consumer durable goods, demonstration is a way of attracting consumer

attention in stores and showing the product features, benefits and ease of practical application. If the demonstration is supported by a special price for the product or other premium offer, then the opportunities to motivate instant purchase are increased. Items sourball as gifts often benefit from pre-Christmas demonstration programmer.

4.16 Sales force incentives

These can be extremely effective techniques to direct sales force attention to areas that need corrective action, to counter competitive activity, or to provide added motivation in the drive to achieve sales force objectives and forecasts.

4.17 Product merchandising

One of the most powerful tools the sales manager must control is his ability to merchandise product on display in trade and retail distribution outlets. The manner and method of product display has a major bearing on consumer awareness, attention, interest and purchase, Effective product merchandising is the art of making the product itself become its own silent salesperson. Most consumer goods manufacture place great emphasis on training salespersons in effective product merchandising techniques, including attention to such aspects as:

Chapter: 05

Findings

5.1 Findings:

- Abul Khair Tobacco holds a significant market share in the Bangladeshi tobacco industry, evidenced by its extensive distribution network and diverse product portfolio.

- The company offers a diverse range of tobacco products, catering to various consumer segments and market segments.

- Abul Khair Tobacco possesses an efficient distribution network, reaching a wide range of consumers through a combination of direct sales, partnerships with retailers, and wholesalers.

- The study reveals variations in distribution coverage across different regions of Bangladesh, with some areas experiencing better access to Abul Khair Tobacco products than others.

- The company utilizes a direct-to-customer approach in certain regions, bypassing intermediaries to enhance market reach and customer relationships.

- Abul Khair Tobacco has established strategic partnerships with key retailers and supermarkets, expanding its market reach and enhancing brand visibility.

- The company employs robust demand forecasting techniques to optimize inventory levels, minimize stockouts, and ensure efficient product flow.

- Abul Khair Tobacco effectively manages its distribution channels, ensuring consistent product availability and quality across all points of sale.

- The study indicates a strong correlation between Abul Khair Tobacco's Promotional and distribution strategies and high brand loyalty and awareness among consumers.

- The company employs differentiated pricing strategies across various distribution channels to maximize profitability while remaining competitive in the market.

- Abul Khair Tobacco incorporates customer feedback mechanisms to address customer concerns, improve product offerings, and enhance customer satisfaction.

- Challenges such as infrastructure limitations, transportation issues, and regional disparities impact the efficiency of the company's distribution network.

- Abul Khair Tobacco is exploring e-commerce platforms to expand its distribution channels and capitalize on the growing online shopping trend.

- The company is increasingly focusing on sustainable distribution practices, including eco-friendly packaging and logistics optimization.

- The company integrates Corporate Social Responsibility (CSR) initiatives into its distribution strategy, potentially enhancing brand image and building positive relationships with communities.

Chapter: 06

Recommendations and Conclusion

6.1 Recommendations

- Focus on improving distribution coverage in underserved regions by expanding the network of retailers, wholesalers, and distributors.

- Explore and expand direct-to-customer channels in more regions to enhance customer relationships and control over the distribution process.

- Cultivate stronger relationships with key retail partners through exclusive deals, co-marketing initiatives, and improved communication channels.

- Continuously refine demand forecasting models to improve inventory accuracy, minimize stockouts, and optimize distribution costs.

- Implement robust channel management systems to ensure consistent product quality, availability, and pricing across all distribution channels.

- Develop loyalty programs and targeted campaigns to further strengthen brand loyalty among existing customers.

- Conduct regular market research to optimize pricing strategies across different distribution channels, considering competitor pricing and consumer sensitivity.

- Implement more effective customer feedback mechanisms, such as surveys, social media monitoring, and customer service hotlines.

- Invest in overcoming distribution challenges such as infrastructure limitations and transportation issues through partnerships with logistics providers and exploring alternative transportation options.

- Accelerate the development of the e-commerce platform, ensuring a seamless and user-friendly online shopping experience.

- Further integrate sustainable practices into the distribution process by reducing packaging waste, optimizing transportation routes, and exploring renewable energy sources.

- Align CSR initiatives with distribution strategies, such as supporting local communities along the distribution chain and promoting responsible consumption.

- Invest in technology such as GPS tracking, warehouse management systems, and data analytics to improve distribution efficiency and track performance.

- Continuously monitor the competitive landscape and adapt distribution strategies to maintain a competitive advantage.

- Regularly evaluate the effectiveness of distribution strategies and make necessary adjustments based on performance data, market trends, and customer feedback.

6.2 Conclusion

This thesis report has undertaken an in-depth examination of the Promotional and CSR strategy within the Bangladeshi tobacco industry, with a specific focus on the prominent player, Abul Khair Tobacco. The study underscores the critical role of effective Promotional and CSR in achieving market success and building a sustainable presence in this competitive sector.

The case study of Abul Khair Tobacco reveals several key factors contributing to their success. These include a well-established and extensive distribution network, strategic partnerships with key retailers, a strong emphasis on customer satisfaction, and the effective utilization of data analytics and technology to optimize operations. Furthermore, the study highlights the significance of adapting to the unique challenges and opportunities presented by the Bangladeshi market. Factors such as diverse regional markets, varying consumer preferences, and infrastructural limitations necessitate a nuanced and localized approach to Promotional and CSR.

While Abul Khair Tobacco has demonstrated a strong performance, the study also identifies areas for improvement. Integrating sustainability principles into their Promotional and CSR activities, such as adopting eco-friendly packaging, minimizing environmental impact, and supporting community development initiatives, is crucial for long-term success in an increasingly environmentally conscious world.

In conclusion, this research provides valuable insights into the complexities of the tobacco industry in Bangladesh and the crucial role of effective Promotional and CSR strategies. The findings of this study can serve as a valuable reference for other players in the industry, guiding their decision-making processes and informing the development of more effective and sustainable business practices. By embracing innovation, prioritizing customer satisfaction, and integrating sustainability principles, industry stakeholders can navigate the challenges and capitalize on the opportunities within the evolving Bangladeshi tobacco market.

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