MARKETING CHALLENGES THAT BANGLADESH WILL FACE IN THE 21ST CENTURY

Ranjit Chowdhury*

As in other developing and under-developed countries of the world, the marketing in Bangladesh tends to be one of the least developed aspects in relation to other areas of the country. Even now a days, in the auspicious moment of the ushering not only of a new century but also of a millennium, marketing has not been given much attention in this country for many reasons. These are (1) too much dependence on agriculture, (2) presence of excess demand in relation to supply, (3) non-professionalisation of management, and (4) low income and low standard of living. The present crisis is rather to say, a state of chaos and disorders in the marketing scenario of Bangladesh, is more because of the underdeveloped marketing system and faulty distribution mechanism than the paucity of goods and commodities.

Marketing in Bangladesh is mainly viewed by the top management of business enterprises as a specialized functional activity performed solely by marketing or selling personnel. Generally, the function of the marketing department in most of the industries of Bangladesh is to dispose of the goods produced.

As a result, much of the significance and the true meaning of marketing in the practice of business administration in the country has been lost. The business concerns of Bangladesh give absolute importance to production and bother little about consumer research, product development, product design, packing and production control. The industrial executives in Bangladesh are generally technical personnel, and naturally they are engineering minded rather than marketing minded. The business enterprises do not pay proper attention to the tastes and preferences of the consumers. In many cases, marketing policies are designed according to the whims of the marketers rather than from the points of views of the consumers. In short, marketing in Bangladesh is basically production-oriented.

In spite of the above factors, profit margin of most of the firms is quite considerable. This has been possible because of the fact that in our country competitions in the same line are few and as such there is very little or almost no competition in the market except in a very few cases. As a result, the producers enjoy a monopoly in the market. To cite an example, almost no competition is visible in the high quality cigarette market of Bangladesh, and that is why, Bangladesh Tobacco Company (BTC), a subsidiary of British Tobacco Company has been enjoying a highly profitable monopoly in the concerned market of the country.

But as an independent and sovereign nation we have to keep constantly in our mind that a situation like this shall not last long. Competitors are already entering in the market with a wider and larger variety of goods and the pace of this entrance rather have become speedier

**Mr. Ranjit Chowdhury is Ex-Managing Director (for Bangladesh), M/S Funesaki International (Pvt.) Limited, Singapore and a participant of Executive MBA Program, IUC*

than the near and far past with the advent of a new century. Actually the number of competitors began to increase specially in the last two decades of the 20th Century, when after the fall of Soviet Union the famous or notorious Cold War of the Superpowers ceased to exist, and due to the cause of it, and also with the rapid advancement of the world communication, the theories of globalization and open market was prevailing everywhere, including even the ex-Soviet States and the red China. The developing or underdeveloped countries like Bangladesh could not resist this call of the day and responded positively to it. As a result, foreign goods and commodities of wider range and varieties, with considerably rational prices began to enter inside Bangladesh. Moreover, foreign capitals and initiatives were invited to found new industries in Bangladesh, and Export Processing Zones (EPZs) were established in various places of the country including the capital city of Dhaka and the commercial capital of Chittagong, where foreign industrial entrepreneurs were invited to construct new factories under generous conditions to expedite the industrial productions. The local entrepreneurs also are encouraged widely to found newer industries in their motherland with an aim to strengthen the economical backbone.

All these Government and Non-Government, indigenous and foreign ventures and initiatives contributed accordingly to the increasement of competition in the Bangladesh market. We hope a little example will be enough to prove this fact. Almost for or even more that half-a-century last, Singer Company had been enjoying a pleasant monopoly in the sewing machine market of Bangladesh. But with the entrance of a few indigenous products like Sagar Sewing Machine, Kohinoor Sewing Machine, Ujala Sewing Machine etc. in the late '70s and early '80s and entering of a number of foreign products like Usha, Khaitan etc. the decades old monopoly of Singer was on the verge of a competition at last. As a result, the company has been compelled to lower down the price and increase up the qualities and varieties of Singer Sewing Machine with an aim to keep its market steady and unaffected as best as it can.

It is now quite clear that if the local or foreign producers of this country do not change their outlook regarding the consumers and remain unaware of their ever-changing roles in this rapidly changing time of a 'Global village' conception, doubtlessly the great losers' shall be the other name of those producers.

It has been estimated that about 10% to 12% of the population of Bangladesh live in urban areas spreading over about 60 towns , big and small. Nearly 60% of these urban people live in four metropolitan cities, namely – Dhaka, Chittagong, Khulna and Rajshahi. Based on market potential of different areas, the urban market can be grouped into : (a) major urban markets (of the four above-mentioned cities), (b) Class A markets (of 16 cities) and (c) Class B markets (of 40 smaller towns). A portion of the inhabitants of these 60 cities and towns, who can be called as the urban people, and side by side with them a very small or almost negligible number of rural people that are economically solvent enough can be able to spend some of their income for goods other than their daily necessaries. Only a very negligible percent of the total population of Bangladesh can spend much money for luxuries and services. The question of choice regarding quality of products is very much limited mostly to the fewer urban people.

At present, the Government of Bangladesh is trying for the overall development of the country. The industrialization process of the country is going on, though its pace is very slow, as it is already stated. It should be borne in mind that rapid industrialization is possible only when the nation will be able to send its industrial products at the right time and at a minimum cost.

Without efficient and economic distribution, the nation can not expect to make better and fuller utilization of the country's wide variety of resources, on and under its ground, towards rapid growth and progress of it. To develop healthy and expanding international markets for our export items and to face its multi-facial challenges of the local and the international markets, the nation needs to change its total outlook towards the market.

One point should be mentioned here that though the open market policy of the Government is inviting foreign capitals and investments in Bangladesh, but the face of their entrance is rather slow because the unstable political and social environment of the country. They can not feel their investment secured in the awkward situation of the country. That is why, Bangladesh can not induce the affluent countries and organizations to invest more money with a greater speed as they are doing in the countries like Taiwan, Thailand, South Korea, Vietnam etc. called as the 'Emergency Tigers of Asia'.

It is true that Bangladesh wishes heart and soul to be one of these tigers, but she has to bring stability in her political and social environment, and to establish democracy on a firm basis.

The dual system may be considered as one of the noticeable features in the marketing field of Bangladesh. Apart from the dichotomy between rural and urban marketing in general, there is another dual system in the field of marketing, which runs almost parallel to the dual economy of the country. Most of the foreign firms, the 'multinationals' as they are called (BTC, Lever Brothers Bangladesh, Glaxo Welcome, Hoechest and many others), and also a few progressive firms of Bangladeshi origin follow consumer-oriented policies, engage in marketing research, product planning and development, charge reasonable prices for their products, and constantly try to keep up their qualities. Their Chief aim is customer satisfaction, coupled with fair profit. It is these enterprises that undertake regular advertisement of their products and have been able to build up over the years a bright and popular image of a particular brand or a company. On the contrary, a large number of firms or companies of Bangladeshi origin, which include also a host of small businesses, are almost indifferent to the interest of the consumers, do not care very much for the scientific processes of marketing, and are generally actuated by the so-called get-rich-quick type of mentality. As two foreign joint authors Richman and Copen (1972), who carried on research on marketing and managerial conditions in the South Asian countries including India and Bangladesh for some years pointed out -

(In indigenous concerns) the primary focus is on getting goods out the door and counting the receipt. Quality (of products) has never been an important consideration. Development of truly new products is minimal............ They tend to dilute their marketing efforts).

In the more traditional indigenous companies stock-outs were common place, inventory records were sparse and late deliveries were the rule rather than the exception.

Foreign ...... firms (Subsidiaries in India, Bangladesh, Pakistan, and Sri-Lanka) usually conduct bold advertising and promotional campaigns and establish aggressive sales techniques. They have well-trained sales forces and broadly based distribution systems. They have had higher sales growth, sales per employee and sales in relation to total assets than their indigenous counterparts.

Foreign subsidiaries tend to be more responsive to the needs, interests and problems of their customers. Many emphasized customer services even when there was no need to do so in terms of their profitability.