

Internship report
on
“Distribution Channel Management of United Trousers Limited”

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Letter of Transmittal

6th November, 2019

Mr. Shafayet Mansoor

Assistant Professor

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Subject: Submission of Internship Report.

Dear Sir,

With great pleasure that I am going to submit the Internship report on “Distribution Channel Management” of United Trousers Limited. I expect this report to fulfill the requirements of my internship program at United Trousers Limited. I have put in my best efforts to make this report a success. However, I am sure that this report could have been a more superior one, if it had not been my first time to conduct such a relational study. However, this has obviously been a great source of learning for me to make similar report in future.

I would like to express my sincere gratitude to you for your guidance and suggestions in preparing the report. I will be happy to provide any further explanation regarding this internship report if necessary.

Sincerely yours,

AI-Mamun

AI - Mamun

ID: 161-11-1001

Program: BBA

Major: Marketing

Department of Business Administration

Student's Declaration

I am Al - Mamun, hereby solemnly declare that the work presented in this internship report has been carried out me and has not been previously submitted to any other university, college, and organization for any academic qualification, certificate and BBA Degree.

I assure that, this report on Distribution Channel Management of United Trousers Limited is presented to the faculty of Business Administration in partial fulfillment of the requirements for the degree of Bachelor of Business Administration (BBA).

Al - Mamun

Al - Mamun

ID: 161-11-1001

Program: BBA

Major: Marketing

Department of Business Administration

Certification of the Supervisor

I am happy to certify that, Al - Mamun is a student of BBA (Major in Marketing) bearing ID: 161-11-1001 under the department of Business Administration from Daffodil International University. He has prepared Internship report on “Distribution Channel Management” of United Trousers Limited as a requirement of BBA Program. He has completed the project under my supervision.

He has done the Internship under my supervision and guidance since July 22 to September 22, 2019 and the report has been clearly checked by me.

I wish him a successful life.



(Shafayet Mansoor)

Assistant Professor

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Acknowledgement

I would like to thank almighty Allah and my family for helping me for my internship and throughout my academic life.

I present my warm thanks to the Daffodil International University (DIU) for the opportunity of carrying out this study as part of my BBA course. I am particularly grateful to my internship supervisor, Mr. Shafayet Monsoor Sir (Assistant Professor, Faculty of Business and Entrepreneurship, Daffodil International University) for his guidance, understanding and inspiration.

I am especially thankful to the interview person Shaon, merchandiser of United Trousers Limited for the support to make my report and for giving me the opportunity for gaining practical experience in the field of garments industry especially woven garments sector. Without such report, I would not have been able to carry out the study.

I also wish to acknowledge the help and cooperation that we received from various officials and staff members of United Apparels Industry Limited whom we talked about the purpose of this interesting report. We also acknowledge our gratitude to my father and his colleagues for their cordial support during making my report.

Executive Summary

This report provides description about distribution channel management of United Trousers Limited. It includes the distribution channel type, design and strategy of United Trousers Limited. It also provides detail about the channel conflict management of United Trousers Limited.

This report presents the overview of a garments company through United Trousers Limited. It includes the company history, company's business statement, different types of department, organizational structure of United Trousers Limited. Then, it explains distribution channel management of United Trousers Limited.

The study reveals various issues and solutions of distribution channels in the context of United Trousers Limited. Again, it provides reasons behind channel conflicts of a garments company through United Trousers Limited.

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Chapter One
Introduction of the Study

Introduction

The internship program is designed for the students those are going to finish their academic life and for fresh graduates who can get exposure of professional life. The general purpose of the internship is to provide the job experience and learning from the real job life situation.

The program duration time is three month or nine to twelve weeks. It is an opportunity for a student to acquire knowledge in particular industry. This report is prepared to demonstrate the distribution channel management and a brief idea of readymade garments in the context of United Trousers Limited.

The tremendous success of readymade garment exports from Bangladesh over the last two decades has surpassed the most optimistic expectations. Today the apparel export sector is a multi-billion-dollar manufacturing and export industry in the country. The overall impact of the readymade garment exports is certainly one of the most significant social and economic developments in contemporary Bangladesh.

Origin of the Report

This report is made for BBA program of Daffodil International University. All the information is shared in this report by working as an Intern in United Trousers Limited. The report is on sales & distribution Channel.

The theoretical knowledge and practical situation is really different. It was difficult to relate the business process with the theory. The marketing department of the United Trousers Limited has helped me vastly to present this report. United Apparels Industry Limited is the mother company of United Trousers Limited which gave more information regarding the report completion.

Scope of the Report

This is an internship report which is presented to the faculty of business and entrepreneurship in partial fulfillment of the requirements for the degree of Bachelor of Business Administration.

The scope of the study is the sales and distribution channel of United Trousers Limited. The report also covers details about the overview and different departments and divisions in United Trousers Limited. The main focus is on the analysis of the sales and distribution channel. However, the study is related to marketing department and merchandising of United Trousers Limited as they provided an opportunity to only work in this division.

Objective of the Report

The main objective of this report is to reveal the distribution channel management of United Trousers Limited.

However, the objective of the report can be viewed in two forms:

- ✓ Broad objective
- ✓ specific objective

Broad Objective:

- ✓ To analyze distribution channel management of United Trousers Limited

Specific Objective:

- i. To analyze distribution channel type of United Trousers Limited.
- ii. To identify distribution channel strategy that United Trousers Limited follows.
- iii. To clarify distribution channel design adapted by United Trousers Limited.
- iv. To evaluate the distribution channel members of United Trousers Limited.
- v. To understand the technology used in distribution by United Trousers Limited.
- vi. To evaluate transportation system of distribution what United Trousers Limited use for shipments.
- vii. To analyze product merchandising of United Trousers Limited.
- viii. To understand the packaging system in the final distribution of product used by United Trousers Limited.
- ix. To analyze channel conflict management in the context of United Trousers Limited.

Methodology

The internship has been conducted in a systematic procedure starting from selection of the topic to final report preparation. The overall procedure and process of methodology followed in the study is explained further.

Primary Data Collection

- Oral conversation with people who are related to the garments industry.
- Interviewing with employees and officers of the company.
- Practical and manual experience acquired by working in different desk.

Secondary Sources

Internal Sources

Different documents provided by my supervisor and other senior employees and information provided by my supervisor.

External Sources

- Websites and internet
- Text books
- Articles
- Several other reports
- Other sources.

Data Collection Period

The data those are used in the report are collected during the period of internship. The duration of the Internship time was 3 month.

Limitations

I tried my level best to enrich and complete this report although there were some limitations.

- Unfortunately due to the company's limitations such as business secrecy and confidentiality, I was unable to gain enough information.
- It is hard to relate theoretical study with the garments in real life.
- It was tough for me working in garments and gathering information.
- As this is my first report about a garments sector, I had to face many difficulties.

Chapter Two

Organizational Overview

Company History:

Established in 2004, United has acquired extensive experience in the garment production business. Our dedicated, multilingual managers provide the most customer oriented service in the region. Since the inception of United Apparels Industry limited, they have records of flawless service up till the end of consumption /usage of global trade. The company is dedicated excellence in merchandising, product development they have earned a reputation throughout the global apparel industries as one of the local factories in Bangladesh for their commitment in quality, timely delivery and total value. United Apparels Industry Limited and United Trousers Limited both the leading manufacturers for specialized woven products in Dhaka, Bangladesh. Their main theme is to maintain PUS (Price, Quality & Services) to assure 100% customer satisfaction.

United Apparel & Trouser's are fully independent company. It is not exclusively bound to any specific customer, brand or label, ensuring our customers a competitive and confidential service. With over twelve years of experience in the garment manufacturing industry, United's expertise ranges from high-end ladies, men's, kid's wear to work wear.

Company Profile:

Name	United apparels Limited and United Trousers Limited
Logo	
Chairman	Mr. Mirza Sayeedul Hasan
Year of Establishment	2004
United Trousers Limited Address	House-20,Block-B,Ward-S,Bangabondhu Road, Ashulia, Savar, Dhaka-1341, Bangladesh.
Head Office	Liz Fashion & Textile/Address: House 0 6, Road # 11, Sector # 1, Uttara,Dhaka-1230.

	Phone :
Nature of Business	To manufacture RMG products
Factory Size	1,85,000 Sft.
Total Employee	3100 (+/-) qualified employees
Annual Turnover	40-45 USD Million
Certifications & Audit :	BSCI, SEDEX, OEKO TEX, Accord, Alliance etc. A Monthly Capacity: 900 K
Total Production Line	24

Company's Business Statement:

We maintain a constantly high standard of business conduct, ethics and social responsibility. We take pride in the efficiency of what we do and always hire the most effective and latest technology available.

Mission:

To continue satisfy our valued customer by providing best effort and to maintain true partnership for mutual benefit.

Vision:

To carry on believe to our clients that we are a reliable, trusted and high-quality products manufacturer.

Strength:

Team spirit, honest and skilled workforce are ensuring equal service to value to our customer

The Cutting Edge:

- Professionally managed comprehensive production and quality monitoring system.
- Integrated network management system.
- Product Development Team.

Customer Satisfaction:

Our goal is to remain a responsible apparel producer through adherence to internationally established social accountability and business practices. We have taken great pains to know our product and we guarantee its merchandise ability all the way into the hands of the consumer at retail.

Team Spirit:

The core team is consisting of skilled & dedicated departmental head had been aligned with a very established company. The core team is experienced in all aspects of a readymade garments unit all this years under the same roof. Under the effective & efficient supervise team the company has made the success tremendously stated business with half a million USD finally USD 50 million. Specifics are marketing, production, compliance, human resource management, shipping and settlements and assurance.

Quality Assurance:

They have a skilled team of quality controllers who keep a firm check to every garment to maintain quality of standard. Generally the quality control team maintains 2.5 AQL during line inspection. On the basis of buyer requirement the AQL is flexible. There are Q.C people stationed in all production steps who keep a written track record of all garments that has been checked by the Q.C team and a report is sent to the Q.C manager who reports to the top management. To implement all checking effectively we have sufficient amount of Quality inspector's station in every production line. On request from buyers valiant may conduct independent final inspection at the desired AQL level. Valiant is already conducting such service to few buyers and has achieved successful appraisal from buyers.

Inspection Level:

Fabric	10% at 4 point System
Trim	AQL 2.5 System
Cutting	100%
In line Inspection Random	(07 / 0-System)
End line Inspection	100%
Final	AQL 2.5 System or as per client's Requirement.

Various Functional Departments

Finance & Accounts Department:

To assure efficient and effective management of the company's financial and physical resources the head of the department who control all the accounts and financial activities for United Trousers Limited. He also looks after the banking procedure of LC's and other documents.

Major Responsibilities

1. To preserve the financial integrity of United Trousers Limited through internal audit and fiscal control
2. To provide oversight of the financial procedures of the company.
3. To effectively manage department activities.
4. The finance department is responsible for the overall financial management of the company. It provides support services to all other departments consisting of accounting,

payroll, accounts payable, budgeting, cashiering, data processing and risk management.

Merchandising Department:

Merchandising department is one of the key departments in the garments industry. The correspondent with the foreign buyers depends on the merchandiser. One of the key departments in United Trousers Limited, closely monitored by the director on day to-day basis, the merchandising department has been the Lynch Pin that keeps United Trousers Limited connected to the world of apparel. Considering its diversified roles, the marketing departments can be rightly qualified as solely responsible for the growth that has been achieved by United Trousers Limited over the years. Clothes need to be manufactured to the accurate procedure, more importantly these should be marketed properly due to their nature. United Trousers Limited has concentrated a good deal of its energies on the marketing department. It has developed a very strong and efficient marketing division over the years as a part of its overall marketing strategy.

Due to its strategic importance, this department is under the direct supervision of director along with the department manager.

Major Responsibilities

- ❖ Identification of new products and assesses the market potential.
- ❖ Conduct pre-launch studies and feasibility studies.
- ❖ Arrangement of meeting with the buyer to accumulate more orders.
- ❖ Taking the orders from the buyers.
- ❖ Calculate the cost of the merchandise.
- ❖ Making the sample as far required.
- ❖ Negotiate about the costing with the buyers.
- ❖ To find out the best supplier for the accessories, packaging, other related products.
- ❖ Formulation of overall marketing strategy for the company.
- ❖ New market exploration and strategy preparation for market penetration.

Human Resource Department:

Employees are the key factor for any types of organization. Consequently, RMG sectors are not behind to look after their key employees. As a readymade garments industry United Trousers Limited also concern about their human resources. They already established a strong human resource department to run their whole industry successfully. The human resources department is responsible for the recruitment of professional and classified employees, benefits management, salary administration and job classification, training and development, records management, employee relations, and human resources information systems.

Quality Control Department:

Total quality management is the task and responsibility of every single employee of United Trousers Limited. TQM at United Trousers Limited means:

- ❖ TQM is first of all a system of values of thinking and acting in quality, in which every employee has to be integrated and which has to be lived by everybody in daily business
- ❖ **'Total'** means to align all structure and processes with the customers and their needs.
- ❖ **Quality** stands as synonym for competitiveness; it is well the yardstick for all quality standards set.
- ❖ **'Management'** means a target oriented deployment and implementation of these requirements through leaders who act and serve as role model to their employees and motivate the people.

Compliance Department:

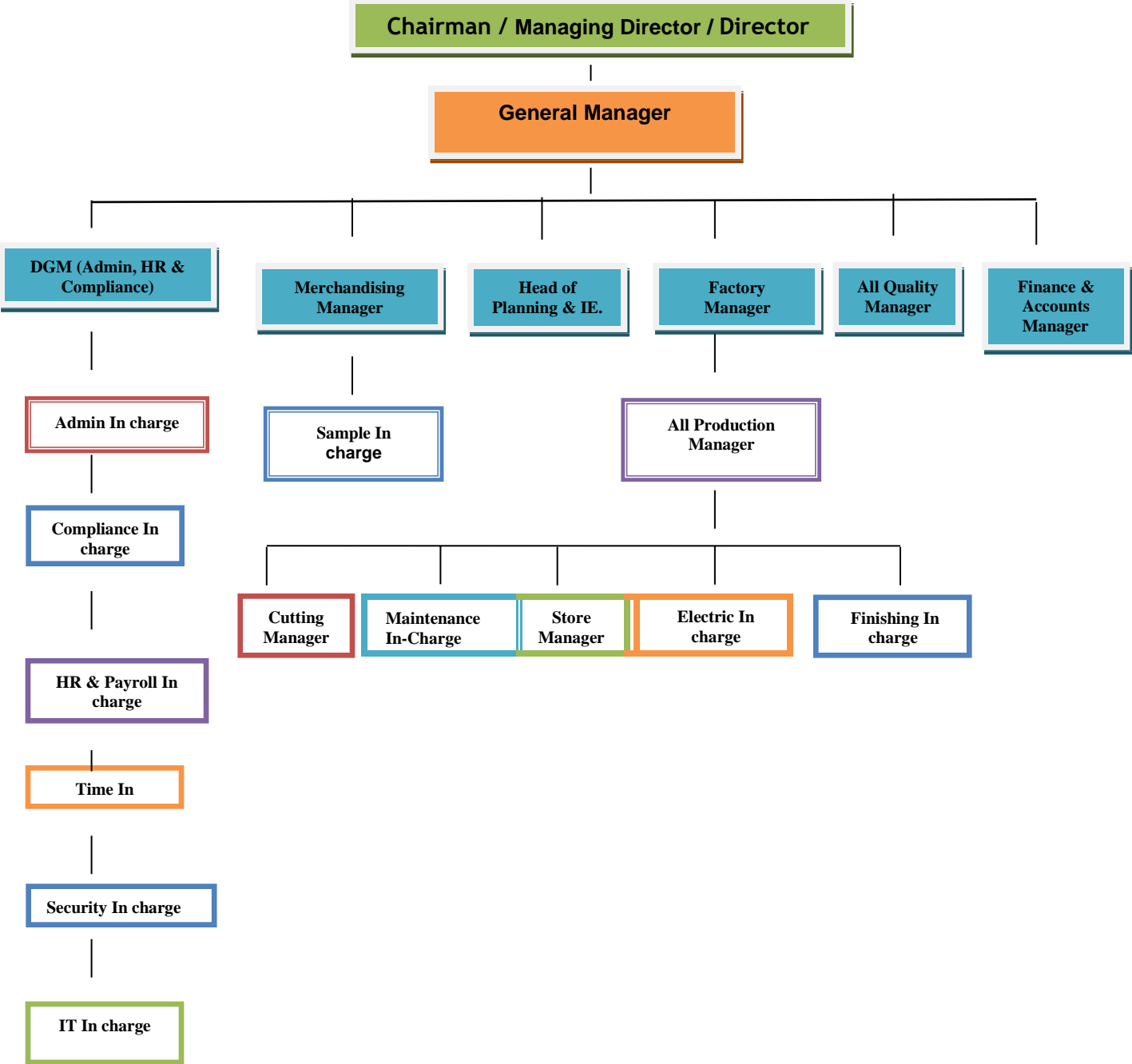
All the members of the worker-owned enterprises are self-employed and shareholders of the enterprise; therefore entitled to the profits and benefits generated through the work executed. Even in other small private enterprises that United Trousers Limited interacts with, the employer and workers are supported to form self-help groups and initiate small savings. Over time, this ensures that the individuals are able to break their cycle of indebtedness and become increasingly self-reliant. Job orders are paid on the basis of quantity and quality of production as individuals within the group. United Trousers Limited ensures that increasingly the income earned even for low skilled members within the collective will go beyond the minimum wage

prescribed, as their training investment and learning will increase their productivity and skills levels. Though most often, the workers are reluctant to engage in training as they see it as wasting productive time or irrelevant, this has gradually changed since United Trousers Limited integrates skill development (technical, entrepreneurial, etc) with their ongoing work. In terms of a work environment, all the worker-owned enterprises are supported to function from common work sheds, equipped with basic facilities (including water, toilets, ventilation, and light) and infrastructure. 'No child labor' is a non-negotiable adhered to all the worker-owned enterprises and members are supported to send their children to preschool or school. The experience so far has clearly indicated the impact of such bottom-up development compliance. United Trousers Limited has become a key partner, ensuring social compliance demanded by international buyers abroad.

Production Department:

The production department is headed by production manager and has wide range responsibilities. This department looks after total factory operations. It has a number of section, namely production planning, administration, stores and warehouse, power and fuel, maintenance, different in the production process, and delivery section. Each section has definite responsibility. Administration in the factory side has a number of responsibilities. The factory is running for 24 hours a day and 350 days a year. The administration maintains all the auxiliary tasks necessary to enhance the production. All sorts of control required in the factory site are done by administration section under production department dormitory for workers, engineers and other employees; residence for the top level employees, dining for workers and executives, transportation for factory employee's, vehicles for raw material supply and product delivery etc. are maintained by the administration department. They also look after securities of the factory premises. As a manufacturing company that have a lot of materials in stock. This section is responsible for receiving materials from the suppliers, stock those properly, and passes those to the different % sections of the production process for use. They also maintain the level of stock. They prepare reports of stock and send it to the planning section to inform them how much material planning has to order.

Organization Structure



Chapter Three
Theoretical Framework of Distribution Channel Management

Definition of Distribution Channel Management

A distribution is the path or route decided by the company to deliver its good or service to the customers. The route can be as short as a direct interaction between the company and the customer or can include several interconnected intermediaries like wholesalers, distributors, retailers, etc.

Hence, a distribution channel can also be referred to as a set of interdependent intermediaries that help make a product available to the end customer.

Types of Distribution Channels

Channels of distribution can be divided into the direct channel and the indirect channels. Indirect channels can further be divided into one-level, two-level, and three-level channels based on the number of intermediaries between manufacturers and customers.

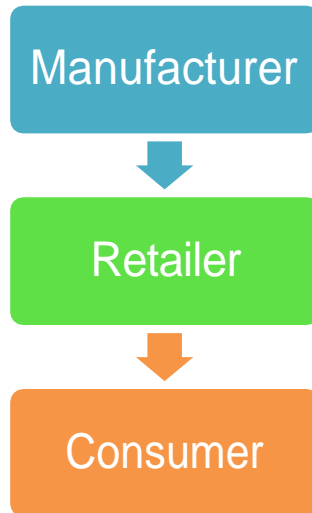
Direct Channel or Zero-level Channel (Manufacturer to Customer)

Direct selling is one of the oldest forms of selling products. It doesn't involve the inclusion of an intermediary and the manufacturer gets in direct contact with the customer at the point of sale. Some examples of direct channels are peddling, brand retail stores, taking orders on the company's website, etc. Direct channels are usually used by manufacturers selling perishable goods, expensive goods, and whose target audience is geographically concentrated. For example, bakers, jewelers, etc.

Indirect Channels (Selling Through Intermediaries)

When a manufacturer involves a middleman/intermediary to sell its product to the end customer, it is said to be using an indirect channel. Indirect channels can be classified into three types:

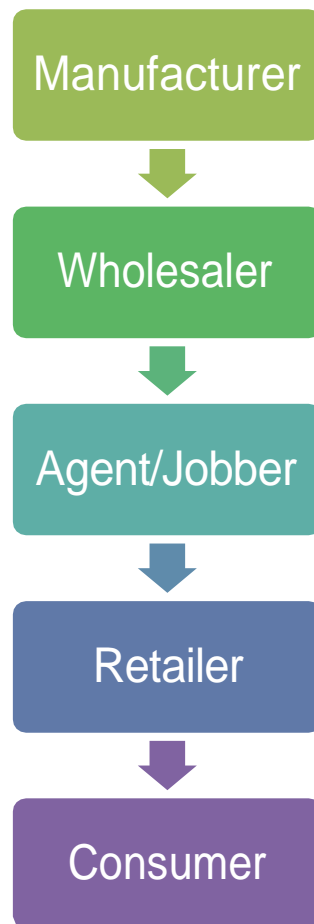
- **One-Level Channel (Manufacturer to Retailer to Customer):** Retailers buy the product from the manufacturer and then sell it to the customers. One level channel of distribution works best for manufacturers dealing in shopping goods like clothes, shoes, furniture, toys, etc.



- **Two-Level Channel** (Manufacturer to Wholesaler to Retailer to Customer): Wholesalers buy the bulk from the manufacturers, breaks it down into small packages and sells them to retailers who eventually sell it to the end customers. Goods which are durable, standardized and somewhat inexpensive and whose target audience isn't limited to a confined area use two-level channel of distribution.



- **Three-Level Channel** (Manufacturer to Agent to Wholesaler to Retailer to Customer): Three level channel of distribution involves an agent besides the wholesaler and retailer who assists in selling goods. These agents come handy when goods need to move quickly into the market soon after the order is placed. They are given the duty to handle the product distribution of a specified area or district in return of a certain percentage commission. The agents can be categorized into super stockiest and carrying and forwarding agents. Both these agents keep the stock on behalf of the company. Super stockiest buy the stock from manufacturers and sell them to wholesalers and retailers of their area. Whereas, carrying and forwarding agents work on a commission basis and provide their warehouses and shipment expertise for order processing and last mile deliveries. Manufacturers opt for three-level marketing channel when the user base is spread all over the country and the demand of the product is very high.



Distribution Strategy

➤ **Intensive Distribution**

The producer's products are stocked in the majority of outlets. It is a strategy under which a company sells its product through as many outlets as possible so that the customers encounter the product virtually everywhere they go.

Example: Newspaper, soft drinks, etc.

➤ **Selective Distribution**

Selective distribution is a type of distribution that lies between intensive and exclusive distribution. This basically involves using more than one, but lesser than all the intermediaries who carry the company's products

➤ **Exclusive Distribution**

It is a situation where suppliers and distributors enter into an exclusive agreement that only allows the named distributor to sell a specific product. The producer selects only very few intermediaries. Exclusive distribution is often characterized by exclusive dealing where the reseller carries only that producer's products to the exclusion of all others

More Strategies:

Multiple Channel Strategy

It includes Using 2 channel or more different channels to distribute goods and services. It Permits optimal access to each market segment. Increase market coverage, lower channel cost and provide more customized selling. More channels usually means more conflict and control problems

Complementary Channels

Each channel handles a product or segment that is different or non-competing. Example: Toyota Lexus, MPH online portals, Magazine distributions etc

Competitive Channels

The same product is sold through two different and competing channels Example: Non-prescriptive drugs, Electronic goods etc

Marketing Channel Design

Indirect Distribution:

It Uses intermediaries to reach the target market. Indirect distribution is considered when

- Intermediaries can perform distribution functions more efficiently and at a lower cost
- The target market is hard to reach directly
- The business does not have the resources to perform the distribution function

Direct Distribution:

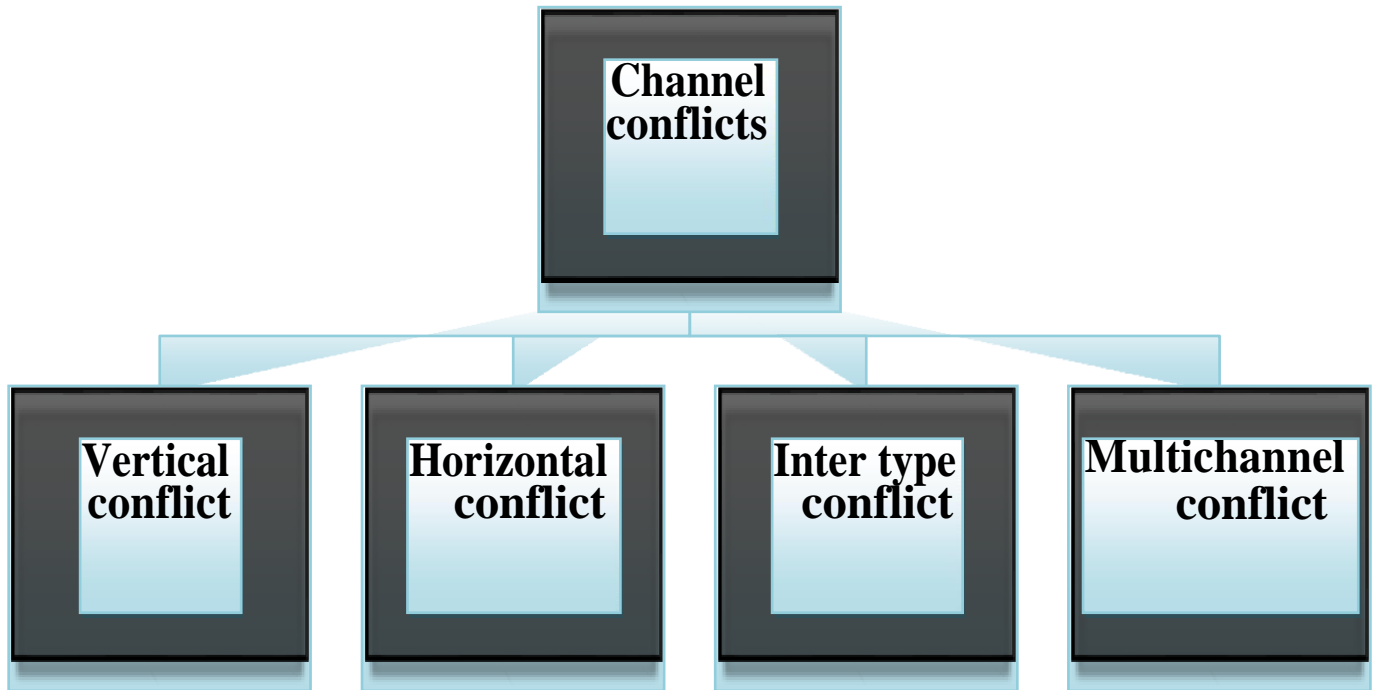
- The target market is easily identifiable
- A knowledgeable and personal sales-force is a key ingredient
- The business has a wide variety of products available for the target market
- Sufficient resources are available
- Intermediaries are not available for reaching the target market
- Intermediaries do not possess the capacity to service the requirements of the target market

Channel Conflict Management

Definition: A channel conflict may be defined as "A situation in which one channel member perceives another channel member to be engaged in behavior that prevents it from achieving its goals. The channel conflict arises when the channel partners such as manufacturer, wholesaler, distributor, retailer, etc. Compete against each other for the common sale with the same brand.

In other words, there is a conflict among the channel partners when one prevents the other from achieving its objective. It results in a huge loss for all the partners in the channel.

Classification of Channel Conflicts



Vertical Conflict

Vertical conflict occur clue to the differences in goals and objectives, misunderstandings, and mainly due to the poor communication. The lack of role clarity and over dependence on the manufacturers can cause conflict. For e.g. today the large retailers dominate the market and dictate the terms. Hence there are often conflicts between these giant retailers and the manufacturers. If wholesalers and manufacturers fail to conform each other's expectations, channel conflicts result.

Horizontal Conflict

Horizontal conflicts are the conflicts between the channel members at the same level, i.e. two or more retailers, two or more franchisees etc. These conflicts can offer some positive benefits to the consumers. Competition or a price war between two dealers or retailers can be in favor of the consumers.

Inter Type Conflict

Inter type conflict occurs when, the intermediaries dealing in a particular product starts trading outside their normal product range. For example, now the supermarkets such as food world also sell vegetables and fruits and thus compete with small retailers selling these products. Large retailers often offer a large variety and thus they compete with small but specialized retailers. This concept is called as "scrambled merchandising" where the retailers keep the merchandise lines that are outside their normal product range.

Multi-Channel Conflict

Multi-channel conflict occurs when the manufacturer uses a dual distribution strategy, i.e. the manufacturer uses two or more channel arrangements to reach to the same market. Manufacturers can sell directly through their exclusive showroom or outlets. This act can affect the business of other channels selling manufacturer's brands. Manufacturers can bypass the wholesalers and sell directly to the large retailers. Conflict becomes more intense in this case as the large retailers can enjoy more customers and so the profit due to offering more variety and still economical prices, which is possible due to a volume purchase.

General Causes of Channel conflicts

Following are some of the causes that give birth to the channel conflict:

- **Goal Incompatibility:** Different partners in the channel of distribution have different goals that may or may not coincide with each other and thus result in conflict.

Example: The manufacturer wants to achieve the larger market share by adopting the market penetration strategy i.e. offering a product at low price and making the profits in the long run, whereas the dealer wants to sell the product at a high cost i.e. market skimming strategy and earn huge profits in the short run.

- **Ambiguous Roles:** The channel partners may not have a clear picture of their role i.e. what they are supposed to do, which market to cater, what pricing strategy is to be adopted, etc.

Example: The manufacturer may sell its products through its direct sales force in the same area where the authorized dealer is supposed to sell; this may result in the conflict.

- **Different Perceptions:** The channel partners may have different perceptions about the market conditions that hamper the business as a whole thereby leading to the conflict.

Example: The manufacturer is optimistic about the change in the price of the product whereas the dealer feels the negative impact of price change on the customers.

- **Manufacturer Dominating the Intermediaries:** The intermediaries such as the wholesaler, distributor, retailer, etc. carry the process of distribution of goods and services for the manufacturer. And if the manufacturer makes any change in the price, product, marketing activity the same has to be implemented with an immediate effect thereby reflecting the huge dependence of intermediaries on the manufacturer.

Example: If the manufacturer changes the promotional scheme of a product with the intention to cut the cost, the retailer may find it difficult to sell the product without any promotional scheme and hence the conflict arises.

- **Lack of Communication:** This is one of the major reasons that lead to the conflict among the channel partners. If any partner is not communicated about any changes on time will hamper the distribution process and will result in disparity.

Example: If retailer urgently requires the stock and the wholesaler didn't inform him about the availability of time may lead to the conflict between the two.

- **Partial Treatment:** manufacturer offers different services and margins to the different channels members even at same level or favor some members.

- **Unethical Practices** or malpractices of one dealer or retailer can affect other and spoil the brand image.

Chapter Four

Analysis

Distribution Channel of United Trousers Limited

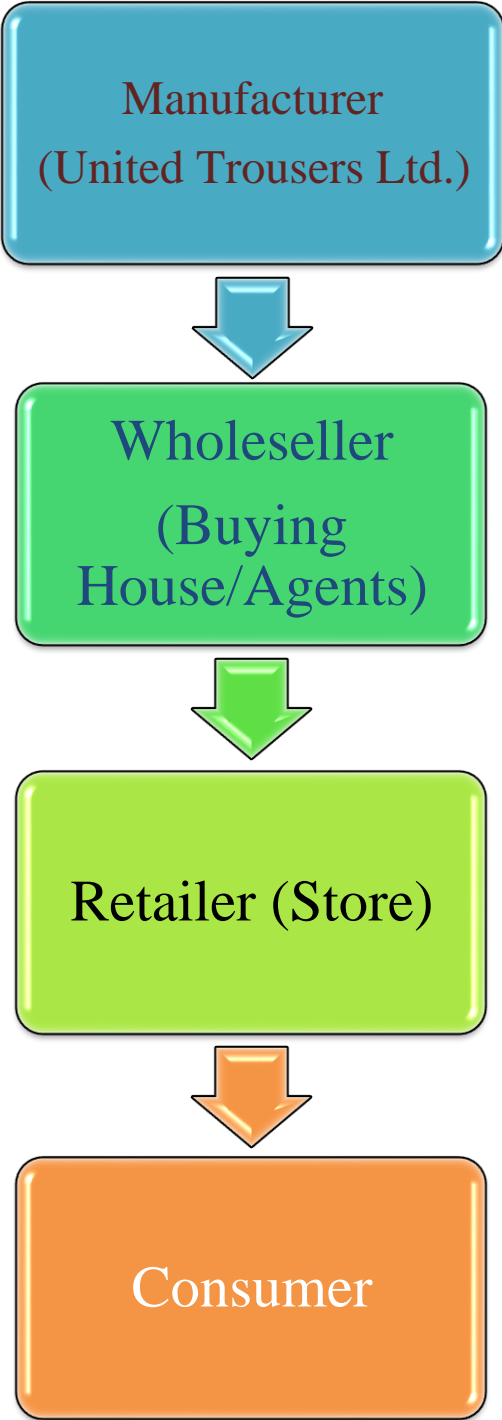


Figure 4.1 Shows two level channel

United Trousers Limited is adapting two level channels. The company connects with the agent or buying house to get into the foreign market. They took the order and produce for foreign buying houses and send them directly via ship. In this case, they need to use two level channels. The brief discussion on two level channels of United Trousers Limited is given below.

Brief Discussion about this Channel Management

United Trousers Limited (Manufacturer):

The company always keeps in touch with their Agent/Buyer for new order. Those Bangladeshi buying house or agents work as middleman to connect with the foreign buying house.

When the company gets a new order, they work on the sample first in order to confirm the order. If the buying house approves the sample, they give the list of raw materials to the company that they need to use to make the product. They collect raw materials from the supplier. Example: fabric, button, zipper, label, cuff and collar ribs etc. Then they start production.

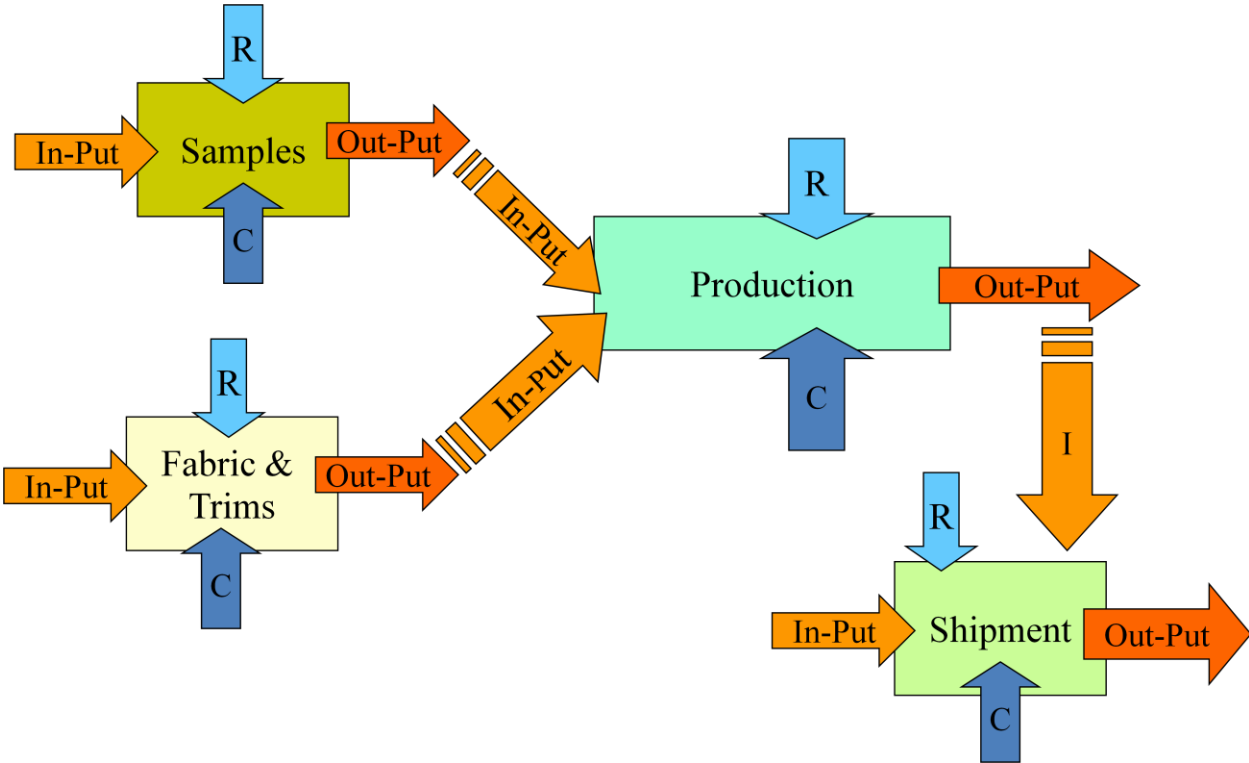


Figure 4.2 Shows manufacturer’s activity

Company has to follow some process before starting bulk production. The full process is given Bellow

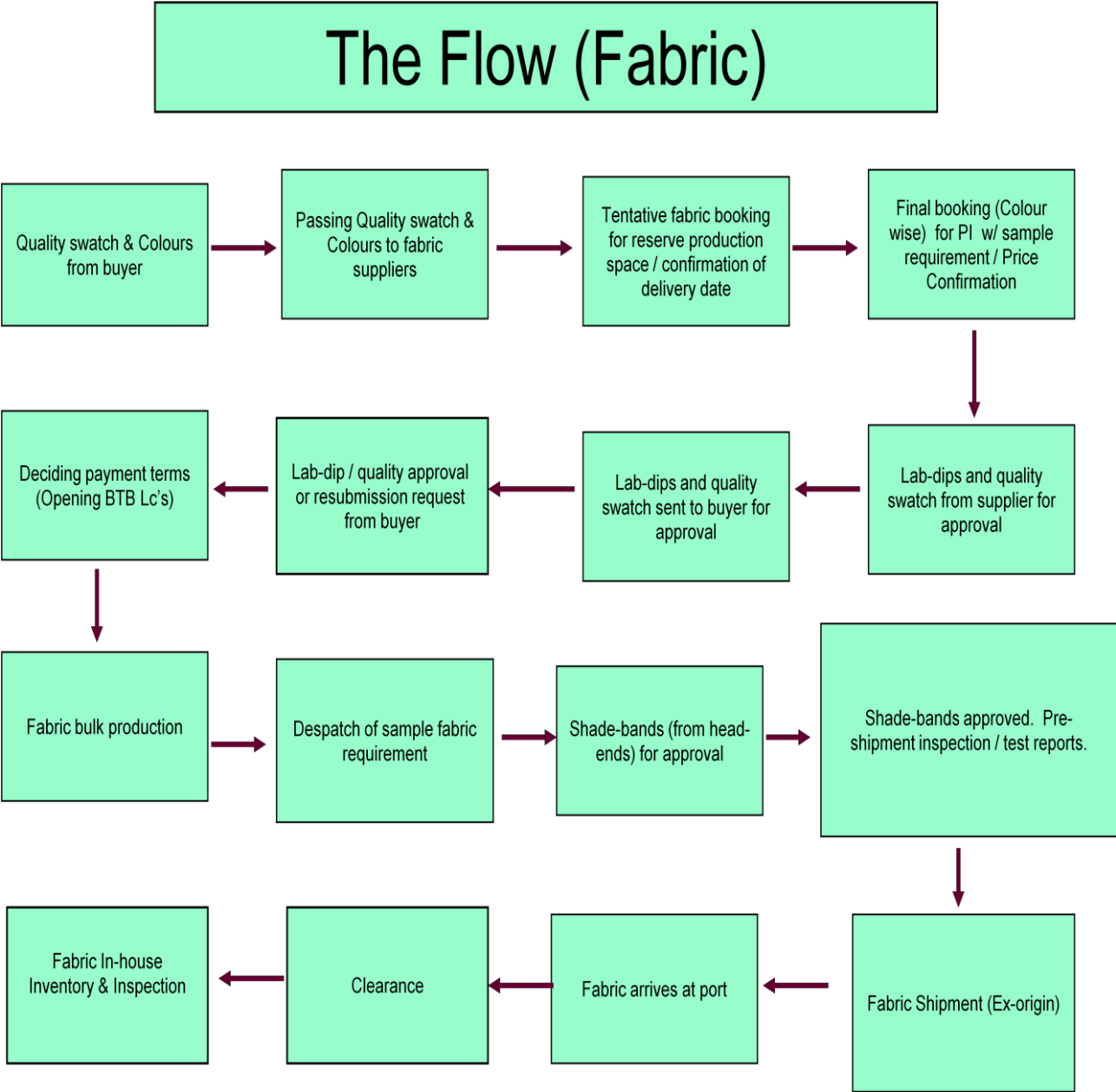


Figure: 4.2 shows the flow of fabric

The company has to do every part of the work in the distribution step by step. The flow of fabric shows how the fabric becomes ready following step by step process. The company takes the requirements from buyer and order fabric to the supplier. Then it starts its process. After completing

the entire step that is given in the picture, the fabric reach to the port, the company gets it from the port as supplier.

After getting the fabric ready, United Trousers need to do the trimming. This how the company finish all required works before starting the production. The company general work is to take the order, confirm, produce and send the product to the agent or buying house store near port. They follow FOB shipping method.

Buying House/Agent (Wholesaler):

The Company connects with the agent and also connects with the foreign buying house. Buying houses give company a lead time of ninety days minimum in which production lead time is thirty days minimum. Buying houses give a pre production sample along with size set sample to United Trousers Limited. The list of buying house that united trousers deal with is given bellow brand associates/foreign buying house:

The keys to brand success are self-definition, transparency, authenticity and accountability.

Country Name	Buying House names
Germany	ALDI,MGB, REWE Far East etc
France	Tapeialoeil, TV Mania, Cora, Group Zannier etc.
Italy	Conbipel, Plaza Italia etc.
UK	Debenhams, Penny etc Ca na da - Costco, Comark- Bootlegger, Road Runner, Suzy Shier etc.
Turkey	Defacto
Sweden	Kwintet

When the company send produced product to the port, the agent/buying house send them to the foreign brand or buying house through ship.

Retailer:

After receiving the product, foreign buying house/brand send cloth to the shop. Those shops (retailer) sell those clothes to the foreign consumer.

Distribution Strategy of United Trousers Limited

United Trousers produce for buyers like Debenham, Defacto, Group Zennier. They are all foreign brand. They follow selective distribution. In continuation, Debenham has selective distribution because besides selling in its own exclusive outlets, Debenham is sold via franchises as well as in other multi brand outlets. They get some advantages like good market coverage, increased control, reduced costs as compared to intensive distribution.



Defacto has their own store in the picture on the other hand Group Zennier sells through franchises as well as multi brand outlets.

However, the competition between garments industry has raised country wise. Bangladesh is facing challenge from many countries like India, China, Pakistan, and Vietnam.

It is difficult to cope up with the present competitive market. Many apparel companies are following now multi-channel distribution. United trouser is also thinking of multi-channel distribution because of different buyers.

Marketing Channel Design of United Trousers Limited

United Trousers Limited uses two level channels as aforementioned and which is called indirect channel. They use intermediaries to reach the target market. Their target market is foreign buyers. They reach them though some Bangladeshi buying houses or some agents. They connect them with the foreign buyers and company. Foreign buying houses reach the goods to the consumers through their own brand shop or third parties. It depends on different kinds of buyers or buying house.

Channel Conflict in United Trousers Limited

United trousers generally face vertical conflict that occurs between two different types of members in a channel it can be happen in between a manufacturer, an agent, a wholesaler, or a retailer. Horizontal conflict is conflict that occurs between organizations of the same type in which two manufacturers that each wants a powerful wholesaler to carry only its products. Vertical conflicts happen generally for differences in goals and objectives, misunderstandings between channel members, and mainly due to the poor communication. If Wholesalers and manufacturers fail to conform each other's expectations, Channel conflict results.

Conflicts that happen during distribution among channels of United Trousers Limited are given bellow.

- ✓ Supplier collects bad quality accessory. Many suppliers try to provide cheap accessories from countries like china. This type of accessories doesn't full fill the foreign buyer's expectation when they receive actual product.
- ✓ Sometimes, suppliers provide poor fabrics. Fabric is the most essential raw material for the production. It always makes conflict when they receive bad or faulty fabric.
- ✓ Buyers provide faulty sample to the merchandisers. As a result, the whole production becomes chaotic and the main product doesn't full fill the expectations of foreign buyers.

- ✓ Lack of communication between channel members. Sometimes, communication gaps also make conflict between members as they do not know each other's expectation.
- ✓ Unethical activities between channel members always cause chaos in distribution. There various unethical behaviors exist. For an example, stealing goods, vandalism etc
- ✓ Different perception between buyers and company merchandisers. It can happen various occasions due to different thoughts and situations.
- ✓ Slow production by manufacturer also causes conflict. It happens mostly because of company workers. There are many reasons behind it. For an instance, workers can be not happy about salary or facilities that they get. It also happens because of nepotism in the company.
- ✓ Transportation problem occurs due to various reasons. Example: Shipment becomes cancel. Goods send via air instead of ship because the company exceeded the time of delivery.
- ✓ Political instability is another big issue for Bangladeshi Garments industry. Example: A strike makes by opposition can result a late shipment which creates conflict among channel members.

SWOT Analysis of Distribution Channel

Strengths:

- ❖ United Trousers Limited has a bulk of qualified, experienced and dedicated human resources which help the company to finish production within required time of distribution.
- ❖ Our distribution channel members are very dedicated which helps the company to develop the company's overall position in current market circumstances.
- ❖ United Trousers Limited has been able to utilize its extensive marketing efforts in order to capture eyes of the buyers at a very short time.
- ❖ United Trousers Limited always loyal to the channel members.
- ❖ In order to convey innovativeness and creativeness, United Trousers Limited
- ❖ Latest technologies are available in United Trousers Limited.
- ❖ Highly motivated and pro-active team of merchandisers which help them to connect with buyers.
- ❖ Strong partnership with spinning mills, printing & embroidery factory makes distribution easy.
- ❖ Market image is very much strong to the channel members.

- ❖ Tries its best to come up with latest products as buyer's requirement.

Weaknesses:

- ❖ During the last five years, many new garment factories start their operation in this country; which is starting to lose its access with buyers to its rivals due to low barriers to entry, and the other garments increasing aggressiveness.
- ❖ During the export many necessary papers are need to be prepare which takes too much time & also costly. As a result, the company cannot deliver the product to the buyer in time.
- ❖ While dealing with its buyers especially with the foreign buyers, they make lot of inquiries; they always need hundred percent perfect goods, which cannot be possible sometimes. So, when the good is imperfect, buyers refuse to take it.
- ❖ There are many employees who are relatives of owner. Nepotism is literally a weakness for the company as those employees does many unethical activities which hampers distribution.

Opportunities:

- ❖ This garment industry deal with the global market so the market size is enormous the garment industry the market size is enormous.
- ❖ Opportunities to adopt the latest technology.
- ❖ Expand the business into more technology based.
- ❖ New types of raw materials can be obtained.
- ❖ New types of fabric design can be offered to the buyers.

Threats:

- ❖ Increased competition by other garments organization is a threat to United Trousers Limited to be connected with the buyers.
- ❖ The strong competitors can be great threat to distribution channel. They may give more benefit to the distributor than United Trousers Limited. Distributors of United Trousers Limited often switch to other company when that company is more superior.

- ❖ Entry of the new entrants with the new technology in the market can attract buyers. Many buyers often switch company because of this. New companies with innovative technology are always good in production and distribution. Foreign buyers want to order this type of companies.
- ❖ Other competitors can shift products with more security and safety to the distributor compare to United Trousers Limited. That can influence distributor to switch company.
- ❖ New rules and regulations from the government.

Chapter Five
Findings, Recommendations and Conclusion

Findings

- Communication gap between channel members such as with buyer often cause chaos in United Trousers Limited. For instance, the order of product sometimes becomes canceled because the product doesn't satisfy foreign buyers. This happens because of faulty sample given by buyers or the merchandiser fails to understand the sample.
- In the distribution, the company collects raw materials from the international sources. As a result, most of the raw materials are travelling great distances. This may mean international travel in a plane or over the ocean. As a result, it takes a lot of time sometimes which delays production and shipment.
- Many workers require for packaging the final goods for distribution. It is literally so costly to have more workers for company. Again, workers are not as fast as machines. So, it takes a lot of time to do packing which delays the distribution.
- Some fabrics require more time to be ready while shipment time is less. For instance, the fabric of Harriet is Tencel which is an imported fabric and for this it takes generally 45 days for development to production. Usually it takes around 25 days. They have 14 days to shipment but the fabric needs more time than this to be ready. So, this is a huge tension for supplier to maintain the quality and workmanship with this constrained time for shipment. As a result conflict between suppliers and company rising as the foreign buyers want the ready product in time.
- Nowadays, there are many new competitors in the market. They always try to influence the channel members to do business with them instead of United Trousers Limited. They try to give more benefits to the channel members to capture market.
- In general, ship is the main transport for delivering the products to the foreign buyers. But an unwanted problem can delay the shipment through ship. As a result, the company may have to force themselves to deliver the product through air which is really expensive. For instance, an order delivery deadline is October 25th but the company failed to produce on 25th October. In this case, they will have to send the product via air. This always makes buyers unhappy.
- United Trousers Limited is adapting two level channels as aforementioned in the previous chapter. Many garments companies in Bangladesh have failed with two level channels. They need to change the distribution channel type in order to get better platform in the market.
- Price margin is fixed from buyer. So, supplier should have a bull's eye forecast to maintain the

price margin given by buyer. If they cannot go with it then, the order can be cancelled. As a result, they lose the order from buyer. In future, that buyer distrusts the company to give order again.

- Political unrest delays the distribution process. Such as, a strike by opposition can create chaotic situation. Transportation system always becomes affected by it. As a result, distribution becomes slow which makes buyers unhappy.

Recommendations

- United Trousers need to develop their communication between channel members. They should build relationships at each step of their channels. If they do not communicate well it is difficult to find problems and solutions. It is also difficult to know whether their programs are working and how to make channel flow better.
- The company needs to switch channel members when they need it. They are not switching the channel members even there is issues with them. There are many buying houses in the market in case they need to change the buying house.
- Managing distribution channels can be difficult even for existing companies in the business. Moreover, they can Increase distribution channel efficiency. They need to understand the advantages and disadvantages of their distribution channel. They should control costs and saving time along the distribution channel in order to increase efficiency.
- The company is focusing on only foreign markets. They can also focus on local markets. There are many Bangladeshi brands nowadays. That can be an alternative distribution channel for them if they fail to get foreign buyers.
- Distribution channel members and employees should consider ethics and avoid unethical issues. United trousers need to change the tendency of nepotism in order to avoid conflict in the employee which always hampers productivity.
- Planning department of operation should be strong and the time management should be followed. Here, productivity is low due to less command of the authority towards the production. If the productivity is low, it causes delay in distribution. It should be increased for the higher productivity.

- The company should develop their distribution channel by adding multi- channel distribution if they need to get European market. In present garments world, many company is adapting multi channel distribution in order to get success in the foreign market.
- They need to hire or buy automatic packing machine. Buying an automatic packing machine will help them to reduce cost and save their time in distribution. Many garments company take this type of machines as lease.
- The company should change few of their suppliers. Supplier provides imperfect accessories often which don't full fill the foreign buyer's expectation when they receive actual product. There are more suppliers in the market. United trousers must have to switch their supplier in order to get top-notch accessories.

Conclusion

The study tries to reveal the distribution channel management of United Trousers Limited in which it provides information about the company distribution channel type, distribution channel design and strategy. In addition, it portrays about conflicts of distribution channels such as communication gap between channel members, poor raw materials collecting, lack of advance technology for packaging, threats of new entrants, etc. These types of problems are common in distribution channel not only for United Trousers Limited but also for many garments in Bangladesh. The company needs to enhance their communication with other channel members which will help them to build good relationship with them. United Trousers Limited needs to change some of their raw material suppliers in order to get good quality raw materials. They should enhance the efficiency of distribution channel controlling cost and saving time. The company needs to encourage their employees not to involve in unethical issues in order to create a smooth distribution channel environment.

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