

Report
on

P R A N



Report on PRAN

Prepared for

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Marketing Management

East West University of Bangladesh

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Submission Date: 29 April, 2006

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April 24, 2006

To Whom It May Concern

This is to certify that Jumur Chandra Saha Id 0000-0-00-000, S. M. Benzir Ahmed Id: 0000-0-00-000, Nazbul Alam Id: 0000-0-00-000, Mesbah Uddin Ahmed Id: 0000-0-00-000 are the student of East West University. From to company, I would like to thank them for choosing our company. For doing marketing report, they have taken data from our head office.

Thank them for their kind cooperation.

Soman Biswas
Sub asst.Manager
(Recruitment)

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Dear students:

Letter of Authorization.

At your earliest convenience, will you please prepare a report on PRAN company. As students of business administration, you are well qualified to undertake the study on this subject. As a part of the course you will make presentation on this report.

Submit the report by April 24, 2006. Please contact with me if I can be assistance.

Sincerely

Dr.Syed Ferhat Anwar
Professor
Dept. of Marketing
EAST WEST UNIVERSITY
43 Moakhali, Dhaka

23 April 2006

Dr.Syed Ferhat Anwar
Professor
Dept. of Marketing
EAST WEST UNIVERSITY
43 Moakhali, Dhaka

Dear Sir:

Letter of transmittal

With due to respect we would like to submit our marketing project on Agricultural Marketing Co Ltd which product is branded under "PRAN", a trustee name in foods. We have done our marketing project by using both primary and secondary data. There is no doubt it was magnificent opportunity for me to research on this topic. It has been enriched our knowledge a lot.

We will be highly motivated if this marketing project meets your desired expectations.

Thank you.

JUMUR CHANDRA SAHA 0000-0-00-000

S. M. BENZIR AHMED 0000-0-00-000

NAZBUL ALAM 0000-0-00-000

MESBAH UDDIN AHMED 0000-0-00-000

ACKNOWLEDGEMENT

There are few people who really deserve to be thanked for helping us to prepare report. Without their support this report could not have been completed.

First of all we would like to thank the PRAN group authority to give us this opportunity to work there.

Then we would like to show our gratitude to our honorable faculty of EWU Prof. Dr. Syed Ferhat Anwar, Lecturer Nayeema Ahmed and Md. Farhan Faruqui for helping us in developing the scope of the report.

We would like offer a special thank to Mr.Kamruzzaman Kamal General Manager of marketing of PRAN Group for his help. Then we would like to convey our regards to Mr. Enamul Haque-Asst.Manager (Recruitment). Mr. Ranjan Kumar Dey-Asst.Manager (QMSD) and Mr.Soman Biswas-SAM (Recruitment) for their enormous help while preparing the report.

Here we cannot but state some of the persons name who really helped us lot while preparing the report with inspirations and ideas.

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Executive summary

This project titled “Marketing Segmentation and marketing mix strategy of PRAN” is prepared as a requisition part of the practicum program MKT-201 a course of Bachelor of Business Administration department in East West University. The report is prepared based on the marketing project on Agricultural Marketing Co. Ltd (PRAN).

Now-a-days it is really hard job for company to retain his sales in competitive market. To retain his sales forces, he must segment its product and then targeting to satisfy the consumer .AMCL has been doing a wonderful market targeting to reach his product to consumer effectively.

As well as targeting, company also has done better in marketing mix strategy. In a product portfolio, company has various packages and flavor also, which is very important for the competitive market. To reach the product efficiently to consumer, company has appointed many sales representatives over the country. They have also 13 sales divisions over the country.

To maintain its regular activities, they have well trained employee. Their product price is so liberal according to quality than their competitors. They have got international recognition for their quality management and product qualities such as ISO -9001, HACCP etc. They have good promotional activities also. Every year they have spent 50% of their annual budget for their various promotional activities.

This report is on the basis of PRAN's marketing oriented activities.

Origin

To do the Marketing Management course we need to make a report on a particular company and for that we selected PRAN products for our report.

Objective

To find some basic information on PRAN and some basics of their marketing activities.

Scope

We worked on AMCL's Pran Juice. We particularly worked on its basic information, organizational structure, industry scope, market analysis, SWOT, segmentation, market targeting, positioning, marketing mix and budget allocation for marketing.

Methodology

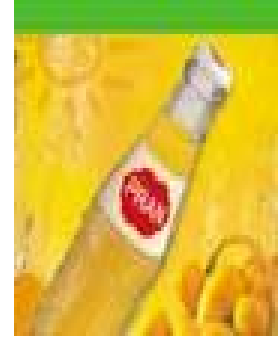
We used out gathered information from various sources to make the whole report. We used online facility and collected data from the company also. We use Microsoft PowerPoint for our presentation making purpose and Microsoft Word for report making.

Limitation

- § Lack of information source
- § Lack of information in web sites
- § Lack of lab facility
- § Lack of printing facility

Abbreviation

AMCL = Agricultural Marketing Company Limited
PRAN = Program for Rural Advancement Nationally
CEO = Chief Executive Officer
DMD = Deputy Managing Director
ISO = International Standard Organization
CA = Chartered Accountants
MBA = Masters in Business Administration
KSA = Kingdom of Saudi Arabia



Agricultural Marketing Company Ltd.

Company Profile

Company

Agricultural Marketing Company Ltd.

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History

It consisted as a “Private Limited Company” which is registered 1985 under the authority of Bangladesh government.

Agricultural Marketing Com Ltd. (AMCL) was setup in 1985 initially for farming and marketing of agricultural products for local and exports markets. The company was engaged in agronomic (Contact farming) business and cultivated many types of fruits and vegetables including gherkins, mushroom and baby corn in its own farm and through contact growers. Processed gherkins, fresh vegetables, canned pineapples and baby corn were exported in small volumes also market locally. The company processes the major fruits produced in Bangladesh like mango, pineapple, tomato and several types of vegetables. The plant facilities include canning, pulping, juice making, bottling aseptic packing and also making jam, jelly, pickle, dehydrated fruits etc.

The company now solidly established in local market utilizing its available production capacity and facilities with an established brand name, reliable product quality, wide spread marketing and distribution network coupled with price competitiveness.

The company enlisted as Public limited company in 1993 and issued the share for publics on June 22, 1993. Their authorized capital was 50,000,000 and paid up capital 80,000,000 and share price was 10 Taka each.

Their product is branded as PRAN.

The full meaning of PRAN is...

P = Program For

R = Rural

A = Advancement

N = Nationally

Their comparative advantage as an economy lies is agriculture. The company believes the way to economic prosperity is through agro business.

Pran is in testimony to our conviction. It stands for “program for rural advancement nationally. Pran is the largest grower and processor of fruits and vegetable.

The company contract growers cultivate and processed in our modern and hygienic 6 factories at Ghorashal to highest quality standard.

Its main investor or having a cent percentage shares owner's name is Major General Amjad Hussian.

Vision

The company has a realistic measurable, practical vision. Company will try to deliver its products in everywhere in the country. After fulfilling the domestic demand it'll export its products.

Mission Statement

Poverty and hunger are curses.

Goal

The company's goal is to achieve market leadership in their existing markets.

Objectives

Company's objectives are below: -

1. They aim to achieve a market share of 65% their existing markets.
2. They aim to achieve sales growth of 20% per annum with their existing products.

Tactics

They will use our widespread distribution via our country supermarkets and UK, Middle East supermarkets to increase sales and existing products and introduce new products.

Aim

Generate employment and earn dignity and self respect for their competitors.

Organizational Structure

The management comprised of a group of senior and mid level experienced professionals like CAs, MBAs, Engineers and Lawyers having long experienced and qualification in the respective fields. Executive and junior officers with adequate experience and qualification in the respective functional areas assist the senior management pool.

They have designed their management like this way...

CEO
DMD
Director
Executive Director
Business Unit
Common Service Department

They have total 2,237 employees in AMCL.

Products

The product categories are...

JUICES&DRINKS

- Mango Juice& Drinks [250 ml]
- Orange Juice& Drinks [250 ml]
- Pineapple Juice& Drinks [250 ml]
- Fruit Cocktail& Drinks [250 ml]
- Lemon Drink& Drinks [250 ml]
- Apple Juice& Drinks [250 ml]
- Guava Juice& Drinks [250 ml]
- Mango Pine Juice& Drinks [250 ml]
- Banana Juice& Drinks [250 ml]
- Coconut Juice& Drinks [250 ml]
- Tamarind Juice& Drinks [250 ml]

Situation Analysis

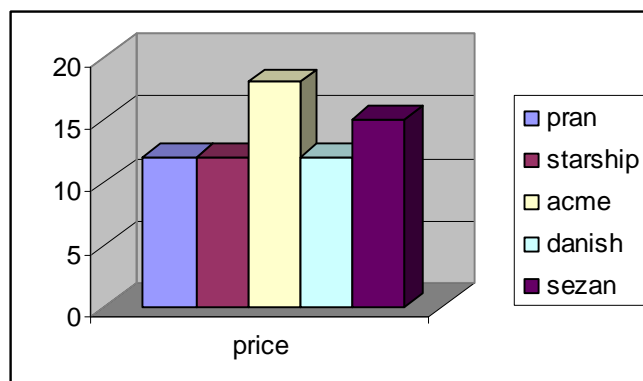
Industry Scope

AMCL only consider their competitor only that company who produces the similar products.

Company always tries to reduce his products then others. The figure is given bellow.

Company Names	Price
Pran	12
Danish	12
Star ship	12
Shezen	15
Acme	18

Juices&Drinks



Market Share

Company Names	Market Share
AMCL (Pran)	30 %
Abul Khair Ltd. (Starship)	22 %
Partex Beverage Ltd. (Danish)	15 %
ACME Ltd. (ACME)	13 %
Hashem Food Products Ltd. (Shezen)	11 %
Others	09 %

SWOT Analysis

Strength

Consumer Benefits

1. Quality Products
2. Largest Product Variation
3. Local Taste
4. Health & Hygienic
5. Product of Superiority & International Standard
6. Affordable Price

Advertising & Promotion

Advertising & Promotion is the key to marketing communication of any product or brand. It helps to create awareness as well as to show the product attributes & benefits of the brand to the mass consumer level. Our In-house advertising agency provides us full support through different innovative ideas. We spend almost 50% of our total annual budget on different Medias. A large portion of the budget is also dedicated to the various Outdoor & Public Relationship activities to build up a strong & distinctive corporate image.

Sales & Distribution Network

Countrywide Distribution Network

Company appointed Sales Force to cover every part of the Country.

Sales Network

PRAN sales force comprises as bellow...

1. Number of Executives: 137.
2. Number of Sales Representatives: 1510 (Selling to retailers all over Bangladesh through Distributors)
3. Country Divided by Sales Zone.

Distribution Network

At this moment company appointed total Distributors are 720.

ISO 9001 Certified

Agricultural Marketing Co. Ltd is the first and largest food processing industry in Bangladesh to earn the prestigious distinction of ISO 9001 certificate. This supreme certification ensures that PRAN products reach to the consumers maintaining the highest level of quality & satisfaction. Other than AMCL, PRAN has also acquired many International certificates like HACCP, HALAL, Vegetarian sign and so on.

Prestigious International Quality Certificates (ISO, HACCP, HALAL)

PRAN has achieved many prestigious international quality certificates like: ISO, HACCP, HALAL etc. in different times.

Import

Raw Materials

Cassava powder, Corn Grits, Orange Concentrate, Potato starch, Potato granules

Chemicals

Ascorbic Acid, Beta Carotene, CMC, Citric Acid, Caustic Soda, Hot melt, Pectin, Potassium Sorbet, Xanthenes Gum, Different Flavors, Confectionery raw material

Packing Materials

Aluminum Foil, Crown Cork, Flexible Packing material, Glass Bottle, Glass Jars, HDPE, Lug Cap (30, 53 & 63mm), PET, Shrink Labels, Shrink caps, Tin Can, U-Straw

Export

Major Market

India, KSA, Djibouti & UK

The company is exporting their products to more than 64 Countries

Exporting Countries

Angola, Australia, Austria, Bahrain, Belgium, Benin, Brunei, Burkina Faso, Bhutan, Cameroon, Canada, Capo Verde Islands, Chad, Congo, Djibouti, Eritrea, Equatorial Guinea, Ethiopia, France, Gabon, Gambia, Germany, Ghana, Greece, Guinea, India, Italy, Ivory Coast, Japan, Korea, KSA, Kuwait, Lebanon, Malaysia, Mali, Mauritania, Mauritius, Myanmar, Mayo tee, Nederland Antilles, Nepal, Niger, Oman, Pakistan, Palestine, Qatar, RCA, Reunion Islands, Senegal, Sierra Leone, Singapore, Sri Lanka, Sudan, Sweden, Switzerland, Togo, UAE, UK, USA, Yemen.

Exported Products

Fruit Juices in Aseptic Pack & Glass Bottle, Fruit juices in Tin Can, Fruit Drinks in Plastic Bottle, Canned Fruits..

Weakness

Inter Communication

Inter communication of the company is not well organized. They have different offices in different areas (R.K. Mission Road, Motijheel, Shamibug etc.) but they cannot maintain the proper inter communication among them. Another thing is that their office equipment and machinery items are not favorable to its employee.

Delayed Supply

Most of their sole distributors complain that they always supply their product lately. That's why sometimes for them it's hard to sell the products in proper time because their stocks become hard up.

Opportunity

Government stability

Government stability can help the company in manufacturing product continuously and also help to export product in abroad and import materials from abroad and tax facilities.

Threat

Cash Buying

Recently company ruled out that, they had to only supply their products those distributors who could pay in cash. Here they neglected their relationship with their long time distributors. That's why they may replace their product selling and interested in their (PRAN) competitor's product who still supply in due.

International brand

In future any international brands such as Fruitteila, Tropicana etc. might come in existing market.

Segmentation Analysis

To increase its sales and meet up customer's demand, it has already followed market segmentation.

Level of Segmentation

Through Market Segmentation, companies divided large, heterogeneous markets into smaller segments that can be reached more efficiently and effectively with goods and services that match their unique needs. To be divided an effective segmentation it has chosen Segment Marketing. Because this process consists of a group of customer who share a similar set of wants. Company explained details why did we take this level of segmentation?

Segmentation Variables

Company chose its segmentation variables according to demographically. Because it is more appropriate and suitable for its product line. It is widely available and often related to consumer behavior and buying. The most important variables are given below which related to product line:

Life Stage:

Juice is most properly drunk by youth stage.

Age:

Juice is most properly drunk by 5 – 20 age of people. If we consider these variables with our product line, it is totally important and related to our product line

Income

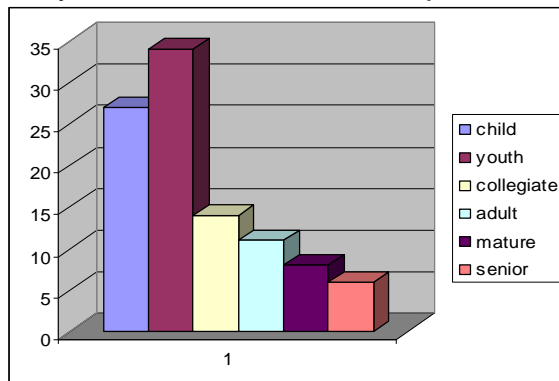
Purchase power also affects the variables of product. Such as the people who earn 10,000 taka up known as High income people, who earn 5,000-10,000 are known as middle income people and who earn 5000 less are known as low income people.

Company segmented their target market into these types. Keeping this information in memory, Company advertised their promotion related to in this way. The primary demand of the juice in market is given below

Segmentation Graph

Age	Life Stage	Daily Needs	Percentage
5	Child	27	27
10	Youth	34	34
15	Collegiate	14	14
20	Adult	11	11
25	Mature	08	08
Over 25	Senior	06	06

Daily needs measured in 100 packs.



Though, they have different packages for same juice such as mango. A sales list is given below:-

DESCRIPTION	HIGH INCOME PEOPLE	MIDDLE INCOME PEOPLE	LOW INCOME PEOPLE	PRICE
Returnable glass bottle (RGB)	14	31	58	10 taka
Aseptic pack	49	32	19	6/12 taka
Non-Returnable glass bottle	16	21	15	12 taka
Canned juice	21	16	08	15 taka
	100	100	100	

***measured in 100 packs

They segmented it that's way because it can help them to emphasize on particular package and moreover get easier their distribution process.

Market targeting

Mango juice Orange juice	Child
Pine Apple juice Mango pine juice	Youth
Fruit cocktail Apple juice	Collegiate
Lemon juice Banana juice	Adult
Coconut juice Guava juice	Mature
Tamarind juice Apple juice	Senior

Differentiated marketing

PRAN measured the market on the demand of customer (child, 100 packs)

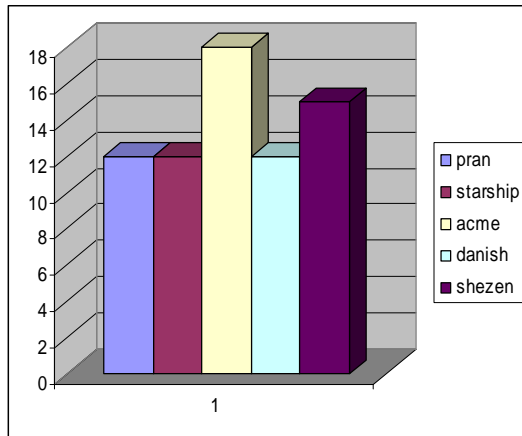
Mango juice	35
Orange juice	29
Pine Apple juice	9
Mango Pine juice	12
Fruit cock tail	5
Apple juice	3
Lemon Drink	2
Banana Drink	1
Coconut Juice	1
Guava Juice	2
Tamarind Drink Juice	1

Positioning

- Market strategy of “PRAN” that emphasized serving a specific market segment by achieving a certain position in buyer’s mind.
- Company followed the price/quality strategy to set its positioning .we describe it briefly in follow from the beginning company always tries to reduce his price than others.

Price list

Brand	Price
PRAN	12
Star ship	12
Acme	18
Danish	12
Shezen	15



Condition of positioning

People	Opinion	Amount
City	Quality is too good!!!	69/100
Town	According to price, quality is good	75/100
Village	There brand name is preferable	63/100

Marketing Mix

Product

- The company process most of the fruits product in Bangladesh like mango, pineapple, Anna, lemon, guava, and many other types of fruits. The plant facilities include canning ,pulping , juice making ,bottling etc .The company's business activities are faming ,processing of fruits and other agro products and the activities of the company segmented into different are shown below-
- Unit-1 processing of agro products

- Unit-2 farming/Horticulture
- Unit-3 Bottling, TERA packing of juices.

AMCL have adopted an ISO-9001 as the model for their quality management system accordingly a documented system of procedures and instructions have been established throughout the organization defining business process responsibilities. Management is too committed to providing the resources and operating an environment in which employee can contribute his/her skill, talent and ideas in never ending process of improvement and innovation in all aspects of business.



Mango Juice Bottle (RGB): Mango juice marketed in returnable glass bottle. Raw material is mango pulp collected from local contract growers. PRAN is the pioneer in bottle juice category with highest market share in Bangladesh.



Aseptic Juice Pak: Using fresh natural Bangladeshi fruits and hygienically produced with the state of art technology, available in four different flavors like as orange, mango, litchi, pineapple, mango-pine, guava & fruit cocktail. Very

uncommon the fruit cocktail product is a combination of 12 different types of local fruits



Non-RGB Juice: Real mango fruit juice, using pulp by own processed, available in Non-returnable glass bottle.



Canned Juices: Using fresh natural Bangladeshi fruits and hygienically produced with the state of art technology food grade metal smart can. Available in four different flavors like as orange, mango, pineapple, guava, fruit cocktail, tamarind & banana flavor

Price

Though company have different types of juices with different flavor and packages. That's why company has different prices for different flavor juices and packs .the list is given below:-

Mango juices

Description	Contains	Price
Returnable glass bottle (RGB)	250 ml	10 taka
Aseptic pack	250 ml 200 ml 125 ml	12 taka 10 taka 6 taka
Non-Returnable glass bottle	250 ml	12 taka
Canned juice	250 ml	15 taka

ORANGE JUICE

Description	Contains	Price
Returnable glass bottle (RGB)	N/A	N/A
Aseptic pack	250 ml 200 ml	12 taka 10 taka
Non-Returnable glass bottle	250 ml	12 taka
Canned juice	250 ml	15 taka

People

The management comprised of a group of senior and mid level experienced professionals like FCAs, MBAs, Engineers and Lawyers having long experienced and qualification in the respective fields. Executive and junior officers with adequate experience and qualification in the respective functional areas assist the senior management pool.

At present the human resources strength is 182 including 112 related to production and farming and 70 in the administration and marketing. Total manpower strength will be 360 out of them 190 will be related with production and farming .in the sales department total number of sales representative are 800 and the total number of zonal manager are 71 they are engaged to sells product of PRAN. PRAN has a human resource department to recruit their necessary employee.

Place

- TO reach the product efficiently and effectively, company have strong distribution channel in the country .they have 1510 dealer in the country divided by thirteen divisions. Main divisions name are given below:-
- 1.Dhaka division
- 2.Chittagong division
- 3.Sylhet division
- 4.Rajshahi division
- 5.Khulna division
- 6.Barishal division
- EACH division they have an sales & distribution office to easier their distribution process.

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PRAN sales force comprises as bellow,

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Number of Sales Representatives 1510 (Selling to retailers all over Bangladesh through Distributors)

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Promotion

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CURRENT PROMOTION

- 1.SIP AND FLY TO GERMANY FOR WATCHING "FIFA WOLRD CUP"

People

Agricultural Marketing Company Ltd claims that they pay to good remuneration to their employee and executives.

Budget Allocation

Costs of various promotional tools

Promotional tool	Description	Percentages
Billboard	Hand painted	8%
	Digital	8%
Posters	10,00,000 piece	5%
Banners	Hand printed	5%
Newspaper	Daily	3%
Advertisement	Magazine	1%
TV channel	National TV	30%
	Cable TV	40%

They have taken many others promotional tools by corporately, such as

- 1) Pickle Competitions.
- 2) Junior drawing competition.
- 3) Junior football tournament (sponsorship) to increase its brand image.

Conclusion

PRAN started their activities on 1985. They have passed 21 years and today they have established their own brand with much goodwill. But still they have problems.

- Their inter communication is not good
- They don't facilitate good for reference
- Their web site is not well informative
- Their recent cash sales policy may hamper their sales.
- They cannot supply their goods to outlets in time

Recommendation

After doing work for the report some recommendation came out and those may led to better profit and goodwill for the company.

- Their inter communication should good
- They should well facilitate for reference
- Their web site should be well informative and regular updated
- Their recent cash sales policy should cancelled
- They should take more care about the timely supply of their goods to their outlets.

Reference

- www.pranfoods.net
- MARKETING MANAGEMENT By-Philip Kotler