

Internship Report
on
“Digital Business Solutions at British American Tobacco
Bangladesh”



Submitted to

Islamic University of Technology

in partial fulfillment of the requirements for the degree of
BBA in Business and Technology Management (BTM)

Submitted by:

I understand that my final report will become part of the permanent collection of the Islamic University of Technology BBA in Business and Technology Management Program. My signature below authorizes release of my final report to any reader upon request.

Tahani Tahmid; ID: 170061059

Tahani Tahmid

Department of Business and Technology Management

Islamic University of Technology

Approved by:

S.M. Rakibul Anwar

S.M. Rakibul Anwar

Assistant Professor

Department of Business and Technology Management

Islamic University of Technology

Internship on Digital Business Solutions at BAT Bangladesh



This internship report is submitted to the Department of Business and Technology Management (BTM) at the Islamic University of Technology (IUT) for the course BTM 4800.

Acknowledgment

This report was the result of many people's tireless efforts and support. I am grateful to each and every one of them for providing me with the support and direction that helped me to complete this report.

Firstly, I'd like to express my gratitude to Allah for providing me with the ability to do so, patience, and resilience to carry out my responsibilities as an intern at BAT Bangladesh which is the focus of this report. After that, I'd want to express my gratitude to my honored Advisor, S.M. Rakibul Anwar sir, Assistant Professor, for his unwavering support and advice throughout the process. I owe Sadia Kamal apu, my line manager at BAT Bangladesh, a debt of gratitude for her unwavering support and advice throughout my internship. It would have been impossible to produce this report without their assistance.

I am grateful to the entire BTM department for working tirelessly to make the internship program a success for myself and my classmates. They were the ones who ensured that theoretical knowledge and first-hand corporate experience could be combined.

Lastly, I'd like to thank my family for assisting me in remaining strong and healthy throughout the entire period. I'd also like to thank my coworkers for guiding me with helpful recommendations and guidance, as well as for motivating me. I must add emphasize the welcoming and supportive environment, which assisted me in overcoming numerous challenges.

Executive Summary

The report is an attempt to summarize the three-month internship program that was aimed to provide me with practical professional experience. The paper outlines my experience as an intern at Digital Business Solutions Department at British American Tobacco, BAT Bangladesh.

British American Tobacco Bangladesh, or BAT Bangladesh, is a subsidiary of British American Tobacco, a multinational with multi-category consumer products business having operations in approximately 180 nations of the world. In the world of tobacco industries, BAT is one of the leading multinational business firms. BAT Bangladesh has always been active in bringing innovative world-class products to satisfy customers. For compliance and governance, they have set a benchmark for others and they are known for creating leaders who lead both domestic & global organizations.

Digital Business Solutions is comparatively a new department at BAT Bangladesh aimed to build digitally enabled business solutions. As an intern of DBS I got the opportunity to closely monitor how the department runs. Though I was under the supervision of IDT Tech Manager, Sadia Kamal apu, I got the opportunity to work for all the 4 sections of DBS namely Corporate, Operations, Service and Marketing. I was able to contribute in some projects undertaken by the department.

This internship enabled me to explore the corporate culture and become a part of it for 3 months. It broadened my experience of working in a corporate environment, which supported not only my professional development but also my personal growth. This has surely had a significant impact on my professional plans. It showed me where I have room to improve, learn, and contribute.

At the beginning of the report, I have given the company overview, company analysis, industry analysis etc. After that I described my roles and responsibilities as an intern. Lastly I have given an analysis at different levels-company, market, professional etc. Finally, have given my recommendations about the scopes of improvement both in BAT B and our courses of BTM.

Contents

Acknowledgment	iii
Executive Summary	iv
1.Introduction	1
1.1 Origin of the report	1
1.2 Objective of the Report.....	2
1.3 Methodology.....	2
1.4 Scope of the research	3
1.5 Limitations	3
1.6 Significance.....	3
2.Company Analysis	5
2.1 History.....	5
2.2 Evolved corporate purpose	7
2.3 A sustainability agenda for <i>A Better Tomorrow</i>	8
2.4 Departments	9
2.5 Products and services produced and offered to customers	10
2.6 Worldwide operations	12
2.7 Organization chart of the company.....	13
2.8 PESTEL ANALYSIS	14
2.9 SWOT Analysis	16
2.10 Porter’s Five Forces	18
3.Industry Analysis	22
3.1 Industry size	22
3.2 Growth trends.....	22
3.3 Maturity of the industry in Bangladesh	24
3.4 Seasonality	24
3.5 Impact of Covid 19	25
3.6 Tobacco Market Segmentation	26
3.7 Regional Perspectives	27

3.8 Competitive Landscape.....	27
3.9 Competitors of Bat B	27
3.10 Competitive Advantages.....	28
4.Description of Duties.....	30
4.1 Position and department.....	30
4.2 Tasks completed during the internship	30
4.3 Working conditions and functions	33
4.4 Difficulties and challenges.....	33
4.5 Mode of Interaction.....	33
4.6 Working Tools	34
4.7 Overall Experience.....	34
5.Analysis	36
5.1 Company Level Analysis.....	36
5.2 Market Level Analysis.....	37
5.3 Professional Level Analysis.....	37
Conclusion & Recommendations.....	40
6.1 Conclusion	40
6.2 Recommendation	42
References	43

List of Figures

Figure 1: History-A journey of 110 years.....	6
Figure 2: Evolved Corporate Purpose.....	7
Figure 3: ESG initiatives.....	8
Figure 4: Products.....	11
Figure 5: Worldwide operations	12
Figure 6: Organization chart	13
Figure 7: PESTEL Analysis.....	14
Figure 8: SWOT Analysis.....	17
Figure 9: Seasonality of industry	25
Figure 10: Market Share	28

Chapter 1

Introduction

1.Introduction

This report is an integral part of the course – Internship 4800 for the 8th semester. It has been written with an aim of sharing the experiences that I have gathered while working as an intern for 3 months at BAT Bangladesh. Internship plays a very important role for students as it helps them to apply practically the theoretical knowledge they have gained through their courses. This internship helped me to explore the corporate culture, apply my theoretical knowledge and understand my areas of improvement. During the three-month internship, the main goal was to gain an understanding of the operations of the company's Digital Business Solutions department and how they work to achieve their objectives. Thus, this report provides an overview of the organization specially the Digital Business Solutions Department of BAT Bangladesh. This part will contain the origin of the report, scope, objective, methodology I have used and finally the limitations I faced while compiling the report.

1.1 Origin of the report:

The purpose of this report to meet the requirement of the internship program for students of the department of Business and Technology Management of Islamic University of Technology to complete their undergraduate degree. The primary goal of this program is to introduce the first batch of Business and Technology Management department graduates to the job market and the corporate world. As the students are already familiar with the theoretical concepts of the business world, the internship program was designed to allow them to apply the theory to the reality of the world and gain professional experience. This report is the outcome of my 3 months' internship program at the department of Digital Business Solutions at British American Tobacco Bangladesh. It contains information about the company and its products, as well as information about the industry in which the company operates.

1.2 Objective of the Report

During the three-month internship, the main goal was to gain an understanding of the operations of the company's Digital Business Solutions department and how they work to achieve their objectives. The purpose of this report is to demonstrate my comprehension of the work completed as well as the experience gained during the internship program.

- To give an overview of 3 months' experience as an intern at BAT Bangladesh
- To outline my duties and responsibilities as an intern.
- To depict the company's overall condition and status in both domestic and international markets.
- To relate academic learning with practical experience

1.3 Methodology:

I gathered information and insights from both primary and secondary sources while preparing this report. The primary and secondary sources of information are mentioned below.

Primary Source:

The majority of the report is written with insights collected from primary research. The primary sources of information have been:

- Employees of the company.
- The Diary and notes I maintained throughout the internship period.

Secondary Source:

While primary research constitutes the majority of this report, a significant amount of the information presented in the report was gathered from secondary sources. Secondary sources of information include:

- Company Website.
- Annual reports of the company
- Research papers
- Previous internship reports
- Google search engine.

1.4 Scope of the research:

This report provides an overview of the organization specially the Digital Business Solutions Department of BAT Bangladesh. A reader will be able to know the overall function of the organization, working condition and contribution in both local and international market. Moreover, it contains insight about the entire tobacco industry. Finally, it will give an idea about my entire internship period, learnings and recommendations.

1.5 Limitations:

The following limitations have been faced during the course of preparing this report.

- **Confidentiality:**

The main challenge faced while preparing this report is collection of information and maintaining confidentiality of the collected information. As this industry is very confidential so collecting information has been difficult.

- **Time constraint:**

Three and a half months was comparatively short for achieving all of the company's knowledge and insight. Despite this limitation, I have done my best to make the most of this experience.

1.6 Significance:

Internship plays a significant role for students as it helps them to apply the theoretical knowledge they have gathered in corporate environment. This 3-month long internship helped me to explore the corporate culture, apply my theoretical knowledge and understand my areas of improvement. My confidence level, communication skills and other interpersonal skills have definitely improved through this internship. I believe it helped me enhance my competence and provide me with some valuable experience that will help to flourish my career.

Chapter 2

Company Analysis

2. Company Analysis

British American Tobacco Bangladesh, or BAT Bangladesh, is a subsidiary of British American Tobacco, a multinational with multi-category consumer products business having operations in approximately 180 nations of the world. BAT Bangladesh is one of the 180 markets in which BAT operates and is a Direct Reporting Business Unit (DRBU) of the Group's Asia-Pacific Middle East Region. They produce high-quality tobacco products that serves a wide range of customer preferences. BAT is one of the few companies that operates on a 'crop-to-consumer' basis.

BAT Bangladesh has been a devoted partner in the country's sustainable development from its inception 110 years ago. For compliance and governance, they have set a benchmark for others and they are known for creating leaders who lead both domestic & global organizations.

2.1 History:

British American Tobacco has started its journey in this region from 1910. The company established its first sales station in Dhaka at Armanitola 110 years ago as Imperial Tobacco. Following the partition of India in 1947, Pakistan Tobacco Company was founded. In Bangladesh, the first factory was established in Fauzdarhat in Chattogram in 1949, while the second was at Mohakhali, Dhaka, in 1965. Following the independence of Bangladesh, the Company was renamed Bangladesh Tobacco Company Limited. In 1998 the name of the company was changed to British American Tobacco Bangladesh (BAT Bangladesh), aligning the corporate identity with other BAT Group operating companies.

Some of BAT's most illustrious events in the last century: growth and achievement:

- **1902:** The Imperial Tobacco Company of the United Kingdom and The American Tobacco Company of the United States founded a joint venture known as the British-American Tobacco Company Ltd in 1902.
- **1910:** The West Indies, India, Ceylon (Sri Lanka), East Africa, Java, Malaya 3 (Malaysia), and Nigeria were added to the list of operations.
- **1911:** British American Tobacco is listed on the London Stock Exchange in 1911.

A JOURNEY OF 110 YEARS



Figure 1: History-A journey of 110 years

- **1914:** Souza Cruz, a Brazilian tobacco firm, was purchased in 1914.
- **1927:** Purchase of Brown & Williamson allows entry into the US market.
- **1929:** Rothmans is listed on the London Stock Exchange in 1929.
- **1930:** Rothmans International and British American Tobacco both saw rapid expansion throughout the 1930s.
- **1960/70/80:** British American Tobacco experienced a period of diversification during the 1960s, 1970s, and 1980s.
- **1976:** Reorganization of the group under a new holding company, B.A.T. Industries & BATUKE.
- **1990:** B.A.T. Industries focuses on tobacco and financial services in the 1990s.
- **1993:** Following reorganization, Rothmans emerges as a pure tobacco corporation.
- **1994:** Restructuring of four tobacco firms inside B.A.T Industries.
- **1995:** Richmond completely owned Rothmans.

2.2 Evolved corporate purpose:

BAT acknowledges the necessity for an evolving business strategy in today's fast changing world, that will assure long-term excellent delivery, today and tomorrow.

In response to this requirement, BAT has adopted a new vision and purpose.

“A journey towards A Better Tomorrow for all”

BAT Bangladesh has also adopted a new vision & commitment taking inspiration from BAT Group’s evolved purpose,



Figure 2: Evolved Corporate Purpose

The goal is to facilitate a transformational journey for all stakeholders.

A Better Tomorrow for:



By providing entertaining options for every emotion and every occasion, now and tomorrow;



By lowering their environmental and social impacts;



By providing a dynamic, inspirational, and meaningful work environment; and



By delivering sustainable and superior returns.

At the center of this evolved vision is the incorporation of sustainability into all activities and projects through environmental, social, and governance (ESG) initiatives that will aid in the construction of a better Bangladesh.

2.3 A sustainability agenda for *A Better Tomorrow*:

Sustainability has always been important for BAT and they have a long glorious history of sustainability initiatives. But they are bringing sustainability in the center of all their actions as they embark upon a new journey.

BAT is dedicated to making a significant shift in its sustainability ambitions and has outlined ambitious objectives that it believes will expedite its goal of delivering A Better Tomorrow for all stakeholders., including:

- Increasing the number of people who use non-combustible products to 50 million by 2030
- Achieving carbon neutrality by 2030, as well as increasing the Group's existing environmental commitments to 2025.
- Achieving Alliance for Water Stewardship Core Certification for Dhaka Factory and GLTP by the end of 2021



Figure 3: ESG initiatives

Keeping the evolutionary transition in mind, BAT is developing a comprehensive approach to execute Environmental, Social, and Governance (ESG) initiatives that support long-term business sustainability and value creation across the Group.

BAT Bangladesh is one of the country's early adopters of ESG. Their many ESG activities strive to contribute to the development of a better Bangladesh. With a crop-to-consumer business model in Bangladesh, BATB's ESG activities range from combating climate change to preserving industry standards in corporate ethics.

In 2019, BAT Bangladesh earned 11 ESG awards, both domestically and internationally - a genuine tribute to the Company's objective of being a societal development partner.

2.4 Departments:

BAT B operates in the following functional areas. Among the other department the Digital Business Solutions is the newest. Earlier there were departments like Information Technology and Corporate and Regulatory affairs (CORA) which have been now replaced.



2.5 Products and services produced and offered to customers:

BAT Bangladesh is well known for manufacturing and selling high-quality worldwide cigarette brands. Benson & Hedges, John Player Gold Leaf, John Player Series, Capstan, Star, Royals, Derby, Pilot, and Hollywood are their current brands broadly categorized into four categories of the Bangladesh cigarette industry.

They primarily differentiated their product flow in three distinct sectors.

Premium Range:

Benson & Hedges (B&H) has maintained market supremacy in the Premium segment since its inception in 1997. In this regard, B&H has increased the growth of the Premium pricing segment cigarettes in Bangladesh. According to British American Tobacco, Bangladesh has swiftly ascended to become one of the world's main Benson & Hedges market holders. Since its establishment, this brand, which offers a vast range of product options, has dominated the premium tobacco industry.

B&H Platinum, the company's most recent addition for 2018, is the premium segment's first-ever tube filter option.

Medium price range:

The John Player gold leaf cigarette is one of BTAB's most popular products which was launched in 1980. The new cigarette, with its advanced filtering, is ready to provide users with a delightful smoking experience with its full-bodied flavor. Recently, the John Player section was updated with two new variants: John Player Switch and John Player Special.

Low Range:

The Star cigarette, which was introduced in 1964, more than 56 years ago, and is still a market leader as a brand in the tobacco sector. Another brand, Star Next, was introduced in 2012 as part of the Star series. With its outstanding performance, the Star series has established itself as the market leader in this sector. Furthermore, in the month of July 2019, BATB debuted a new cigarette brand called Royals. There are three distinct cigarettes available on the market under this brand:

- 1) Royals Gold,
- 2) Royals NEXT, and
- 3) Royals LS.

This Royals brand has already established a reputation in the minds of consumers, bringing value to the price. BATB also has various names in this low range category, such as pilot, derby and Hollywood.

New brand:

"Lucky Strike," a new brand in the same tobacco category, was just launched in 2020. Flavored cigarettes are being offered to exceed customer expectations. Two new tastes are available. Each stick is priced at Tk.10. Recently they launched Alchemy, which is the newest addition to their wide product range.

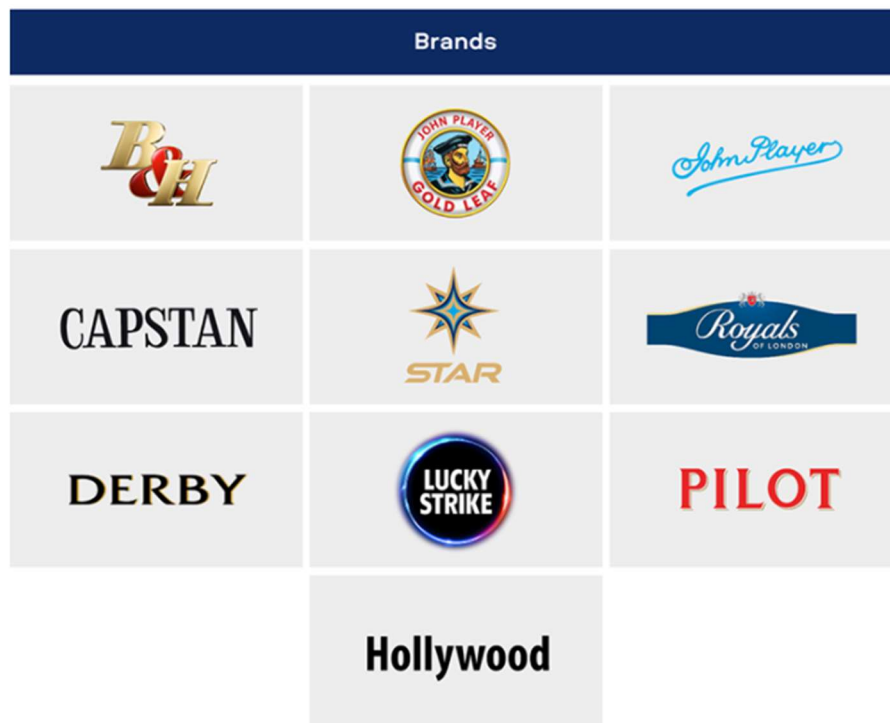


Figure 4: Products

Other products:

Besides recently BAT have introduced a wide range of candies like Lyfe, flow in different flavors. They also have vapes and similar products worldwide.

2.6 Worldwide operations:

BAT regions include the United States of America, the Americas and Sub-Saharan Africa, Europe, Asia-Pacific, and the Middle East. There are very few consumer products firms that can claim 150 million daily customer interactions and distribution to over 11 million points of sale in over 175 markets. There are almost 52,000 BAT employees globally. BAT is proved to be one of the world's top international companies and is operating in almost 180 countries around the world. The figure shows the list of all the countries in which BAT operates.



Figure 5: Worldwide operations

2.7 Organization chart of the company:

BAT Bangladesh directly employs approximately 1500 people and indirectly employs approximately 50,000 people as farmers, distributors, and local suppliers. Shehzad Munim is at the top of the list of Bangladeshi homegrown corporate leaders. He is the first Bangladeshi to be appointed as MD of BAT Bangladesh on October 1, 2013. Under his leadership, the eight most brilliant department heads, both Bangladeshi and non-Bangladeshi, are doing magnificently.



Figure 6: Organization chart

2.8 PESTEL ANALYSIS:

PESTEL analysis helps to evaluate the external environment of the business by breaking it down into Political, Economic, Social, Technological, Environmental and legal factors. It helps to identify the opportunities and risk of the business and is an effective framework in corporate strategy planning. The PESTEL analysis of BAT Bangladesh has been shown with the help of a figure and has been described afterwards.

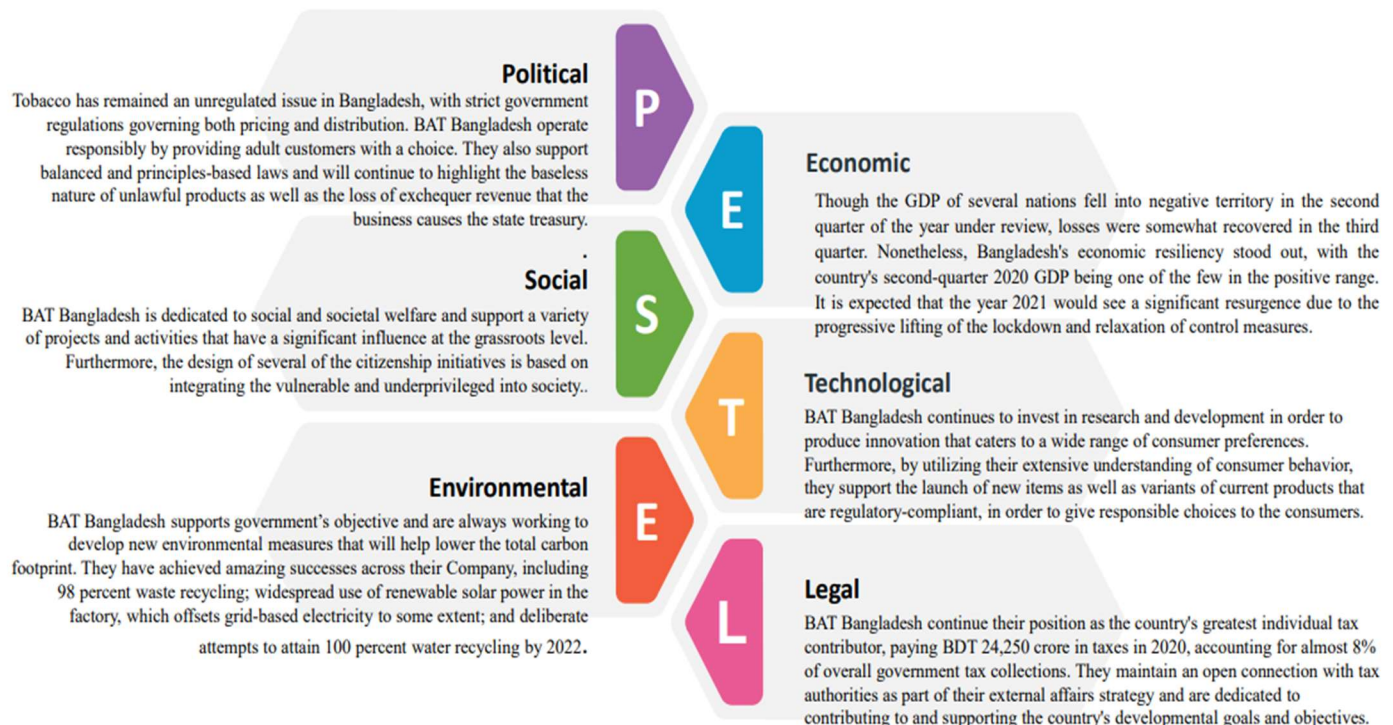


Figure 7: PESTEL Analysis

Political:

Tobacco has remained an unregulated issue in Bangladesh, with strict government regulations governing both pricing and distribution. While BAT Bangladesh appreciates public health concerns, they operate responsibly by providing adult customers with a choice. They also support balanced and principles-based laws and will continue to highlight the baseless nature of unlawful products as well as the loss of exchequer revenue that the business causes the state treasury.

Economic:

The global economy has been thrown into turmoil as a result of the coronavirus pandemic, which has resulted in the loss of lives and livelihoods all around the world. Because of the quick and unusual nature of the virulence, governments were forced to impose the strongest measures, including large-scale shutdowns and lockdowns. Though the GDP of several nations fell into negative territory in the second quarter of the year under review, losses were somewhat recovered in the third quarter. Nonetheless, Bangladesh's economic resiliency stood out, with the country's second-quarter 2020 GDP being one of the few in the positive range. It is expected that the year 2021 would see a significant resurgence due to the progressive lifting of the lockdown and relaxation of control measures.

Social:

As a company with a strong nationalistic interest, BAT Bangladesh is dedicated to social and societal welfare and support a variety of projects and activities that have a significant influence at the grassroots level. Furthermore, the design of several of the citizenship initiatives is based on integrating the vulnerable and underprivileged into society. To ensure institutional effect in providing relief from the coronavirus crisis, they took a variety of initiatives to safeguard the larger society, thereby contributing to public health and welfare.

Technological:

BAT Bangladesh continues to invest in R&D in order to produce innovation that serves to a wide range of consumer preferences. Furthermore, by utilizing their extensive understanding of consumer behavior, they support the launch of new items as well as variants of current products that are regulatory-compliant, in order to give responsible choices to the consumers.

Environmental:

With the pandemic emphasizing the need of a stable ecosystem, debate on climate change and natural habitat have risen to the fore, especially in the collective public awareness. Bangladesh is not an exception, as the government is attempting to combine growth

aspirations with the need for environmental preservation and protection. BAT Bangladesh supports government's objective and are always working to develop new sustainability measures that will help reduce the total carbon footprint. They have witnessed amazing results across the Company, including 98 percent waste recycling; broad use of renewable solar power in the factory, which balances grid-based electricity to some extent; and deliberate attempts to attain 100 percent water recycling by 2022.

Legal:

Their approach to responsible corporate behavior at BAT Bangladesh is stated through BAT's Ethos, Standards of Business Conduct, and a variety of well-established policies, processes, practices, and standards. They are aware of the additional obligation that has been put on them to adhere to the highest standards of corporate behavior and transparency. BAT Bangladesh continue their position as the country's greatest individual tax contributor, paying BDT 24,250 crore in taxes in 2020, accounting for almost 8% of overall government tax collections. They maintain an open connection with tax authorities as part of their external affairs strategy and are dedicated to contributing to and supporting the country's developmental goals and objectives.

2.9 SWOT Analysis:

SWOT analysis is essential for every company to determine the aspects that are vital to the functioning of a firm in both internal and external environments. Internal elements help to determine strengths and weaknesses; external factors help in comprehending risks and opportunities. BAT's SWOT analysis is as follows:

Strength:

In the tobacco industry Bangladesh, there is a high range of regulations, high range of costs and high level of entry barriers. As a result, the new entrants face a huge barrier to compete and survive in the existing business. BATB has become market leader in these days. On the other hand, BATB has the tremendous amount of investment from its mother concern British American Tobacco which helps them to expand and grab more market share in the market.



Figure 8: SWOT Analysis

Weakness:

BATB has to deal with the tobacco products which are sensitive in many aspects and issues. Moreover, they cannot go for any promotional, marketing of their products by using any source of public media vehicle.

Opportunity:

The Bangladeshi tobacco market is rapidly increasing its territory. According to various sources, Biri accounts for 68 percent of all tobacco product sales, while cigarettes account for the remaining 32 percent. However, since the country's GDP and per capita income (PCI) have increased, as has BATB's purchasing power, total consumption of the low-cost cigarette sector has increased by 26% since 2011. As a result, the tobacco industry's market is becoming more sustainable, and doors of opportunity are opening for BATB.

Threat:

People are becoming more health concerned when it comes to harmful intake for the body and mind. This might be a threat to the tobacco industry. Government regulations and growing taxes, on the other hand, hinder the tobacco segmentation process.

2.10 Porter's Five Forces:

Porter's Five Forces finds and analyzes the five forces that shape up every industry and help in identifying the industry's weaknesses and strengths. These forces are used by company to create strategy by identifying an industry's structure. Below the analysis of Porter's Five Forces has been done for BAT Bangladesh.

Internal Competition:

The major competition is among the major rivals, which include domestic producers and, to a minor extent, transit items in the market's high pricing range. Price and quality are the two most important variables of competitor rivalry. Other grounds for rivalry include:

- Customers have a low switching cost because numerous brands are accessible especially in the low segment. As a result, competitors are likely to seek overseas manufacturers for licensing agreements for international brands.
- Furthermore, growth rate of industry is expanding due to huge potential in the low price section of the market, where customers are up trading from Biri to cigarette.

Threat of Substitutes:

For now, there are no alternatives for cigarettes in the business. However, the primary determinants for brand substitution are price, performance, quality, perceived value of the product, and brand image.

- Quality and brand image are important factors in the premium price range for substitution. rival enterprises find it difficult to enjoy the substitutability impact in this area due to significant brand loyalty among customers,
- The key for substitution in the mid-price market is both cost and price. Improved product availability in terms of quality and affordability fosters intense rivalry for substitute. As a result, products with unique and innovative qualities may cause product substitution in this category.
- In lower price segments, an easy availability and attractively priced substitute creates competition by setting a price ceiling. Firms, on the other hand, must discover methods to cut costs in order to be profitable.

Threat of new entrants:

The entry barrier is a strong factor in the sector, which is extremely appealing in terms of growth and profitability. The primary barriers to possible entrance are:

The primary barriers to possible entrance are:

- Significant capital spending is required, as are considerable R&D requirements.
- A lot of resources are needed.
- Access to modern technology and specialist knowledge.
- The learning curve effect and the experience of learning: reduced per unit cost is possible by manufacturing the product in big quantities.
- Large economies of scale in manufacturing make new entrants expensive and dangerous.
- Brand image, customer preferences and loyalty.
- Possible entry points into this market include mergers and acquisitions, as well as strategic alliances formed through licensing with foreign manufacturers.

Power of Suppliers:

- The influence of suppliers over enterprises that rely on the outsourcing of raw materials such as tobacco leaf, wrapping materials, filters, cigarette papers, and so on is not particularly strong.
- Cigarettes are classed as Fast Moving Consumer Goods and are manufactured all around the world. So all firms have the ability to select wrapping materials from anywhere in the world.
- Tobacco for medium and low-cost cigarettes is grown in Bangladesh and can meet the full industry need. In addition, 18-20% of tobacco for premium priced cigarettes is cultivated in Bangladesh, while around 80% of good grade tobacco is imported from various tobacco growing nations. This causes less bargaining power of in terms of price and quality.

Power of Buyers:

Buyers have strong negotiating power in this business because:

- Buyers have well awareness about the many brands available on the market.
- Buyers have negotiating power in the lower-priced segments due to accessibility of many brands and they may choose based on their taste and preferences.
- However, in the medium-priced market, alternative quality, price, and availability are important determinants in substitution. JPGL completely dominates the mid sector in Bangladesh, and no other replacements are accessible.
- Buyer negotiating power will increase in this market, depending on the existence of other competitive mid-tier brands. Consumers' negotiating strength in the premium market is neutralized by their great brand loyalty.

Chapter 3

Industry Analysis

3. Industry Analysis

This chapter gives an overview of the entire tobacco industry, its size, growth trends, maturity, seasonality etc. The competitors of British American Tobacco as well as its competitive advantages has been mentioned in this chapter.

3.1 Industry size:

In 2020, the worldwide tobacco market was worth 8.54 million tons. According to a recent analysis by Grand View Research, Inc., the worldwide tobacco industry is predicted to reach USD 1,073.79 billion by 2028. From 2021 to 2028, it is predicted to grow at a CAGR of 1.8 percent.

Bangladesh is the world's seventh largest tobacco market despite having a land size of only 147,570 square kilometers. With 37.8 million people aged 15 and up, the country's tobacco user base is huge. Furthermore, the country's cigarette production is growing at a 2% yearly pace. Among the 36 countries included in the Tobacco Transformation Index 2020, Bangladesh has the second-highest retail cigarette sales, with around 83.5 billion cigarette sticks sold in 2018.

Tobacco usage in Bangladesh is divided into many categories. 23 percent of adults' smoke tobacco while 27.2 percent use smokeless tobacco products. Men are far more likely than women to smoke, with roughly 45 percent of men smoking compared to 1.5 percent of women. Women, on the other hand, consume smokeless tobacco at a somewhat greater rate than males. Furthermore, a large proportion of Bangladeshi teenagers are beginning to use tobacco, with over 9% of males and 5% of girls aged 13 to 15 using some kind of tobacco.

3.2 Growth trends:

The growth trends of the industry are evident from the following events:

- The cigarettes segment had a market share of more than 75.0 percent in 2020. This product segment is expected to be driven in near future due to easy access to cigarettes at economical prices among the consumers through retail shops.
- The next-generation products market is forecast to increase at the quickest rate, with a

CAGR of 2.8 percent from 2021 to 2028. In developed economies like North America and Europe, the increasing demand for next-generation goods, such as e-cigarettes is projected to continue to be a positive driver for growth.

- The Middle East and Africa are expected to be the fastest-growing regional markets from 2021 to 2028, with a CAGR of 3.0 percent, as the demand for premium and next generation tobacco products are on the rise.

The demand for tobacco has increasingly shifted from developed regions to developing ones such as Asia and Africa. This can be attributed to the growing population, rising consumer income levels, and weak regulations by government. The introduction of several premium tobacco products by producers, such as flavored, long and slender, colored, and e-cigarettes, has produced a good prognosis for the tobacco market's growth. An increase in expenditure for R&D has resulted in the launch of goods with lower amounts of toxicants. This has contributed to a broader consumer base for cigarette goods.

Higher levels of education, as well as growing knowledge of health problems associated to tobacco usage, such as various forms of malignancies, cardiovascular disorders, pulmonary ailments, and so on, have restricted market development. Aside from that, rigorous laws in industrialized nations further limit industry expansion.

Females in the United States are also increasing their intake of tobacco products including hand-rolled cigarettes. According to the Centers for Disease Control and Prevention, around 13.7 percent of the overall U.S. population (almost 34.2 million individuals) smoked cigarettes in 2018. Furthermore, around 12% of the entire female population in the United States aged 18 and up smoked cigarettes. This factor is increasing the country's demand for tobacco and associated items. Tobacco use, particularly cigarette smoking, is also on the rise among women in European countries. Cigarette use was previously exclusive to men in industrialized nations; however, tobacco usage rates are dropping among males while increasing among females.

3.3 Maturity of the industry in Bangladesh

British American Tobacco Company introduced tobacco in Teesta silt in Rangpur area in the mid-1960s into fields where food crops were cultivated more and broadly following freedom in 1971. British American Tobacco Bangladesh (BAT B) is the leading tobacco firm in Bangladesh, having been founded in 1972. Although the Bangladesh Agricultural Research Institute (BARI) performed tobacco research and development operations until abandoning them in 1995, tobacco manufacturing has primarily been driven by large international corporations such as British American Tobacco. Bangladesh's cigarette market is heavily concentrated. British American Tobacco dominates the premium sector of the Bangladesh market. Dhaka Tobacco Industries (DTI) is the largest local tobacco firm.

Bidi production in Bangladesh, on the other hand, is more fragmented, with Akij Bidi Factory, LTD. The tobacco business is expanding at a 3.4 percent annual rate. The Biri market, which accounted for 70% of the whole market, is shrinking.

Two companies dominate the cigarette market: British American Tobacco and Dhaka Tobacco Industries. BAT B has a 46 percent market share, whereas DTI has a 40 percent market share.

3.4 Seasonality:

The current data show that cigarette sales have a considerable seasonal component. This might have an impact on the timing of cessation programs and other time-sensitive measures. Seasonality may hold the key to considerable gains in tobacco control and the management of a major public health concern.

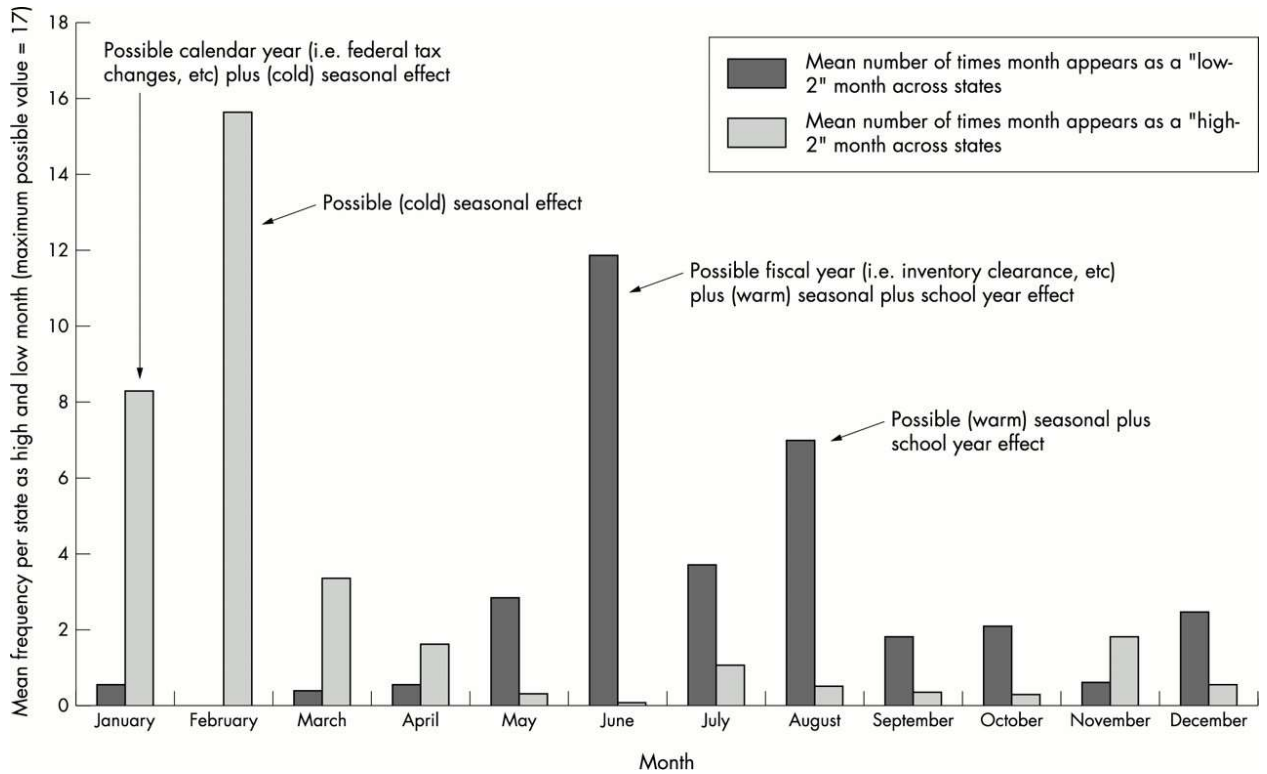


Figure 9: Seasonality of industry

3.5 Impact of Covid 19:

During the pandemic when production of almost all industries came to standstill and with order of lockdown from the government, the production in BAT B almost doubled. This was due to that fact that people sitting at home in lockdown increased their tobacco consumption and this in turn increased the demand for tobacco. The employees had to come to office everyday taking special permission. Thus the pandemic couldn't affect this industry in a negative way.

3.6 Tobacco Market Segmentation:

Grand View Research has classified the worldwide tobacco market by product and region:

Tobacco Product Outlook (Revenue, USD Billion, 2016 - 2028)

- Cigarettes
- Smokeless
- Next Generation Products
- Cigar & Cigarillos
- Waterpipes
- Others

Tobacco Regional Outlook (Revenue, USD Billion, 2016 - 2028)

- North America
 - U.S.
- Europe
 - Turkey
 - Russia
- Asia Pacific
 - China
 - India
- Central & South America
 - Brazil
- Middle East & Africa
 - Egypt

3.7 Regional Perspectives:

Due to a growth in tobacco leaf production in China, it now holds the leading position in the global tobacco industry. Furthermore, among the young generation, smoking is considered "trendy". So there has been a steady demand for tobacco in China. Other important regions for tobacco include Bangladesh, Brazil, the United States, and the European Union.

3.8 Competitive Landscape:

The market is extremely consolidated, with three significant manufacturers controlling more than two-thirds of the overall share. Strong reputation and distribution channels of existing players make it harder for new entrants to come and survive in the market. Some of the market's main participants include:

- British America Tobacco
- Phillip Morris International
- China National Tobacco Corporation
- Japan Tobacco International
- Imperial Tobacco Group

3.9 Competitors of Bat B:

British American Tobacco Bangladesh is the industry's dominant player in terms of core product tobacco. Despite this, another global cigarette brand, Japan American Tobacco (JTI), has entered the Bangladesh market. As a result, they are considered as a key industrial rival for BATB.

British American Tobacco (with 66.6 percent of the cigarette market by volume) and Dhaka Tobacco Industries (under the Akij Group) are Bangladesh's two major tobacco corporations (with 20.5 percent of the cigarette market). Dhaka Tobacco Industries sells Philip Morris International products in Bangladesh, while Japan Tobacco Inc extended its position in the country in 2018 by purchasing Akij Group. Abul Khair Leaf Tobacco, Alpha

Tobacco Company, Nasir Gold Tobacco Company, and Sonali Tobacco are some of the lesser-known local tobacco firms. In 2018, Bangladesh sold 91.6 billion cigarettes.

There are essentially two tobacco industries in Bangladesh. Bangladesh Cigarette Manufacturers Association (BCMA) and Bangladesh Biri Manufacturers Association (BBMA) represent the industry (BBMA). When it comes to the core business of tobacco, these are all BATB rivals.

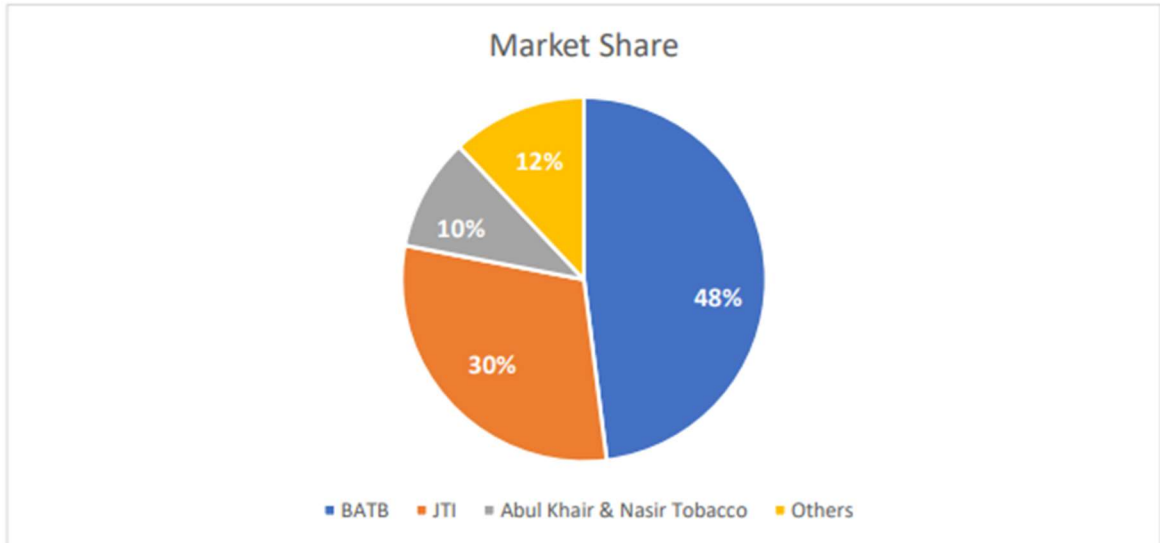


Figure 10: Market Share

3.10 Competitive Advantages:

BATB's enlarged work force and culture of authority ensured that the company had an advantage over other firms. Regardless, picking up these preferences was far from a straightforward task for BATB. The people here work hard to explore for fresh opportunities and inventive strategies to achieve sustainability. Overall, they are making the best from their current wealth. BATB has the upper hand in the subsequent sections. BAT has the most extensive brand portfolio. They have a track record for a number of improvements. The overall population here is incredibly capable in preserving money. They have experts and encounters in exchange marketing activities. And these strategies enabled BATB win the industry. BAT does business in a large number of countries, implying that they cover a large portion of the world's territory. As a result, they were able to host a massive smoker exhibition.

Chapter 4

Description of Duties

4. Description of Duties

This chapter focuses on my duties and responsibilities as an intern at BAT Bangladesh. This will give an understanding about my contribution to the company for 3 months and my scope of learning.

4.1 Position and department:

I was an Intern at the Digital Business Solution (DBS) for 3 months at British American Tobacco Bangladesh. Digital Business Solutions is the newest department of BAT Bangladesh which aims to build digitally enabled business solutions.

4.2 Tasks completed during the internship:

The digital business solution department has 4 parts. I was assigned with different types of tasks from the 4 different parts.

1. **Corporate:** The tasks I performed for the Corporate part of the department can be categorized as below:

- **Analysis:** During the beginning of my internship period, I was given some analysis tasks.
 - I was instructed to make an analysis of the websites of the company- BAT Bangladesh, BAT Global and APME and provide suggestion for further developments.
 - I was instructed to communicate with all other departments to identify any problems they are facing which can be solved by digital business solution.
 - Generate ideas for DBS awareness Campaign
- **BRD & ppt :**
 - I had to make business requirement documents (BRD) for Asset management process, budget process, long run time issue in VAT17, Canteen Management System, Grammarly Business etc.
 - I had to make deck for DBS awareness campaign, deck for automation of appraisal system, deck of automations done by DBS etc.

- **Process Flow & HLD:**
 - I had to communicate with IT department to create a process flow for new app and software deployments. Later on had to create HLD of them.
 - I had to communicate with vendors and IT department to create HLD for asset management process.
 - I had to work with Operations and HR team and communicate with vendors to create make process flow and create HLD for the Canteen Management System.
 - app deployment, new software deployment, cms, asset management system

- **Project:**
 - I was assigned with the Canteen Management System project. It is an online canteen management software portal to ensure better visibility and meal queue count, reporting, forecast generation and guest management. I was given the responsibility to create all the documentations, HLD, timeline, high level scope, ppt, BRD and communicate with vendors and other departments for the project.

- **Power Platforms:** I got the chance to explore the Power Platforms- power automate, flow, power Bi, power query etc., attend sessions on these and work with these platforms.

2. Marketing:

The marketing section of DBS aims to provide digital marketing solutions for BAT Bangladesh. As a controversial product marketing is a very difficult task for BAT. My contribution to the marketing section includes:

- **Research and Analysis:** I was mainly given analysis and research type of works.
 - Initially I was introduced to their trade market platform-PRISM, survey platform-ERM, brand investment-BuyHereNow and B2B2C platform-Shopoth

- Analysis of Ada generated Lucky Strike consumer attributes and recommendations for further improvements.
- Comparison of Sales Force Automation softwares with PRISM and creating a comparison table with the leaders of Gartner Matrix.
- Analysing the difference between Data Pipeline, Data Analytics and Business Intelligence.
- Exploring MarTech Ideas and creating top ideas for revenue generation and cost saving.
- Analysing difference between CDP, EDP and datawarehouse.
- Analyzing UI/UX issues of Shopoth website and mobile app and proving suggestion for improvement.

3. Operations:

The operations part of DBS contributes to the entire operation of BAT digitally. I was given the following tasks by this section.

- **Project:** The main task I was given by the Operations part was creating An Asset Tracking System for the Dhaka and Savar Factory. This system will be used for tracking the huge assets haphazardly stored in various locations and will also give an idea about stock out, repair date, asset movement etc. Initially I started created the system in Excel. But finally I was able to develop a small app in Power Platforms, using Power Automate and Flow for the purpose. I had to prepare the overall UI diagram, deck and give presentation to the management on this system.
- **Factory Visit:** During the initial days I had to visit the Dhaka factory and got to learn about the whole seed to smoke process. I was introduced to their ERP softwares which are GMES, PLC and SCADA. I also got the overall introduction of Primary Manufacturing Department (PMD), Secondary Manufacturing Department, Filter Manufacturing Department (FMD) and Material Godown (MG).

4. Service:

The Service section mainly gave me an overall idea of how service works. I got to know about ServiceNow and its activities. I also got to know about Enterprise Service Management-Incident management, service request management, change management etc. I got the opportunity to observe the works of IT team and RTMO.

4.3 Working conditions and functions:

The office hour at BAT Bangladesh is 10am to 6pm from Sunday to Thursday. Though the permanent employees usually stay much late due to work pressure, as an intern I could finish my work by 6 most of the days. But sometimes because of meeting or submission I had to stay for a bit late and complete my work.

Work from Home: Due to peak Covid situation we were given work from home for 2 weeks in January. After that a roaster was created. I had to go to office on the days my Line manager went to office mainly from Monday to Wednesday. The rest of the days I used to work from home. The roaster was effective for January and from February the normal office schedule was followed.

4.4 Difficulties and challenges:

As an intern it was definitely difficult to cope with the corporate culture at first. However, in a couple of days the difficulties reduced. The department that I was placed in –Digital Business Solution is a lot about IT and engineering. I had to communicate with the IT team, service team. Sometimes the communication was difficult. But as a student of BTM I believe it was much less challenging for me as it would have been for someone from core BBA.

4.5 Mode of Interaction:

As my department had 4 different sections and I got the opportunity with all the 4 sections. The main mode of communication there is Microsoft Teams and Outlook. Mostly I was assigned with any tasks in the Teams and then I used to communicate with them face to face for any details. For tasks with other departments I used Teams for meetings. I was

privileged enough to have a face to face interview with the head of the department for my suggestions and experience of the overall internship period.

4.6 Working Tools:

I got the opportunity to work with tools like Microsoft Power Platform- Power Apps, Power Bi, Flow, Visio etc. which are licensed software. I got to attend sessions on how to use them and could practically use them in my work. The other tools I worked with are Ms Excel, Word, PowerPoint etc.

4.7 Overall Experience:

As a student of Business and Technology Management I believe my goal is to be a bridge between Businessman and engineers. I believe I successfully did this job in this internship. In Digital Business Solutions department, I got the opportunity to work with both the business side and IT side and could create some positive outcome. Another best thing that I experienced in BAT is that I was not given mere intern tasks like data entry or some repetitive tasks. Rather I was involved in some kind of projects by everyone. I could learn some amazing software and skills which will be definitely helpful for my future endeavor.

Chapter 5

Analysis

5. Analysis

This chapter will focus on comparing the theories I have learned and the things I have performed or observed in the company. The analysis will be made on three levels, company, market and professional. This chapter will also contain the challenges and difficulties I faced as an intern at BAT Bangladesh.

5.1 Company Level Analysis:

During my internship period, the processes I found extremely efficient and which were not are mentioned here.

Efficient processes:

The Digital Business Solution department was mainly created for solving the business related problems of the company digitally. Thus I had the opportunity to observe some extremely efficient processes that has the possibility to transform daily business activities to a whole new level.

- **Citizen Development Program (CDP):** The CDP is one such initiative taken by DBS to change the life of every employee in the organization. All employees were given the opportunity to learn about the Microsoft Power Platform through this program and this program enabled them to create apps and software very easily which could replace any kind of inefficient repetitive works. I myself could use the Power Platform to create an Asset Tracking System which would help to keep track of all assets in their Dhaka and Savar factory.
- **Automation:** DBS is trying to remove all kinds of paperwork and automate the whole system starting from issuing gate pass to removing signature on paper for approval. I got the opportunity to work with the new Canteen Management System in which each and every activity from selecting menu to guest requisition and billing all could be done using the system.
- **Automation Desk:** This is a new project adopted by DBS so I couldn't see its effectiveness. But this process aims to answer employee queries in real time and management the whole ticketing system.

Inefficient process: According to me the only inefficiency I observed was the delay in approval process. The delay in this process gave rise to several other inefficiencies.

5.2 Market Level Analysis:

BATB's expanded workforce and authoritative culture gave the corporation an advantage over competitors. The employees here work hard to find new possibilities and innovative tactics for long-term success. Overall, they are making the best of their current circumstances. BAT has the most diverse portfolio of brands. They have a track record of making several improvements. They have knowledge and experience in exchange marketing efforts. And it was because to these measures that BATB was able to conquer the industry.

Data Analysis: As an intern I could observe how they play with data every day to bring out the best prospect from it. They strictly follow the principle, “with great data comes great responsibilities”. They analyze data and bring out new demanding products for the consumer.

Ecommerce platforms: As marketing for such controversial product is very difficult, every now and then they bring out new ideas for marketing. They have shopoth, B&H etc e commerce platform for consumer engagements. I could witness the launch of Shopoth and got the opportunity to contribute in the website.

Events for crowd: They arrange different kinds of events for different groups of consumers based on their choice and preference. This can be tour, picnic, bike race, concerts based on the target market.

5.3 Professional Level Analysis:

My internship experience of 3 months will act as a stepping stone for my future career. I learned about the corporate culture and environment.

Influence on future career plan: Working as an intern of DBS department I got the opportunity to work with some amazing licensed software like Microsoft Power Platform. In this digital age, we are extremely reliant on data and it is useless unless a

company can gain insights and meaning from it. So the knowledge of power platforms specially power Bi will help me in the long run. I also had works on excel which needed in depth knowledge. Thus I could brush up my previous excel skills and also learned many excel functions which I never knew before. Again as I was involved in various projects I got the opportunity to experience how projects are implemented and managed. I had to communicate with vendors and other departments, create BRDs and decks. All these definitely improved my interpersonal and communication skills.

Correlation with university knowledge: The most beneficial part for me was that I could easily communicate with both the IT people and the business people. As a student of Business and Technology Management I believe my goal is to be a bridge between Businessman and engineers. I believe I successfully did this job in this internship. In Digital Business Solutions department, I got the opportunity to work with both the business side and IT side and could create some positive outcome.

Besides I could find the practical implementation of many bookish knowledge I learned from my courses. The project management course currently ongoing helped me to understand various project management terminologies. The MIS course helped me to understand the IT applications in business. Moreover, the CSE courses really helped me to communicate with the IT people and to understand their perspectives and concerns.

Challenges and difficulties: The main challenge I faced was my very basic knowledge regarding the software and various topics. I had to get myself accustomed to the various software. Moreover, the Digital Business Solutions require in-depth knowledge of IT for implementing any function. Thus I believe if I had a few more IT related courses and some practical experience of software, I would have faced lesser difficulties and could have contributed more.

Chapter 6

Conclusion and Recommendation

Conclusion & Recommendations

This chapter will summarize the analysis I have made, the expectations I had and the reality I experienced. It will also contain some recommendations which is solely based on my observation and personal opinion.

6.1 Conclusion

As a multinational corporation, BAT Bangladesh recognizes the need of delivering with high levels of integrity while also fulfilling societal responsibilities. At present, with a strong record, they are embarking on a transformational journey with the goal of constructing A Better Tomorrow for all of their stakeholders. However, tobacco products have actual and substantial health dangers, and the only way to prevent them is to quit using them. Yet, many individuals prefer to smoke, therefore the Group's main focus is decreasing these dangers and making a variety of less harmful tobacco and nicotine-based alternatives available. BAT's research and development program is focused on reducing harm of tobacco, with the goal of creating a new generation of tobacco and nicotine products that are a safer alternative to traditional cigarettes. British American Tobacco is collaborating with scientists and regulators to promote this next generation of products and advocate for a regulatory approach which prioritizes user safety as well as product quality. Sid by side they aim at encouraging the development of new, less risky nicotine products that could help reduce smoking rates.

This report has been prepared to provide a summary of my experience of 3 months' internship at Digital Business Solutions Department at BAT Bangladesh. It covers the overall function of the organization, working condition and contribution in both local and international market. Moreover, it contains insight about the entire tobacco industry. Finally, it depicts my entire internship period, duties performed, learnings and recommendations.

My 3 months' internship at BAT Bangladesh has definitely been a life changing experience. Getting to know the best corporate culture and being a part of the leading multinational company helped me enhance my competence and provided me with some

valuable experience that will help to flourish my career. As an intern of Digital Business Solutions I could witness how business problems could be digitally solved. I believe the tasks of this department fully aligned with the goal of BTM, to be a bridge between businessmen and engineers. I got to communicate with the business persons to know their need and had to convey the requirement to engineers. The best part of the internship was that I was never given typical repetitive tasks which are given to interns by many organizations. Rather I was always assigned with some kind of project and could work closely for the greater benefit for the organization. For this I believe I made some critical observation and can provide with some recommendations which I believe may be useful for the organization.

6.2 Recommendation:

There's no doubt that BAT Bangladesh has the best corporate culture and the most efficient process for all the functions. However, being a part of the organization for 3 months and working closely with the team I believe I made some critical observation and can provide with some recommendations which may be useful for the organization.

- I witnessed some communication gaps between departments which led to delay in functions. Though people have their own pace of doing things and almost the tasks are always completed within time, reducing this communication gap may lead to further efficiency.
- The approval system is slow and it hampers tasks to a great level. Though attempt is being made to make the approval system digitized, it is currently fully dependent on paper works.
- Though there's always motivation and team spirit, there's an insane amount of work pressure. Luckily as I was an intern, I never had to undergo that pressure and my problems were always considered.

References

1. British American Tobacco. (2022). Retrieved 21 April 2022, from <https://www.bat.com/>
2. Tobacco Industry Watch(2022). Retrieved 21 April 2022, from <http://www.tobaccoindustrywatchbd.org/contents/uploaded/Index%202020/Factsheet%20English.pdf>
3. British American Tobacco Bangladesh. (2022). Retrieved 21 April 2022, from <https://www.batbangladesh.com/>
4. Roomii, N. (2022). A report on Tobacco Industries in Bangladesh. Retrieved 21 April 2022, from https://www.academia.edu/12541636/A_report_on_Tobacco_Industries_in_Bangladesh
5. Research, M., & Trends, T. (2022). Tobacco Product Market in Bangladesh to 2021. Retrieved 21 April 2022, from <https://www.reportlinker.com/p01181706/Tobacco-Product-Market-in-Bangladesh.html>
6. Ird, R. (2022). Tobacco Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026. Retrieved 21 April 2022, from <https://www.researchandmarkets.com/reports/5311934/tobacco-market-global-industry-trends-share>
7. Tobacco Market Size Worth \$1,049.9 Billion By 2030. (2022). Retrieved 21 April 2022, from <https://www.grandviewresearch.com/press-release/global-tobacco-market#:~:text=Tobacco%20Market%20Growth%20%26%20Trends%20The%20global%20tobacco,a%20CAGR%20of%201.8%25%20from%202021%20to%202028>.
8. Wadman, M. (2018). CDC director resigns after report on tobacco stock purchase. *Science*. doi: 10.1126/science.aat1733, https://www.cdc.gov/tobacco/data_statistics/sgr/1998/complete_report/pdfs/chap4.pdf