

## Competitive Market Analysis of HKG Steel Mills Ltd: An Evaluation.

**Submitted To:**

**Md. Shibli Shahriar**  
Associate Professor,  
Dept of Business Administration  
*Daffodil International University*

**Submitted by:**

**Jalal Uddin**  
Reg. ID. 092-14-1018  
Dept. of Business Administration  
*Daffodil International University*



**Date of Submission: 24<sup>th</sup> February, 2022**

*This Term Paper Submitted in Partial Requirement of the Fulfillment of the Degree of Masters of Business Administration (MBA) by Jalal Uddin, Re No 092-14-1018, Faculty of Business and Economics, at Daffodil International University.*

24<sup>th</sup> February 2022

**Md. Shibli Shahriar**

Associate professor

Department of Business Administration

Daffodil International University

*Subject: Submission of Internship Report*

**Dear Sir:**

I am pleased to present to you this report on “**Competitive Market Analysis of HKG Steel Mills Ltd.: An evaluation**”, which has been prepared as a requirement for the partial fulfillment of the Masters of Business Administration (MBA) Department of Business Administration Daffodil International University, on the base of HKG Steel Mills Ltd., along with invaluable cooperation from company individuals and other sources of secondary information. As my work was Marketing & Sales Department, my report deals with the marketing & sales system.

It was a great pleasure for me to have the opportunity to work on the above-mentioned subject. I thank you for your invaluable support in the preparation of this report. I shall be grateful if you will kindly accept this report.

Thank you.

Sincerely,



.....  
**Jalal Uddin**

Roll No. 092-14-1018

Department of Business Administration

*Daffodil International University*

## Acknowledgements

At First, I want to express my heartfelt gratitude to Almighty Allah without whose help it would not have been possible for me to prepare this report. I would like to thanks from my deep sense of gratitude to all those who are always a source of inspiration for their involvement, unconditional cooperation, guidelines and support in all my academic endeavors. Without their encouragement, I could not stand in pride as having done some academic work. I am indebted to all of them.

For the duration of accomplishing this report, I have been proffered unvarying support and succor by multitudinous sources. I would first like to thank my faculty **Md. Shibli Shahriar**, Associate professor, Department of Business Administration, Daffodil International University. Without his, co-operation Guidance, inspiration in completing could not complete this report.

I also would like to respect my honorable Dean Professor Dr. Mohammed Masum Iqbal for the project work and preparing the report

I would next like to thank my organization Collogue , AKM Anowarul Haque (Deputy General Manager, Marketing) and Ruhul Amin Howlader (Deputy Genearal Sales) for working with me closely and guiding me during my report attachment with HKG Steel Mills Ltd. I would also like to express my gratitude towards Mr. Saiful Islam Manager Account & Finance and others, for providing me with the support and information that was necessary to accomplish my project.

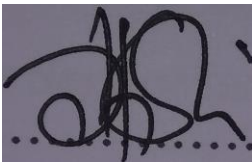
I would also like to thank all my colleagues at HKG Steel Mills Ltd for their helpful cooperation.

24<sup>th</sup> February 2022

### **Supervisor's Declaration**

This is to certify that the Term paper on “**Competitive Market Analysis of HKG Steel Mills Ltd.: An evaluation**” is prepared by **Jalal Uddin, Reg. ID 092-14-1018**, for the partial fulfillment of Masters of Business Administration with major in Marketing from Daffodil International University.

He is permitted to submit the Term paper.



---

**Md. Shibli Shahriar**  
Associate professor  
Department of Business Administration  
Daffodil International University

**Abbreviation:**

Few terminologies have been used in the proposal. Deliberations of those are mentioned below:

HKG = Hassen Kayaba Group

SCM= Supply Chain Management.

CPM= Critical Path Method.

GDP: Gross Domestic Product.

LDC: Lest Developing Countries.

BSRM: Bangladesh Steels Re-Rolling Mills.

KSRM: Kabir Steel and Rerolling Mills.

RSRM: Rayalaseema Steels Re-rolling Mills.

AKS: Abul Khair Steel.

BG: Bashundhara Group.

U.S: United State

## Executive Summery

Hassen Kayaba Group is well-known organization in Bangladesh that contribute most of the leading private sectors like Banking, Garment, Spinning, Draying, import-export, Education and Services etc. HKG Steel Mills Ltd is one of the institutions of Hassen Kayaba Group HKG Steel Mills Ltd. is a leading steel manufacturer company in Dhaka Reason and was established in the year 2012 under the chairmanship of the great visionary and foresighted doyen of Bangladesh industry Mr. Faiz Ahamed Khan. They produce mild steel (MS) deformed Bars, Angles and Steel Channels, MS and GI pipes of different diameter. They are specially focused on MS Deformed (60/500W &40 grade) bar & have prepared a report on HKG.

In this chapter, I have discussed about some introductory sentences about world steel industry, from where I have got this report, what's the problem I have faced when I prepared this report, I stated specific report objective, some limitation, discuss about data collection and sampling technique & stated abbreviation for readers better understanding.

Covers overview of HKG Steel, their starting information, mission & vision, activities, ownership structure, product & services of HKG & future plan of HKG.

This is the title part of the report. An evaluation of competitive market analyses of HKG are analyzed here. This part refers Literature review, demand scenario of steel in Bangladesh, steel Import & Export potential, pricing strategy, sales, raw materials sources, SWOC (Strength, Weakness, Opportunity & Challenges) analysis & Four 'P' Strategy of HKG Steel.

Chapter four pinpoints various analysis & interpretation of the report. It discussed perception of customers towards the satisfaction level on distribution of HKG Steel, importance of giving AD on TV or paper media, Subscriber preference, reasons for using HKG & summery of the total findings.

Finally, conclusion sentences, recommendations are arranged about total steel industry of HKG Steel.

# Table of Contents

## Chapter-1 (Introduction Of The Report)

<i>1.0 Introduction.....</i>	<i>1</i>
<i>1.1 Origin of the report.....</i>	<i>1</i>
<i>1.2 Statement of the problem.....</i>	<i>1</i>
<i>1.3 Objectives of the problem.....</i>	<i>2</i>
<i>1.4 Scope of the study.....</i>	<i>2</i>
<i>1.5 limitations.....</i>	<i>3</i>
<i>1.6 Methodology.....</i>	<i>3</i>
<i>1.6.1 Data Collection Techniques.....</i>	<i>3</i>
<i>1.6.2 Sampling.....</i>	<i>4</i>

## Chapter-2 (Company Overview)

<i>2.0 Overview of HKG Steel Mills Limited .....</i>	<i>6</i>
<i>2.1 Introduction.....</i>	<i>6</i>
<i>2.2 Mission &amp; Vision Statement.....</i>	<i>7</i>
<i>2.3 Activities of the Companies .....</i>	<i>7</i>
<i>2.4 Ownership Structure.....</i>	<i>7</i>
<i>2.5 Products &amp; Services .....</i>	<i>8</i>
<i>2.6 Future Plan .....</i>	<i>8</i>

## Chapter-3 (Report Part)

<i>3.0 Competitive market analysis of HKG Steel.....</i>	<i>10</i>
<i>3.1 Literature Review.....</i>	<i>10</i>
<i>3.2 About HKG Steel Deformed Bar.....</i>	<i>10</i>
<i>3.3 Demand scenario of steel in Bangladesh.....</i>	<i>11</i>
<i>3.4 Steel Imports.....</i>	<i>12</i>
<i>3.5 Export Potential.....</i>	<i>12</i>
<i>3.6 Price.....</i>	<i>13</i>
<i>3.6.1 Cost-Based pricing.....</i>	<i>13</i>
<i>3.6.2 Price Rate .....</i>	<i>14</i>
<i>3.7 Sales.....</i>	<i>15</i>
<i>3.8 Raw materials.....</i>	<i>17</i>

<b>3.9 SWOC analysis of HKG STEEL.....</b>	<b>18</b>
<b>3.10 People Prefer Think safety live safely.....</b>	<b>20</b>
<b>3.11 Four ‘P’ Strategies.....</b>	<b>21</b>

**Chapter-4 (Analysis & Interpretation)**

<b>4.0 Analysis &amp; Interpretation.....</b>	<b>24</b>
<b>4.1 Perception of customers towards the satisfaction level on distribution of BSCL.....</b>	<b>27</b>
<b>4.2 Perception of customers towards importance of giving AD on TV or paper media.....</b>	<b>28</b>
<b>4.3 Subscribers preference.....</b>	<b>30</b>
<b>4.4 Reasons for using HKG .....</b>	<b>31</b>
<b>4.5 Summary of the Findings.....</b>	<b>33</b>

**Chapter5 (Conclusion, recommendation, appendix & Bibliography)**

<b>5.0 Conclusion andRecomdation.....</b>	<b>35</b>
<b>5.2 Bibliography/ Referances.....</b>	<b>37</b>
<b>5.3 Internet Link.....</b>	<b>38</b>



**Chapter-One**  
**(Introduction of the Report)**

## 1.0 Introduction:

Iron has been a vital material in technology for well over three thousand years. It is common today to talk about "the iron and steel industry" as if it was a single entity, but historically they were separate products. The steel industry is often considered to be an indicator of economic progress, because of the critical role played by steel in infrastructural and overall economic development. In 1980, there were more than 500,000 U.S. steelworkers. By 2000, the number of steelworkers fell to 224,000. The economic boom in China and India has caused a massive increase in the demand for steel in recent years. Between 2000 and 2005, world steel demand increased by 6%. Since 2000, several Indian and Chinese steel firms have risen to prominence like Tata Steel (which bought Corus Group in 2007), Shanghai Baosteel Group Corporation and Shagang Group. ArcelorMittal is however the world's largest steel producer. In 2005, the British Geological Survey stated China was the top steel producer with about one-third of the world share; Japan, Russia, and the US followed respectively. In 2008, steel began trading as a commodity on the London Metal Exchange. At the end of 2008, the steel industry faced a sharp downturn that led to many cut-backs. In 2010, total world crude steel production was 1,413.6 million metric tonnes (mmt). The biggest steel producing country is currently China, which accounted for 44.3% of world steel production in 2010. In 2008 and 2009, output fell in the majority of steel producing countries as a result of the global recession, in 2010 started to rise again.

## 1.1 Origin of the Report:

“**Competitive Market Analysis of HKG Steel Mills Ltd.: An Evaluation** -this report is prepared as a requirement of MBA at Daffodil International University Bangladesh. This report will follow relevant guidelines which referred from university.

## 1.2 Statement of the problem

The flow of information and the supporting infrastructure of a company play a crucial role in satisfaction of experience by the end point customer. In the competitive marketing system, company does not make money easily from the customers. Company makes more money by more selling. So, more selling can possible by marketing. Marketing functions affect a company in many ways like, product, price, place, promotion & so on. The services provided by the company are affected by the marketing support in the company. This ultimately has an impact upon customer satisfaction. The problem is to find out exactly how the marketing affects on competitive markets. The problem, hence, also involves finding reliable strategy of the marketing which affect customer satisfaction. Hence, the basic problem of this research is to explore the competitive position and to understand how company strategies effects on consumer satisfaction.

## **1.3 Objectives of the Problem:**

### **1.3.1 Broad Objective**

The broad objective of the research is to identify the competitive position in the market & also identify Marketing Mix 4P's Strategy for a steel industry which will help to have greater advantages in this competitive market.

### **1.3.2 Specific Objectives**

The specific objectives of the study are as follows:

- **To explain the Marketing Mix of HKG Steel Mills Ltd**
- **To analyze complete advantages of HKG Steel compare with competitors.**
- **To identify problems related to marketing activities of HKG Steel**
- **To make some recommendations to improve marketing activities of HKG Steel**

## **1.4 Scope of the study:**

While preparing the report I have learned a lot about the steel company their system situated in Bangladesh. Hassen Kayaba group is the well-known corporate brand in Bangladesh and refers many companies. One of the companies is HKG Steel Mills Limited. It is a well-known company in producing steel. I have known their product and different term of their business, how they provide product to the customer and how they work in the market.

The report is prepared based on the marketing & sales operations of the HKG Steel Mills Limited. This activity involves the following:

- Market targeting system.
- Market visiting system.
- Cheques collect & deposit system.
- Delivery procedure.
- Proper communicate system.

## 1.5 Limitations:

The study has been conducted to make an investigation of the company's marketing & sales activities; during carrying out the study in this field, some problems may be termed as limitations of the study:

1. I got a short period of time to prepare the report.
2. In the company all employees are too busy .it is tough to have a break from their tight schedule.
3. There are a lot of secret matters in organization. As an intern the researcher cannot reach to those secret topics.
4. Technological aspect: The report does not describe any technological aspect.
5. In some cases, up to date information were not published.
6. Lack of proper books, journals and other elements.

In spite of all the limitations I fully prepare the whole report while conducting the study and making of it has managed to end up well. I believe that I have prepared a quality report on the marketing & sales division of HKG steel Mills limited.

## 1.6 Methodology:

This report is based both on primary and secondary information.

### 1.6.1 Data Collection Techniques

#### **Primary Data:**

Primary data will be collected by conducting a survey through a structured questionnaire. The structured questionnaire is constructing specially for this report. Personal interview of customers will be conducted. I through the questionnaire to construction firm & steel manufacturer.

#### **Secondary Data:**

Going through different documents and papers developed by the company personnel and by others are the sources of secondary data. Data is collected from Manager, Sr. Officers and Officer of Marketing and Sales division of HKG Steel Mills Limited also secondary data. Also collect data from various document journals, Sales Statement of HKG Steel Mills Limited and Competitors Company's website and related personnel.

## 1.6.2 Sampling:

**Defining population of interest:** The population of interest for this study includes 5 different units situated at the corporate building of HKG Steel Mills Limited

- **HKG Steel Mills Limited.** Total number of permanent employees is 190. Number of officers at corporate branch is 70 and non officers are 120.
- **Sampling unit:** The sampling unit consists a group of company chosen from the population.
- **Sample frame:** Dhaka city is the sample extent for this study. Or the entire employees are from the corporate office at HKG Steel Mills Limited Sena Kallyan Bhaban(17<sup>th</sup> floor) 195 Motijheel,Dhaka-1000. and Sales Marketing office House-116, Road-11, Banani, Dhaka
- **Sampling Design:** Stratified sampling method has chosen for this research. Because here population is unknown and strata will be ignore biasness. For manufacturer there are 10 sample has chosen because these are the leading company in this industry those produce similar type of products. The user of deformed bar has divided in two part one is organizational user that is the firms who are developing apartments and building and another one is the owner of building who are developing houses for their own use.
- **Sample Size:**

**Steel Manufacturers:** If we conduct survey with manufacturer then we have to determine the sample size for manufacturer of steel products. As manufacturers are listed, we will able to take probabilistic systematic sampling technique. In this case our sample size will be 65.

**Construction Firms:** If we conduct survey with construction firms then we have to determine the sample size for construction using steel products. As construction firms are listed, we will able to take probabilistic systematic sampling technique. In this case our sample size will be 53.

Total Sample 118.
- **Research Question:** In this part Justified some question answer

## **Chapter-2**

### **(Company Overview)**

## 2.0 Overview of HKG Steel Mills Limited:

### 2.1 Introduction:



## HKG Steel Mills Ltd

### Company Profile

HKG Steel Mills Ltd (Sister concern of Haseen kayaba Group) is Manufacturing Billets and the constructions Materials MS Deformed Bar (Rod) of an International Standard quality. This is one of the largest and modern Steel plant in the near Dhaka City and would like to thanks the Team of professors from BUET for spending valuable time days together and surveying the plant and giving a satisfactory inspiration. Over the past ten years, HKG Steel has contributed to the Bangladesh economy by supplying quality products at competitive prices to the local market, with guaranteed on-time delivery. Its name is synonymous with efficient and reliable service.

HKG Steel combines tradition with creativity, innovation, and advanced technology. Total customer satisfaction is our number-one priority, and our team of qualified staff endeavors continuously to improve customer benefits.

With our excellent combination of assets, people, skills, market knowledge and innovative expertise, HKG Steel is committed to the long term development of our products and will maintain our leading role in the near Dhaka steel industry .

Name of Company	HKG Steel Mills Ltd
Address	<b>Mkts &amp; Sales</b> : House#116, Road# 11, Block# E, Banani,Dhaka <b>Corprate</b> : Senakallyn Bhabon 17 <sup>th</sup> floor,Motijheel Dhaka <b>Factory</b> : Mirdhakandi, Sonagaon,Narryangonj.
Products	<b>60 Grade</b> : 10MM – 32MM <b>500W</b> : 8MM – 25MM
Email:	info@kayabagroup.com
Starting the Journey	01 August,2012
Owner / Director	Faiz Ahamed Khan, Managing Director
No of Employee	Official : 65 Technical : 95 Supporting : 370
TIN Number	115-200-1533
VAT Reg.	21131003128
Trade License	14934/08
Quality Certificate	BUET Tested and BSTI Approved, ISO Certified
Business Nature	Steel Re-Rolling and Billet producing

## **2.2 Mission & Vision Statement:**

The era of information and communication technology has changed the world with a whisker and now communication has emerged as the key to trade and development. The rapid development of information and communication technology has turned the world into a global village. Moreover globalization and its all pervasive impacts on states and their economies have made life more competitive, complex and technology driven.

Proximity has turned meaningless as the world is now in the tip of a finger and economy the ultimate focus of a nation and national life. Inter-state trading dependence, investment potentials and free flow of information and raw materials have made the world thriving on the edge of competitiveness.

Now 'staying competitive' is the key to survival in today's world of business where quality rules and standard products and services sneak in shedding physical boundaries. Now, the recent global recession and its impacts have shown yet another challenge and the bitter side of the globalization.

But despite the global challenges and its impacts on local economy, HKG Steel Mills Limited. has kept on its forward march with visionary goal, best use of its human resources and meticulous planning. Varied range of products with ensured standard, quality services and most effective managerial efficiencies have made the company a market leader in the respective sectors of its operation.

## **2.3 Activities of Company**

Keeping main focus on business expansion and growth in the most prospective sectors, the group is continuously taking up projects to make it the largest conglomerate in the business arena of Bangladesh despite fast-changing business trend and tricky situation.

Depending on the firm foundation and highly professional human resources, the HKG Steel Mills Limited is still making good use of its business potentials and also contributing to the development of the local corporate culture and making a significant contribution to the overall development of the country and its economy.

But despite intriguing growth and business expansion, the company's aims and objectives remain the same – to serve people with maximum satisfaction and keep on working for the greater welfare of the people and the country. Still HKG Steel Mills Ltd. care for their clients as their obligation and customer satisfaction remains the key to their success.

## **2.4 Ownership Structure:**

HKG Steel Mills Limited is a private limited company. As per company policy & as per their security break policy they don't provide any ownership structure. That's why I have no option to provide any ownership structure of HKG Steel Mills Limited



## 2.5 Products & Services:

- a) Steel Melting Unit : Billets
- b) Re-Rolling Mills : Deformed Bar (Different dia)

### Details of Product Range:

- a) Billet : 100mm x 100mm size 60 grade and 500W g billet produced.
- b) Deformed Bar 500W(TMT) :8mm,10mm,12mm,16mm,20mm, 22mm,25mm,28mm and 32mm deformed bar produced.
- c) Deformed Bar 400W(60 Grade) :8mm,10mm,12mm,16mm,20mm, 22mm,25mm,28mm and 32mm deformed bar produced.

## 2.6 Future Plan:

**Ferro-Alloy Plant** - HKG will start production of Ferro-Alloy Plant.

**Another Re-Rolling Mill** - HKG already started a new Automated Re-Rolling Mill with TMT Technology.

**Power generation Plant** - Management of HKG is planning to install a Power Generation Plant for its own consumes.

## **Chapter-3**

### **(Competitive Market Analysis of HKG Steel)**

### 3.0 Competitive market analysis of HKG Steel Mills Limited:

#### 3.1 Literature Review:

Mr. Jalal Uddin is an employee of HKG Steel Mills Limited. He prepared a report when he was an intern in HKG Steel Mills Limited. His report was “**Competitive Market Analysis of HKG Steel Mills Ltd.: - An Empirical Study**”. He describes in this report overall formula of 4 P’s strategy in steel and describe about scope implementation strategy of HKG Steel Mills Limited.

He also prepared a report on HKG Steel Mills Limited that called “**Market Research**”. He stated in this report total market size, individual market share, customers list like, construction firm, developers, engineering

#### 3.2 About HKG Deformed Bar:

- HKG Steel deformed bars are manufactured as per international standard of ASTM A-615 and BS -4449 under the direct supervision of a group of experienced graduate Engineers who are working round the clock to ensure quality of the product.
- HKG Steel 60-grade deformed bars are manufactured from 100mm x 100mm x 6000mm steel billets produced by the continuous casting plant using latest technology of the world where synchronized oscillators are used for casting.
- HKG Steel deformed bars can easily be identified as in case of 60- grade it bears a frog mark of BS-60 at one side and G-4000 on the other side of bar
- HKG 500W it bears frog mark of HKG TMT 500W on one side and G-500 on the other side in every running meter.
- HKG Steel TMT 500W and 60-grade deformed bars are 30% more economical than other bars of the market.
- HKG Steel Deformed bars are tested frequently from Buet.
- HKG Steel Deformed Bars are Also BSTI certified.

**Table 1: Grade wise strength of HKG Steel deformed Bars conforming to astm a-615**

<b>Grade</b>	<b>Yield Strength (Min)</b>	<b>Ultimate Tensile Strength (Min)</b>	<b>Percent Elongation (Min)</b>
HKG 500W	72,500PSI	83375 PSI	14% (Min)
BS 60	60,000 PSI	90,000 PSI	7-9%

Secondary source: Brochures' of HKG Steel Mills Ltd.

**Table 2: Deformed Bar Grade-60 & TMT Bar Size, Nominal Weights, and Dimensions Etc:**

<b>Bar nominal dia</b>	<b>Nominal weight</b>	<b>Cross-section Area</b>	<b>Approx. Length per M. Ton</b>	
			<b>Metre</b>	<b>Feet</b>
mm	kg./m	Mm <sup>2</sup>		
8	0.395	50.3	2,532	8307
10	0.616	78.5	1,621	5,318
12	0.888	113.1	1,126	3,694
16	1.579	201.1	633	2,077
20	2.466	314.2	405	1,330
22	2.985	380.3	335	1,100
25	3.854	490.9	259	850
28	4.836	616.0	207	680
32	6.313	804.2	158	518
Normally Available Lengths: 12-13 Metre				

Secondary source: Brochures' of HKG Steel Mills Limited

### **3.3 Demand scenario of steel in Bangladesh:**

The demand for steel is highly correlated to the growth of investment in the industrial sector. Above Table 01 presents the projected demand scenario of steel products at present and the FY 2007-08. There remains a substantial demand-supply gap in the steel products. With the increasing investment in infrastructure, construction, machinery, railway machinery like locomotives, wagons, coaches; refinery machinery, pipelines; household appliances like air conditioners, refrigerators, consumer durables; ship breaking and other steel intensive segments, the demand for steel is growing.

### 3.4 Steel Imports

Given the local production constraint, Bangladesh imports substantial amount of steel and steel products from a number of countries. Mainly steel are imported from Australia, Belgium, Canada, China, France, Germany, Greece, Hong Kong, India, Indonesia, Italy, Japan, Malaysia, Mexico, Netherlands, North Korea, Poland, Russia, Saudi Arabia, Singapore, South Korea, Turkey, and The USA.

### 3.5 Export potential

There remains a substantial market for steel products in the neighboring South Asian countries like Myanmar, India, Sri Lanka, Nepal etc. Export of CI Sheets have already started to Middle East, Sri Lanka, Singapore, China, and some African countries like Sierra Leone, Senegal, Uganda, Angola, Mozambique, Ghana etc. There also remain export potentials for billets, slabs, reinforcement bars and plates. Table 02 presents the recent export data of steel and steel products.

**Table-5: Export of Major Steel & Engineering Products (in Million Taka)**

Description	2018-17	2018-19	2019-20	2020-21
Iron Chain	28.28	55.55	1896.65	1108.8
Cast Iron Articles	0.13	0.14	476.06	15.04
Generator	14.82	9.05	53.79	71.8
Fishing Reel	1.11	-	1.4	0.002
GI Pipes	-	-	6.9	11.5
Coil Assembly	-	-	244.4	485.8
Others	25.46	659.77	275.6	3291.1

Source: Export Promotion Bureau, 2021.

### 3.6 Price

Price is a very important factor while selecting a product, it becomes more critical when the consumers economic ability is very low. A difference of few takas' can have strong influence on the sales. Cost-based pricing is product driven. Bashundhara steel designs what it considers being a good product, total cost of making the product and sets a price that covers costs plus a target profit (Kotler 1999).



Figure1: Product price

In Cost-Based pricing need to consider (kotler, 1999)

- Cost-plus pricing
- Break-even analysis
- Target profit pricing

#### 3.6.1 Cost-Based pricing

Cost-based pricing is product driven. Bashundhara steel designs what it considers being a good product, total cost of making the product and sets a price that covers costs plus a target profit. Bashundhara steel use high technology in case of steel manufacturing. All the machines and technologies bought by outside and very expensive (Malhotra, 2001). And these machines and technologies also run by high trained operators. For this reason BSCL produce quality Steel.

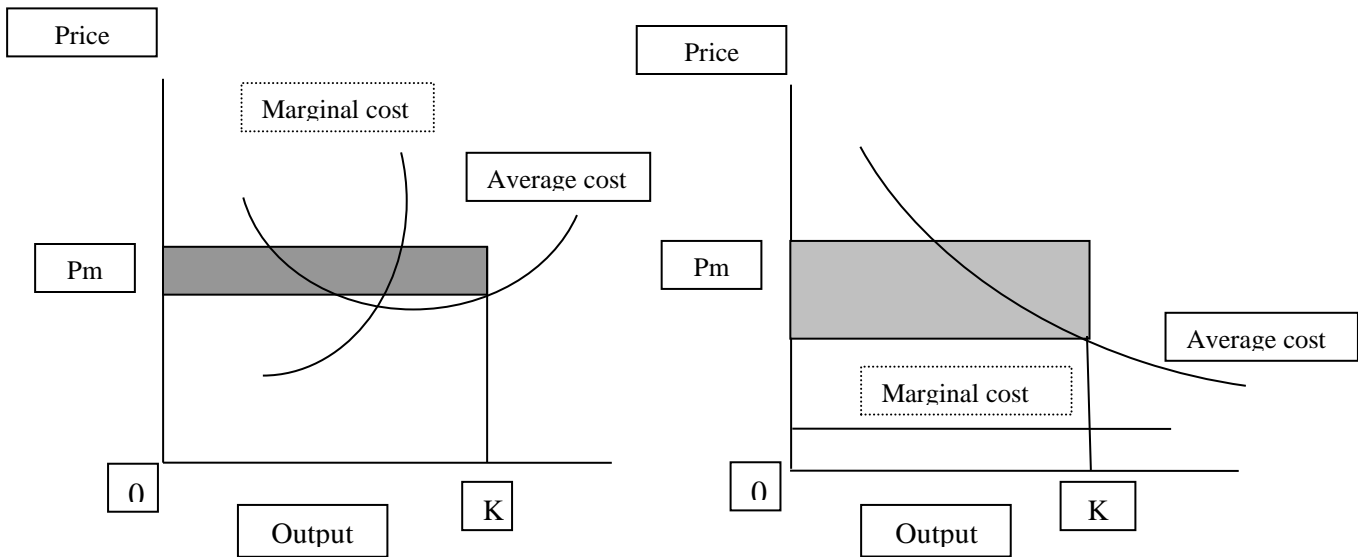


Figure 2: Cost-Based Pricing (Kevin, Lane, Keller, 2007)

BSCL is a high-tech producer and its marginal cost does not rise at all as output is increased. Bashundhara steel is flat and low marginal cost curve means that its average cost curve will fall continuously. It helps BSCL to set a moderate pricing of their product. But BSRM follow the best cost provider strategy to sell their product in the market and RSRM follow the low cost strategy to sell their product.

### 3.6.2 Price Rate

**Table-6: Price trend of 60/500W grades deform iron bar.**

Name of the Factories	Product Name	Product Size	Product Price per Metric Ton (January'20) *	Product Price per Metric Ton (January' 21)*
HKG Steel	DEFORMED BARS (GR-60) / 500W	8 mm	67,500	73,500
	DEFORMED BARS (GR-60) / 500W	10 to 24	66,500	72,500
	DEFORMED BARS (GR-60) / 500W	25 to 32	66,500	72,500
BSRM	DEFORMED BARS (500W)	8 mm	72,500	80,500

	DEFORMED BARS (500W)	10 to 25	72,500	80,500
	DEFORMED BARS (500W)	28 to 32	72,500	80,500
KSRM	DEFORMED BARS (GR-60)	8 mm	70,500	79,000
	DEFORMED BARS (GR-60)	10 to 20	70,500	79,000
GPH Ispat	DEFORMED BARS (GR-60)	8 mm	69,500	79,500
	DEFORMED BARS (GR-60)	10 to 25	69,000	79,000
Abul Khair Steel	DEFORMED BARS (GR-60)	8 mm	70,500	78,500
	DEFORMED BARS (GR-60)	10 to 24	70,500	78,500
	DEFORMED BARS (GR-60)	25 to 32	70,500	78,500

Source: field survey, 2020-21.

### 3.7 Sales

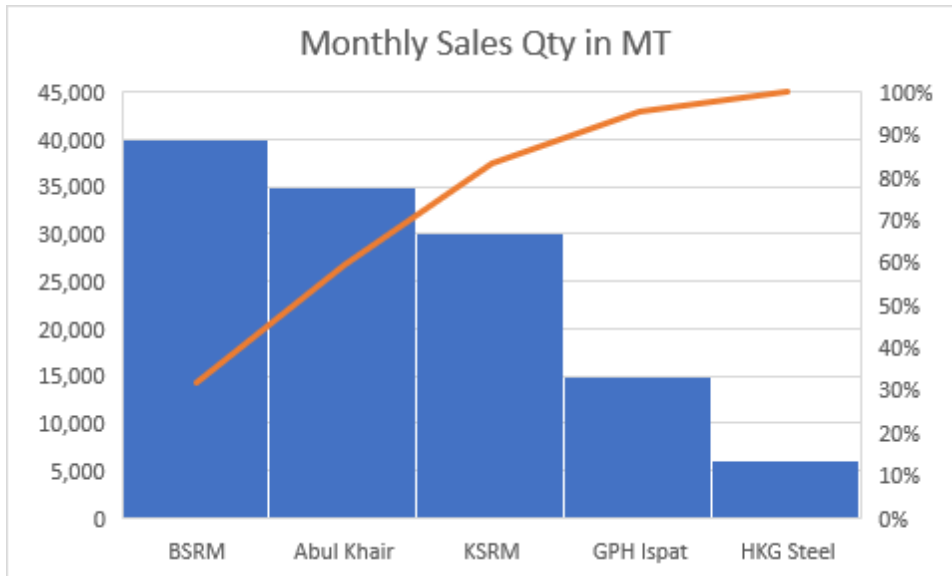
Sales are very important for every company. To know the present condition of the company it is important what the sales volumes of the different companies are.

**Table-8: Average monthly sales volume of different industries in 2020-2021**

Name of the industries	Product Name	Sales volume (Metric Ton)
HKG Steel	DEFORMED BARS (GR-60) / 500W	6,000
BSRM	DEFORMED BARS (GR-60) / 500W	40,000
KSRM	DEFORMED BARS (GR-60) / 500W	30,000
GPH Ispat	DEFORMED BARS (GR-60) / 500W	15,000
Abul Khair	DEFORMED BARS (GR-60) / 500W	35,000

Source: Field Survey, December 2021.





**Figure: Company wise Monthly Average Sales**

### 3.7.1 Sales promotions

Sales promotions activities are very important for any industries. HKG Steel will take following promotional activities in 2021 to increase their sales (Kapferer, 2005).

- Premiums and Contests - Special prizes and gifts offered by manufacturers to Parties to encourage them to reach specific sales goals or stock a certain product.
- Discounts- The normally quoted price to end users is known as the list price. This price usually is discounted for distribution channel members and some end users. There are several types of discounts, as outlined below.
- Quantity discount - offered to dealers who purchase in large quantities.
- Seasonal discount – discount can be offered to those dealers who can sell steel off season
- Off –season sales- steel can be provided at a lower price in the off seasons
- Price reduction-price is reduced for utilizing the stocking product.

**Table-9: Expenditure on Promotions in 2021.**

<b>Promotional Activities</b>	<b>Expenditures</b>	<b>Percentages</b>
Annual sales conference for Dealers	47,600,000	30%
Annual Sales Conference for sales and marketing team	16,400,000	10%
Promotion for corporate clients	8,800,000	8%
Promotional gift	5,200,000	4%
Calender,diary	6,600,000	4%
Poster and leaflet	6,200,000	3%
Publication	5,200,000	3%
Commission	6,000,000	5%
Discount	6,600,000	4%
CSR	7,600,000	4%
Ad on media	40,800,000	22%
Total	1570,00,000.00	100%

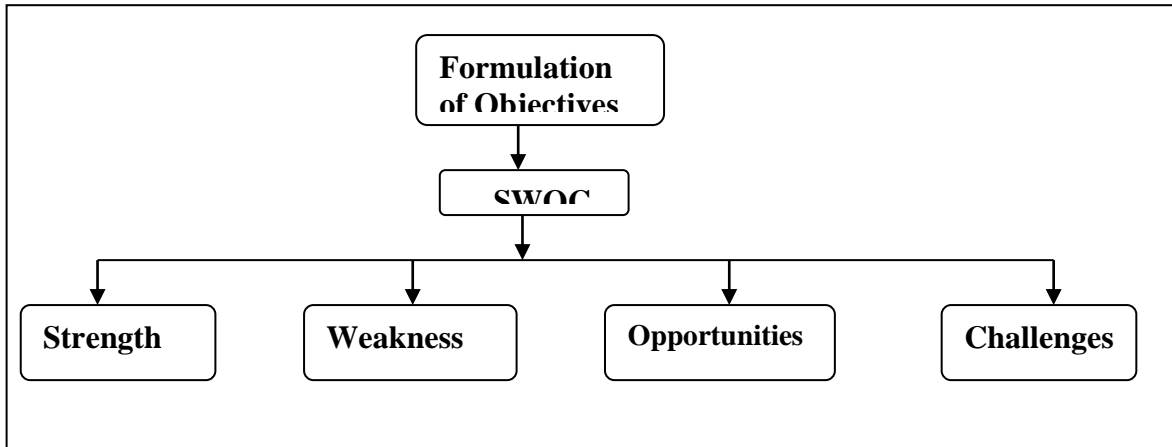
Source: Secondary source (Annual Report of HKG Steel, 2021)

### **3.8 Raw materials**

BSRM is the market leader in steel industry. They are producing 102 thousand metric tones per year. The main raw material suppliers are China, Hong-Kong, Belgium and so on. There have no local supplier in the country. The raw material of iron bar is spong iron. At present they are holding about 29% market share of iron industry. BSRM is the newly born firm in the industry (Assael, 2006). But they are producing around 63 thousand metric tones' per year. At present they are trying to be a competitor of BSRM. They are collecting raw materials from home and abroad. KSRM is another boom in the industry of the country. They are try to increase their production where as their yearly production is 53 thousand metric tones. Basically they are now depends on the local suppliers of raw materials of the country. SSRM is another glitter of the iron industry in our country who is trying to concentrate on individual customers. They are producing on an average 41 thousand metric tones per year. They are using print media for their advertising. They have hired foreign expertise for sound and smooth production. They are

depends on local raw material suppliers. HKG Steel are producing 70 thousand metric tones per year. They are collecting raw materials from home and abroad.

### 3.9 SWOC analysis of HKG STEEL:



#### Strength:

- ❖ HKG Steel has a Strong Brand image to the customers.
- ❖ It produces quality product.
- ❖ Have skilled and sufficient human resource.
- ❖ Advance technological support.
- ❖ HKG Steel has a strong financial support.
- ❖ Selection of good location for production and distribution.
- ❖ Smooth distribution channel mechanism.
- ❖ Quick positive feedbacks for complaining
- ❖ HKG Steel has a good relationship with dealers.
- ❖ Machineries which are being used in their manufacturing plants are manufactured by world famous as renowned company.

#### Weakness:

- ❖ Less production capacity than competitor like BSRM, KSRM and AKS
- ❖ Have no brand image an awareness in overseas market
- ❖ HKG Steel has no potential and renewed international access regarding export their products

- ❖ Maximum duration Price more than competitors
- ❖ Lack of promotional activities
- ❖ Lack in the attractiveness of advertisement (TV and Print Ad.)
- ❖ Setting price strategy depends on international market for raw materials.
- ❖ Higher carrying cost.

### Opportunities:

HKG Steel has a great opportunity to expand its business to the overseas market. Other opportunities are given below:

- ❖ As the people are increased, the demand of Steel is increasing.
- ❖ Big demandable market where the present market shares of HKG Steel is only 10% locally.
- ❖ Import of raw materials is to be reduced
- ❖ Global competitiveness must be developed their product quality and style
- ❖ Local image is increasing day by day
- ❖ HKG Steel is getting rebate from government Tax, VAT an others charges and has possibility to get Govt. incentives.
- ❖ Image of HKG Steel is increasing and giving an extra strength to another business
- ❖ Increase in income of population and awareness about Grade Rod.

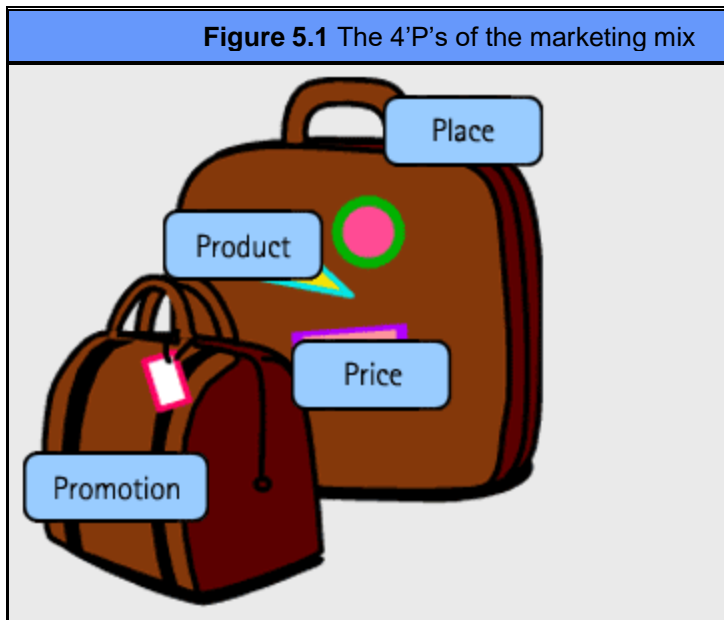
### Challenges:

- ❖ Existing competitors are increasing their production.
- ❖ New competitors are entering into the market.
- ❖ Lack of Governmental assistance and support to promote this business sector.
- ❖ High price of raw materials
- ❖ Less technological support, where this sector is far behind from developed countries.
- ❖ Political, Economical an environmental situation create extra Challenges for HKG Steel

### **3.10 People prefer Think Safety live safely because:**

- HKG deformed bars are manufactured either from imported billet or from square sections produced in induction melting furnaces where imported steel scraps, sponge iron & selected scraps from ship breaking yards are melted & the chemical composition of each melt is tested in the well equipped laboratory by highly qualified chemists & engineers.
- During production samples are collected at regular intervals for onward testing of yield strength, ultimate tensile strength, percent elongation & bending properties in physical testing laboratory.
- Diameter, lug specification & mass per unit length are strictly followed through out the length of 12 meter or its multiple as per consumer's satisfaction.
- HKG maintains 65% higher yield strength than the common grade bars available in the market & conforms to ASTM-A 615 or BS-4449..
- Timely delivery and accurate weight & assured quality is the management policy of the HKG Steel Mills Ltd.
- HKG deformed bars are produced from killed steel which is manufactured by adding desired quantity of 99.9% pure aluminum in the rod.

### 3.12 Four 'P' Strategies (Philip kotler):



#### **Product Strategy:**

- ➔ Introduce the product & features with the consumers.
- ➔ Maintain quality product.
- ➔ Teach the distributors and dealers on how to maintain quality in store.
- ➔ No bending problem in the time of using.
- ➔ It gives priority on product quality.
- ➔ Ensure the environment factors of using HKG Steel.

#### **Place (Distribution) Strategy:**

- ➔ Smooth distribution mechanism
- ➔ Expand marketing channels to reach to the consumer more easily
- ➔ Appoint distributors and dealers in different points of area all over the country
- ➔ Monitoring on distributor activities in term of distribution.
- ➔ Own distribution facilities and also allows the distributors to take delivery by the distributors' truck.
- ➔ Set officers in different remote area of the country for effective distribution.

## The distribution Channel Strategy

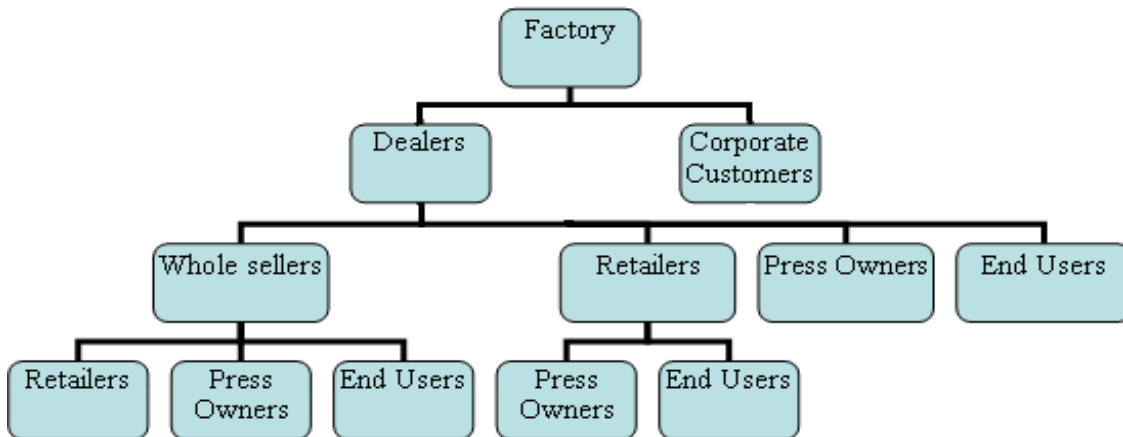


Figure-4: The Distribution Channel Strategy.

### Pricing Strategy:

- Set price on the cost plus basis.
- Always try to set price at a rate where most demand appears. Change in price depends on the price of raw materials, which is brought from international market.
- Set the price on the basis of relationship with customer.
- Sometimes setting price on the basis competitors (Market Price).

### Promotion Strategy:

- HKG Steel takes customer scheme such as gift.
- Trade scheme is taken by HKG in various times (off pick like August-October) such as commission on per MT.
- Various types of gifts are given to distributors and dealers for encouraging for sales.
- Print advertisement and TVC are as advertisement for making demand for HKG Steel Mills product. That means, they take pull strategy as well as push strategy.
- Offer sponsorship for various kinds of activities such as sport tournaments.
- Attend various types of social welfare.

## **Chapter-4**

### **(Analysis & Interpretation)**



#### 4.0 Analysis & Interpretation:

Customers have different perceptions or views towards different steel industries. They look for better services. Customers are asked whether they are satisfied or not with the existing steel industries. In this section, it is intended to rank the steel industries in Bangladesh regarding customers' preference.

**Table-10: Different steel industry Rank according to customers preferences**

Brand	Rank-1	Rank-2	Rank-3	Rank-4	Rank-5	Rank-6	Rank-7
HKG Steel	5	6	7	11	15	18	21
BSRM	29	10	8	6	3	1	0
GPH	4	7	10	8	10	6	1
KSRM	5	10	9	7	6	2	1
Abul Khair	5	15	9	7	6	2	1
Others Local brand	2	2	7	11	10	21	26
Total	50	50	50	50	50	50	50

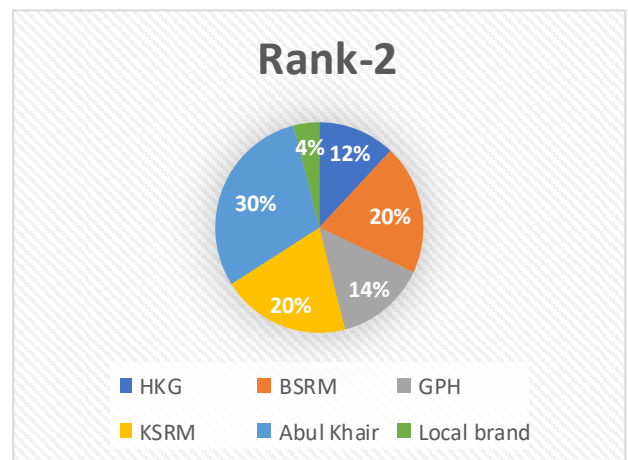
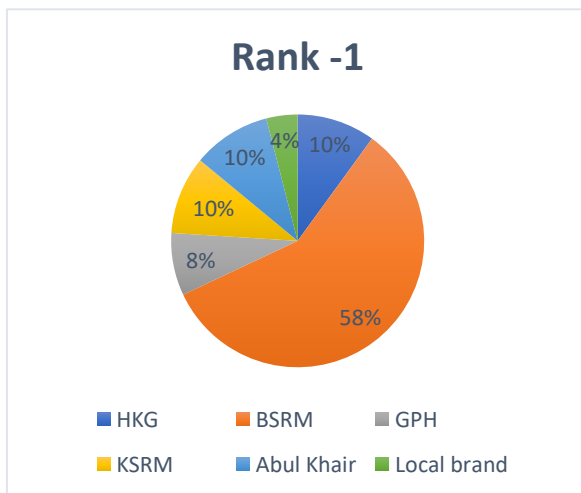
Source: Primary data, Market survey, August 2021

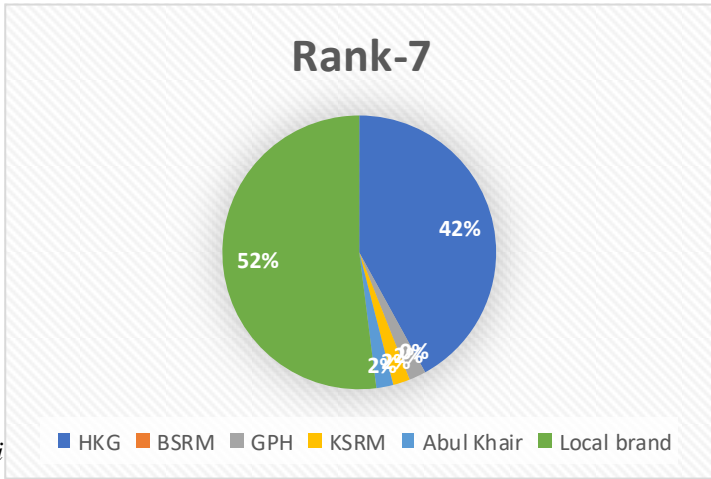
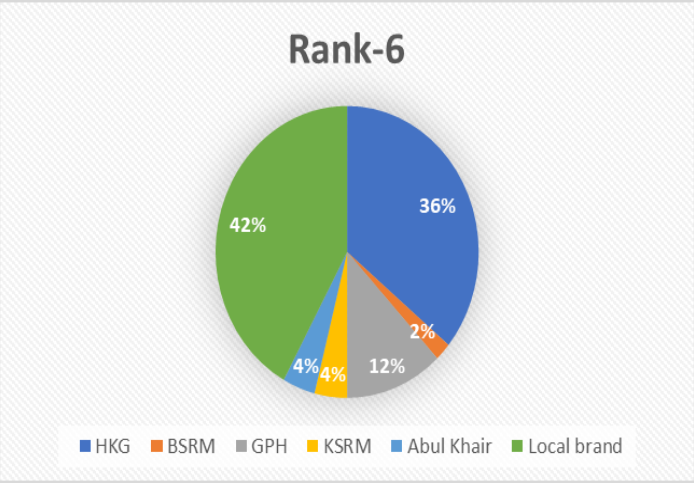
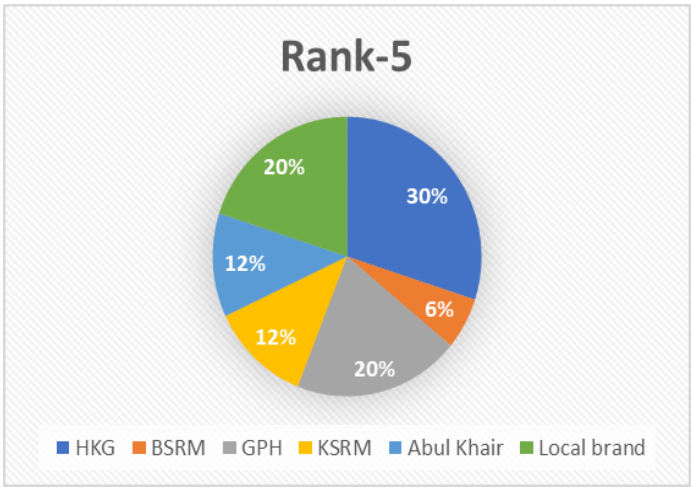
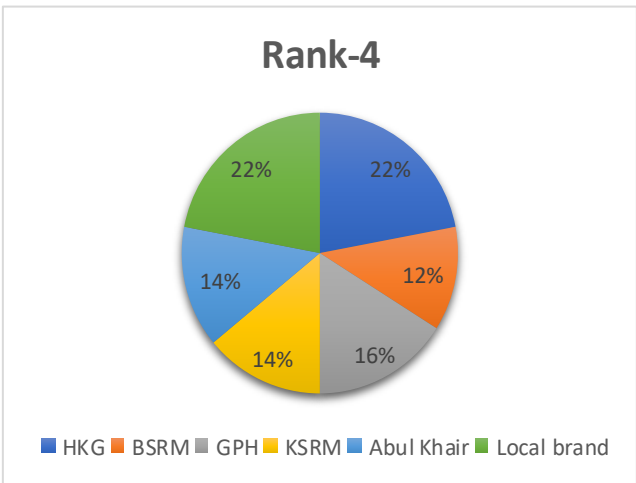
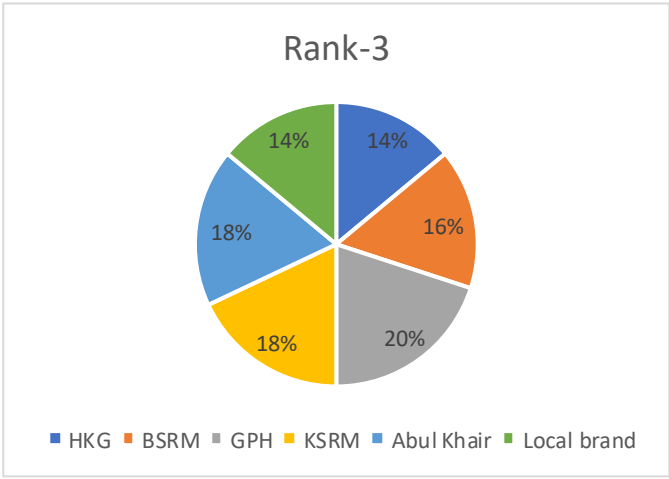
**Table-11: Percentages of steel Industry's' Rank**

Brand	Rank-1(%)	Rank-2(%)	Rank-3(%)	Rank-4(%)	Rank-5(%)	Rank-6(%)	Rank-7(%)
HKG	10	12	14	22	30	36	42
BSRM	58	20	16	12	6	2	0
GPH	8	14	20	16	20	12	2
KSRM	10	20	18	14	12	4	2
Abul Khair	10	30	18	14	12	4	2
Local brand	4	4	14	22	20	42	52
Table	100	100	100	100	100	100	100

Source: Primary data, Market survey, August 2021

It is found that BSRM is holding the highest percentages (58%) of customers' preference. Now HKG has occupied (10%) the Rank 1. Here GPH has occupied (40%) the Rank 3 due to its more customers' preferences than others. Rank 4 has occupied by KSRM due to its 35 % customers' preferences that are more than the competitors. Rank 5 has holed by Abul Khair. Rank 6 has occupied by local brands and Rank 7 has occupied by imported brand.





- **Interpretation**

Subscriber’s satisfaction level about BSRM is comparatively higher than the competitors. So, other company like HKG, KSRM, GPH, Abul Khair must take extra care about this matter.

#### 4.1 Perception of customers towards the satisfaction level on distribution of HKG:

- **Objective**

To assess the satisfaction level of customers offered by HKG in case of distribution facilities.

- **Related Question**

Question number 5 customers were asked to identify their perception about the distribution facilities of HKG. In Question 5 customers were asked to find out the satisfaction level in case of distribution.

- **Findings**

Customers have different satisfaction levels on distribution system of HKG. They always look for better distribution facilities. In this section, it is intended to know the satisfaction level on distribution for using HKG.

**Table 12: Satisfaction Level of Respondents**

Satisfaction Level of Respondents	No of Respondents	Percentages of respondents
Highly satisfied	30	62 %
Moderately satisfied	5	11%
Satisfied	8	17%
Moderately dissatisfied	2	4%
Dissatisfied	3	6%
Total	48	100%

Source: Primary data, Market survey, August2019.

62 % customers are highly satisfied towards the distribution facilities of HKG. 11%customers are moderately satisfied with the distribution facilities of HKG. 17%customers are satisfied with the distribution facilities of HKG. 4%customers are

moderately dissatisfied with the distribution facilities of HKG.6%customers are dissatisfied with the distribution facilities of HKG.

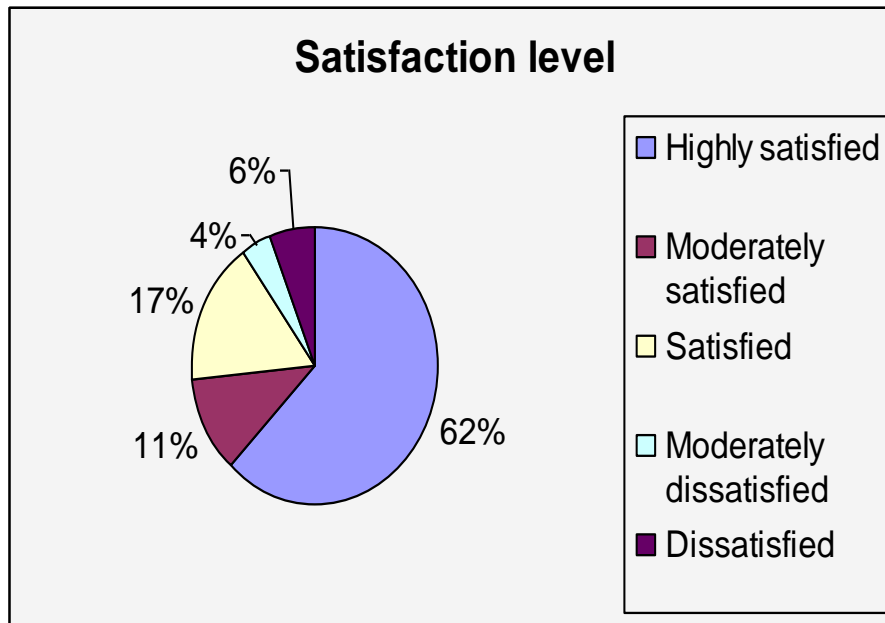


Figure 12: Satisfaction level

## 4.2 Perception of customers towards importance of giving AD on TV or paper media:

- **Objective**

To assess the effectiveness to give ad on TV or print media.

- **Related Question**

Question number 6 and 7 of customers were asked to explore the importance of AD on TV or newspaper.

- **Findings**

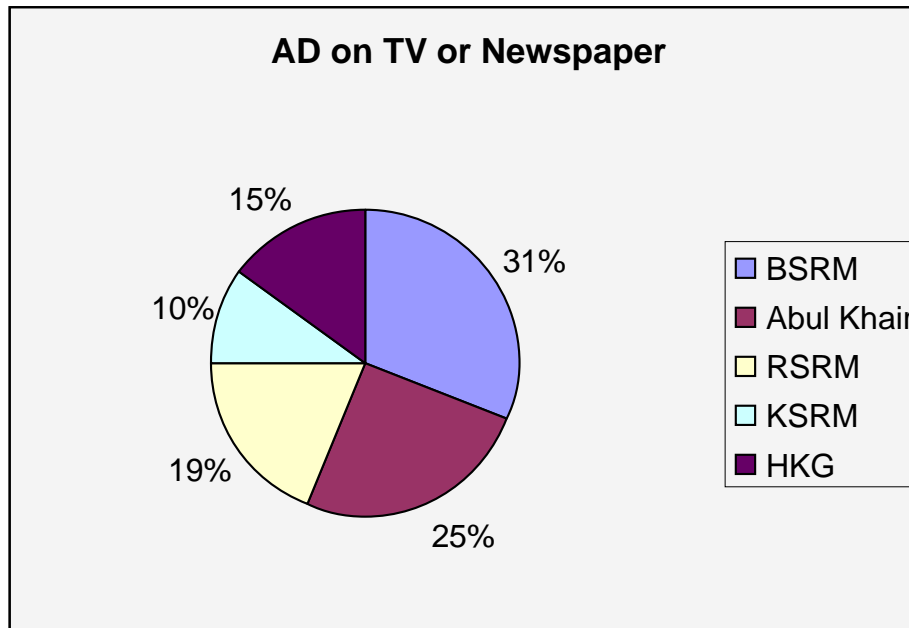
Customers have seen the newspaper Ad of different steel companies. They always want to see on better Ad.

**Table 13: Customers perception on newsprint Ads**

Brand	Respondent	% of Total
BSRM	15	31
Abul Khair	12	25
GPH	9	19
KSRM	5	10
HKG	7	15
Total	48	100.00

Source: Primary data, Market survey, 2021.

From the above table it is shown that 31% respondents are said that BSRM Ad is more attractive and are seen more frequently. 25% respondents are said that Abul Khair Ad is more attractive and are seen more frequently. 19% respondents are said that HPH is more attractive and are seen more frequently. 10% respondents are said that KSRM is more attractive and are seen more frequently. 15% respondents are said that HKG is more attractive and are seen more frequently.



- **Interpretation**

Respondents who are seen the newsprints Ad on newspaper most of them (31%) are told that BSRM Ad is more attractive and has come more frequently on newspaper than the competitors. On the other hand only 15% told that HKG ad is more attractive. This is poor positive ness. So HKG need to upgrade their TV & newspaper ad.

### 4.3 Subscribers preference:

- **Objective**

To explore the market share and position of Bashundhara steel in the steel industry of Bangladesh

- **Related Question**

Question number 7, 8, 9 were asked management to explore the market share of HKG.

- **Findings**

Forty-eight executives of different companies were asked to get the below data to find out the market share of HKG and its competitors.

**Table 14: The quantity, which has been purchased on in 2021**

Brand Name	Quantity in MT	Percentage ( % )
AKS	3,850	15%
BSRM	8,450	33%
KSRM	4,380	17%
GPH	5,230	21%
HKG	3,570	14%

Source: Primary data, Market survey, August2021.

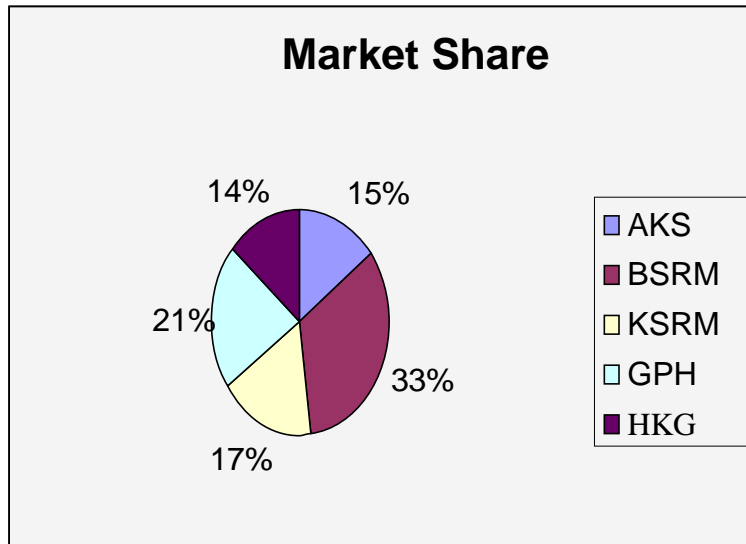


Figure14: Market share of different companies

- **Interpretation**

From the above findings it was found that BSRM is the market leader. GPH is the market challenger and holding second position. HKG has occupied the fourth position of the market.

#### 4.4 Reasons for using HKG:

- **Objective**

To assess the perception of customers towards the quality offered by HKG.

- **Related Question**

Question number 11 was asked to the customers to identify their perception about the quality of HKG

#### **Findings**

From the study it is found that people use HKG due to the following reasons:

- Goodwill
- Availability.
- Quality satisfaction.
- Customers' positive feedback.
- Brand Image.



**Table 15: Reasons for Using HKG**

Reasons	No of Respondent	% of total
Easily Delivery and Rate	25	52
Availability	8	17
Quality satisfaction	6	12
Customers' positive feedback	3	6
Brand Image	6	13
Total Respondents	48	100

Source: Primary data, Market survey, 2021.

From the above table it is found that 52% respondents use HKG because of its easy to delivery and rate 7% respondents bought HKG because of its availability in the market.12 % respondents are bought BSCL because of its quality satisfaction.6 % respondents are bought BSCL because of its positive attitudes.13% respondents are bought HKG because of its brand image.

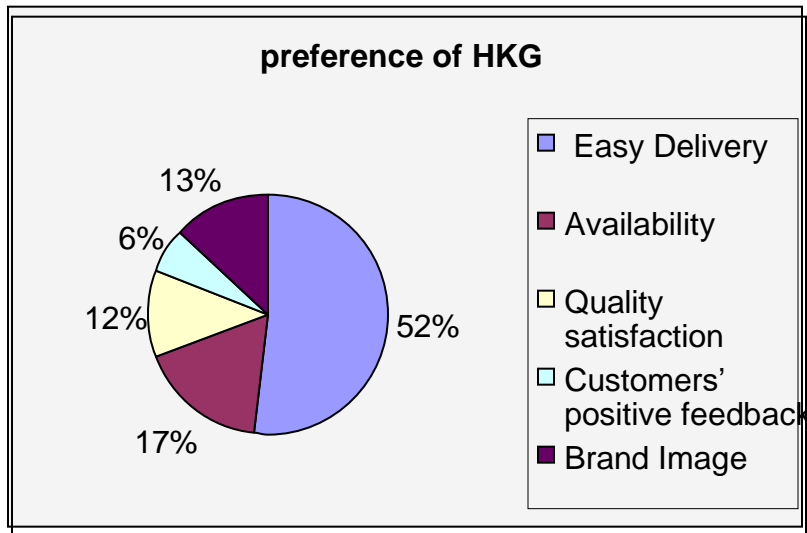


Figure15: Reasons for choosing HKG

- **Interpretation**

It is found that customers' one of the important reasons for choosing the HKG is the availability and the second highest respondents' response is quality satisfaction, 25 respondents out of 48 prefer satisfaction on good will. At this point we can say that among the five options for choosing HKG and quality on satisfaction are most essential grounds for choosing HKG.

#### **4.5 Summary of the findings:**

- Subscriber's satisfaction level about BSRM is comparatively higher than the competitors. So, other company like HKG Steel, KSRM, RSRM, and Abul Khair must take extra care about this matter.
- Respondents who are seen the newsprints Ad on newspaper (31%) were told that BSRM Ad is more attractive and has come more frequently on newspaper than the competitors.
- It was found that BSRM is the market leader. Abul Khair is the market challenger and holding second position. HKG Steel has occupied the tenth position of the market.
- It was found that 62 % customers are highly satisfied towards the distribution facilities of HKG Steel.
- It was found that customers' one of the important reasons for choosing the HKG Steel is the availability and the second highest respondents' response is quality satisfaction, 25 respondents out of 48 prefer satisfaction on good will. At this point we can say that among the five options for choosing HKG Steel and quality on satisfaction are most essential grounds for choosing HKG Steel.
- Hassen Kayaba Group is a well-known business organization, as a result brand image so high.
- The raw materials of HKG Steel depend on International market so price change and supply of steel deepened on world market.
- Not enough promotional activities. (TV ad Print ad, Trade Scheme, Billboard).
- Strong management, Economic soundness, Smooth distribution channel, Skilled human resources, Technological advancement are the strength of the company.

## **Chapter- 5**

**(Conclusion, Recommendation, Reference & Bibliography)**

## 5.0 Conclusion and Recommendation:

On the basis of survey result, some suitable recommendations for the betterment of the Steel industry:

- BSRM is the market leader in the 60 and 500W grade iron bar in steel industry. So, they can be considered as a bench mark for the production of steel industry.
- At the winter season, the construction works increase. So, the sales steel is increasing in the winter season. After the budget declaration of last year, the sales of steel were increased.
- Shaping and developing the system to face new challenges and emerging needs of the market.
- The government should give special attention in this sector because it is very important to meet the country's demand as well as scope to export in the abroad.

### **Specific Recommendations for HKG Steel:**

- As less than 65% customers are satisfied with the distribution system of HKG Steel for that reason it will be better to give the follows distribution facilities for increasing the satisfaction level of customers.
- The company will have to increase its number of Covered-delivery trucks, Pick up and Vans to develop its transportation system. Through this development it will be easy to reach the customers so that the market share will be increased.
- For meeting the demand of customers of HKG Steel, it will have to increase its advertising activities all over the Bangladesh. The company will have to advertise in different ways. It will have to use different types of advertising Medias such as-newspaper, TV, Radio, Billboards, and Painting of retailers' shops so that it can get the attention of the customers all over the Bangladesh.
- For increasing market share HKG Steel will need to give different types of gift to the customers as frequently as they can.

- Sometimes the customers complain that they do not get the product timely. For removing this problem HKG Steel should be cautious and take necessary steps to solve this problem immediately.
- The company can arrange the commission system as best as they can for its sales executives, which will encourage them to raise the market share.
- They will have to establish billboards in the crowded places where most of the people can easily watch.
- Participating in different types of social activities the company can easily gather the attention of the local & international customers and can easily promote its brand.
- A strong sales team is needed to survive the assigned target. To support the sales team, they need to provide vehicles. The sales & marketing personnel should be provided with marketing allowance, which would become a huge motivating factor for them. A fulltime vehicle is immediate requirement for corporate marketing.

## 5.1 References:

- Assael, H. 1992, *Consumer Behaviour and Marketing Action*, 4th Edition, USA, PWS-Kent, pp. 223-227.
- Baker, M. 2000, *Marketing Management and Strategy*, 3rd edition, Macmillan Business, pp. 56-58.
- Blythe, J. 2001, *Essentials of Marketing*, 2nd edition, Prentice Hall, pp. 71-74
- Booms, B.H. and Bitner, M.J. 1981, *Marketing strategies and organization structures for service firms*, in *Marketing of Services*, J. Donnelly and W.R. George (eds), American Marketing Association, pp. 34-36.
- Brassington, F and Pettitt, S 2000, *Principles of Marketing*, Second Edition, Prentice Hall, Harlow, pp. 85-89.
- Chisnall, P.M. 1997, *Marketing Research*, Fifth Edition, London, McGraw-Hill, pp. 101-105.
- Davies, M. 1998, *Understanding Marketing*, 1st edition, Prentice Hall, pp. 43-49.
- Ellwood, I. 2002, *The Essential Brand book*, Kogan Page Limited
- Fill, C 2002, *Marketing Communications*, Contexts, strategies and applications, Prentice Hall, pp. 32-36.
- Hoffman ,D & Novak, T, 1996, 'Marketing in Hypermedia Computer-mediated Environments: Conceptual Foundations', *Journal of Marketing*, Vol. 60(July), pp. 50-68
- Hoyer, W.D. and MacInnis, D.J. 2001, *Consumer Behaviour*, 2nd Edition, USA, Houghton Mifflin Company, pp. 122-128.
- Kotler, P., Armstrong, G., Saunders, J. and Wong, V. 2001, *Principles of Marketing*, Third European Edition, Prentice Hall, Harlow, pp.24-27.
- Kotler, P. and Armstrong, G. 1997, *Marketing An Introduction*, Fourth Edition, New Jersey, Prentice Hall International, pp.78-90.
- Kotler, P. Armstrong, G., Saunders, J. and Wong, V. 1999, *Principles of Marketing*, 2nd Edition, New Jersey, Prentice Hall, pp. 61-69.
- Keller, K 1998, *Strategic Brand Management*, Building, measuring and managing brand equity, Kogan Page, London, pp. 107-112.
- Malhotra, K.Naresh 2004, *Marketing Research*, Fourth Edition, Pearson Education, pp. 24-33.
- Ziethmal, & Bitner, (2003) *Services Marketing: integrating customer focus across the firm*, McGraw Hill, chapters 1,3 and 6, pp. 99-103.

## 5.2 Internet Links:

[www.hkgsteel.com](http://www.hkgsteel.com) access: August, 2021.

[www.kayabagroup.com](http://www.kayabagroup.com) access: August, 2021.

[www.bsrm.com](http://www.bsrm.com) access: August, 2021

[www.gphispat.com](http://www.gphispat.com) access: August, 2021

[www.abulkhairsteel.com](http://www.abulkhairsteel.com)

[www.worldlpgas.com](http://www.worldlpgas.com) access August, 2021

<http://bangladesheconomy.wordpress.com/category/engineering-sectorsteel-and-metals-industry/> access August, 2021

<http://www.bsrm.com/productsprice.php> access: August, 2021

<http://en.wikipedia.org/wiki/Steel> access: August, 2021

[http://en.wikipedia.org/wiki/Steel\\_production\\_by\\_country](http://en.wikipedia.org/wiki/Steel_production_by_country) access: August, 2021

## 5.3 Other Links:

- i. Company Profile of Hassen Kayaba Group.
- ii. Annual Report of the Company.
- iii. Monthly Sales Report of HKG Steel.
- iv. Monthly Price Statement.