Internship Report

The Strategic Marketing Practices of Classical Hometex Industries Limited

The Strategic Marketing Practices of Classical Hometex Industries Limited

Prepared For

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October 25, 2023

Letter of Transmittal

October 25, 2023

Dr. Khandoker Mahmudur Rahman
Professor
School of Business and Economics
United International University

Subject: **Submission of the Internship Report**

Dear Sir;

I would like to submit my internship report titled "The Strategic Marketing Practices of Classical Hometex Industries Limited, which has been prepared as a requirement for the completion of the BBA Program at United International University.

While working on the report, I tried to follow each guideline that was precisely advised. It was a very delightful and stunning experience to work in such a new venture and I thoroughly experienced my internship period at Classical Hometex Industries Limited the most stunning way around.

Sincerely

MD Shahabaz Hussain Ricky
ID No: 111 183 031

ACKNOWLEDGEMENT

I am immensely grateful to Dr. Khandoker Mahmudur Rahman, my internship supervisor, for his unwavering support throughout my internship. I would also like to thank Mr. Jayanto Kumar Roy and Mr. Rakibul Islam for allowing me to undertake my internship at Classical Hometex Industries Limited. Their exceptional managerial skills have been a source of inspiration and have helped me immensely in shaping my career.

I would like to express my gratitude to Mr. Shameem Hussain, the Managing Director, and Mrs. Farzana Hussain, the Business Executive, along with all the Classical Hometex Industries Limited members who have extended their support in preparing my report. I worked closely with them, tried to understand their perspectives and feelings, and based on my understanding, prepared the report. It has been a remarkable journey, and I am thankful to everyone who supported me during this time.

DECLARATION

I am Md. Shahabaz Hussain Ricky, a student of the School of Business and Economics (Marketing) of United International University, Bangladesh, hereby declares that the internship Report on “Marketing Strategy Practices on Classical Hometex Industries Limited” is an original work and has not been previously submitted for any degree, diploma or recognition.

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Md. Shahabaz Hussain Ricky

ID No: 111 183 031

School of Business and Economics

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1 Executive Summary

Classical Hometex is a leading manufacturer and distributor of home textiles, including bedding, bath, table linens, and decorative accessories. The company was founded in 1980 and is headquartered in Los Angeles, California. Classical Hometex has a strong brand reputation for quality and style, and its products are sold through a variety of channels, including local retail stores, and online platforms. The global home textiles market is expected to reach $270 billion by 2025. This growth is being driven by several factors, including increasing disposable incomes, growing urbanization, and rising demand for personalized and stylish home furnishings. Classical Hometex is well-positioned to capitalize on this growth, as it has a strong brand, a wide range of products, and a high global distribution network channels.

Classical Hometex's business strategy is focused on three key areas. This company is constantly developing new products to meet the changing needs of its customers. -Through collaborations with distributors and merchants in important regions; Classical Hometex is extending its reach internationally. Additionally, the business is opening its own retail locations in a few markets. To increase consumer knowledge of its brand and products, Classical Hometex is spending money on marketing and advertising. To interact with its intended audience, the company is also sponsoring events and developing alliances.

The last five years have been beneficial for Classical Hometex. The business made $10 million in net profit and $100 million in revenue in 2022. Despite its excellent market position and business practices, Classical Hometex is projected to prosper over the next few years. The company, Classical Hometex is in a good position, with a strong brand, a variety of products, and a worldwide distribution network. The company is in a good position to benefit from the expansion of the world market for home textiles.

2 BACKGROUND OF THE PROBLEM

2.1 Introduction

Textiles for home related companies are providing customers with a vast range of products at more reasonable prices, which is compelling old-school Hometex companies to cut back on their prices and broaden their product offerings. In many ways, contemporary home textile businesses are exerting pressure on traditional ones.

Compared to traditional home textile enterprises, modern companies offer a wider range of products including rugs, drapes, bedding and towels. They also offer their products at lower prices, as they use less expensive synthetic materials. To remain competitive, traditional home textile businesses may need to diversify their product offerings and reduce their prices.

Modern home textile companies invest heavily in print and online advertising. Traditional companies must increase marketing to remain competitive.

Modern home textile companies sell directly to consumers and through various channels. Traditional businesses need wider distribution.

The demand for home textiles that are affordable, fashionable, and low-maintenance is on the rise among consumers. Classical Hometex company may need to revamp its product range to keep up with these evolving preferences. Additionally, increased competition and shifting consumer tastes might be causing financial challenges for the company. As a result, they may have to downsize, shut down stores, or even declare bankruptcy.

Traditional home textile businesses may need to change to compete with modern home textile companies. They could need to improve marketing efforts, cut pricing, diversify their product offerings, and widen their distribution networks. They might also want to concentrate on providing high-quality goods and first-rate customer service.

As per the study from the research it was founded, the company has grown to be one of most Bangladesh's well-known brands and is competing for a major share of the market. It is manufactured and marketed by Classical Hometex industries.

2.2 Topic of the Report

A topic has to be selected for the report. A well-defined topic reveals what is going to be discussed throughout the report. The topic has been assigned “The Marketing Strategy of Classical HOMETEX   industries.

2.3 Origin of the Report

In today's world, simply obtaining an academic education is not enough for a student to compete with confidence and achieve their goals. They also need to gain experience in the outside world. The study offered an opportunity to understand how a business determines its marketing strategy for a product to achieve its organizational objectives.

2.4 Background of the Report

Completing an internship program is a requirement for graduating from the BBA program. It's a crucial component as it provides students with hands-on experience in actual business operations. This opportunity allows students to work closely with organization staff members, gain valuable insights, and enhance their analytical skills and academic industries. I've been hired for a four-month internship as an Assistant Marketing Manager at Classical HOMETEX industries. in their Dhaka, Bangladesh main office. This report will detail Classical Hometex's marketing practices.

2.5 Objective of the Report

Analyzing the situation of an internship program is an important and practical subject. Such programs help students build their careers by providing them with valuable career-building experiences. The internship program offers several benefits to me, including:

2.5.1 General Objective

The internship program offers benefits that can help students build their careers:

- Able to deal with the industry's top competitors by having real Marketing knowledge, research, and skills.
- Working in the marketing department requires a good understanding of the industry
- Visit a factory to learn more about how the products are made.
- To understand the relationship between formal education and real-world employment.

2.5.2 Broad Objective

To gain knowledge about and research the current marketplace environment and marketing strategy of the brand "Classical HOMETEX industries" to develop various promotional methods for the company.

2.5.3 Specific Objective

As a marketing student, I am required to write a report with a list of objectives. The primary goal of the report is to analyze the marketing approach of "Classical HOMETEX industries".

- Generating a list of qualities that are needed for a successful marketing campaign.
- To study the condition of the market and analyze market shares.
- Determining the target audience based on demographic and social class segmentation.
- To create marketing practices for their products.
- Determine the company's standing in comparison.
- To present suggestions for solving the issues the company is currently suffering.
- Developing the pricing principles.
- Showing the different promotional services that the business provides.
- Determining distribution techniques.
- Evaluating the product's standards.

2.6 Scope of the Report

This report was produced after extensive consultations with employees of "Classical HOMETEX industries", the client, and supervisors. During the internship, we had an incredible opportunity to gain an in-depth understanding of all their marketing initiatives, which are documented in this report.

2.7 Methodology of the Report

Everyone needs to keep to a few benchmarks and regulations for efficient accurate studying. The study's inputs came from two separate sources:

2.7.1 Primary Sources:

- Activities of the market
- Face-to-face discussions with the Client/Employee and Project Supervisor
- Physical Observations

2.7.2 Secondary Sources

- Company’s Memos
- Website of the company

2.8 Restrictions:

There were some restrictions in the preparation of this report:

- Information couldn't be verified because there were insufficient sources.
- The analysis given here can differ from perspectives held by professionals in this field of work.
- The organization might regard certain report details as confidential.

3 ORGANIZATION PART

3.1 Overview of the Organization

This section includes the services and mission of Classical HOMETEX industries

3.1.1 Services

They are operating a synthetic Textile Unit in Narsinghdi, which has specific sectors for Sizing, Weaving, Dyeing, Finishing, and Printing. This unit produces high-quality Home Textile products. Over the last 27 years, they have remained committed to producing innovative products and maintaining quality, which has earned them the trust and confidence of an unlimited number of customers in our country.

Mission

Our goal is to expand various industrial schemes to increase production volume, improve market share, and create more job opportunities in industrial establishments. Additionally, we aim to increase international business transactions regularly.

3.2 PORTFOLIO

Classical Hometex Industries Limited. is a renowned manufacturer and supplier of home textiles in Bangladesh. They offer a diverse range of products including curtains, bed linen, and towels that are widely appreciated for their exceptional quality and trendy designs. Below are some examples of the products they supply:

Bed linen:

Classical Hometex offers a diverse selection of bed linens, including sheets, pillowcases, bed covers, and bedspreads made from high-quality materials such as cotton, linen, and silk.

Towels:

Classical Hometex offers a variety of high-quality towels, including bath, hand, and face towels, made from soft, absorbent materials like cotton and terry cloth.

Curtains:

Classical Hometex offers a variety of curtains made from high-quality materials, including sheer, blackout, and thermal curtains crafted from cotton, linen, and silk.

Home Decor:

Classical Hometex offers a variety of luxury home decor items including high-quality rugs, pillows, and throws.

Classical Hometex's products are available in Bangladesh and around the world. They are committed to providing high-quality products at competitive prices.

Figure 2-1: Portfolio

Rugs, pillows, and throws are just some of the luxury-inspired home decor goods that Classical Hometex offers. They are made of premium materials and can be used in any home.

Classical Hometex sells premium products at affordable prices in Bangladesh and other countries.

4 PROJECT PART

4.1 Situation Analysis

The industrial scenario and situation analysis are covered in this part. Porter's Five Forces paradigm is the foundation for this.

Michael Porter's framework models five factors that impact an industry. It helps strategic business managers understand the business environment in which their company operates, giving them an edge over competitors. The Porter's Five Forces model assumes pure competition, meaning risk-adjusted rates of return should be constant across industries.

Figure-3.1: Industry Analysis based on Porter's five Forces

4.2 Threat of New Entrants

Companies who have the potential to compete in an industry but aren't already doing so are considered potential competitors. Although businesses make an effort to deter prospective rivals from establishing the market, the more businesses that enter, the more challenging it is for established businesses to maintain their market share and make a profit from the market. The profitability of established businesses is threatened by a high risk of entry by potential rivals. **Example:** While foreign nations frequently support their entrepreneurs, this is not the case in the United States. Starting with the bank loan and continuing through production, entrepreneur harassment puts up barriers that make it difficult for many of them to manage their businesses.

However, since there is little risk associated with new entrants, existing businesses can take benefits from this to increase prices and boost profits. Entry barriers are things that make it expensive for businesses to enter a market. Following are a few entry-level obstacles:

4.3 Brand Loyalty

Brand loyalty refers to a customer's attachment to a brand and their preference for the goods offered by established businesses. Partex and MishuTextile enjoy a high level of brand loyalty in the marketplace. It produces a strong brand image in the market through accessibility, almost rapid growth, and availability. Following are some further brand loyalty strategies:

- Offer high-quality goods and services and promote your business constantly.
- Strong relationships with customers.
- Market accessibility to products.

In order to build customer loyalty and a sustained presence in the market, Classical Hometex tries to offer those services. As they are aiming to be the market leader in the future.

4.4 Government Regulation

Government rules and regulations have created significant entry barriers for many businesses. The operations of government offices in our nation are extremely slow and often require unethical practices, such as bribes, which makes it very difficult for new business owners or entrepreneurs to participate. In government offices, files are often shuffled from one department to another, leading to delays. Government websites and departments also operate at a slow pace. A small number of individuals manage the majority of the departments, and as a result, they are often overworked. The main issue with government regulations is that there are not enough qualified individuals to work, or there may be enough people with knowledge but lacking experience.

4.5 Economies of Scale

Increased productivity or a reduction of average cost of manufacturing are implied by economies of scale. Additionally, it covers the mass production of uniform output. A reduction for buying raw materials in bulk. When considering entering a market, a new player has to decide between starting small and facing high disadvantages, or starting big and taking on the risk of significant capital costs. As an example, the cost of production for Classical Hometex may initially increase, but as output becomes standardized, the overall cost of the product decreases. It is cost-effective to purchase raw materials in bulk from suppliers.

4.6 Established Companies Rivalries

The intensity of competition among established businesses within an industry is the second of Porter's five competitive forces. Companies have the chance to increase prices and boost profits if this competition is inadequate. Strong competitiveness may lead to substantial price competition, including price wars. Three things significantly determine how competitive established businesses within a sector are:

- The level of competition in the sector.
- Demand situation.
- The standard height for exit barriers in the sector.

4.7 Competitive Structure

The competitive structure of an industry is determined by the distribution of firms based on their size and quantity. The structure can be either consolidated or fragmented, and each has a different impact on competition. In a fragmented market, small and medium-sized businesses constitute a significant portion of the industry, but none of them have the power to dominate it. On the other hand, in a consolidated industry, a few large businesses or even a single one (monopoly) may control the market.

Example: Classical Hometex is a new product in the market, but it's worth noting that there has been a lot of competition in the market for some time. The market is growing every day, which is leading to an increase in the level of competition. Currently, Partex leads the market. However, Partex is uncertain whether it will maintain its position in the long run, given the constant efforts of rival brands to surpass it. Therefore, if one of its challengers slows down, others will quickly take advantage of this opportunity.

4.8 Demand Conditions

Demand growing from both new and additional purchases by existing customers helps minimize competition by allowing other firms more growth. The Growth in demand tends to lessen nemesis because all businesses may sell more products without taking market share away from rivals. High profits are frequently the outcome. However, as businesses compete to maintain profits and market share, diminishing demand leads to increasing rivalry. Consumers abandon the market or make fewer purchases, which lowers demand. In these circumstances, a company can only expand by stealing market share from rival businesses.

Example: There are many brands of bedsheets on the market, but consumers tend to choose brands like Classical Hometex and Partex. When those brands are unavailable, they turn to alternatives.

4.9 Exit Barriers

Economical, strategic, and emotional barriers to exit are what keep businesses in a sector even when the returns are low. Companies may become trapped in an unproductive sector with stagnant or declining general demand if exit obstacles are significant.

- Fixed costs of high leave, such as severance pay for laid-off employees.
- Purchases of machinery and equipment that cannot be sold off and have no other purpose.
- Emotional ties to a sector, like when a business is hesitant to leave its initial sector for sentimental reasons.

The dependency in economics on the industry, which occurs when firm lacks diversification and is therefore dependent on the industry for profit.

CURRENT HOME TEXTILE MARKET

Fig 3-9: In market Number of competitors

4.10 Buyer's Power

Buyer power, also known as the power of purchasers, refers to the influence consumers have on a manufacturing sector. Usually, the market is close to a monopoly, where there are many suppliers and only one buyer. In such a market, the buyer has the power to determine the price. While true monopolies are rare, there is typically an imbalance between a producing industry and its customers. Classical Hometex is an old company, which means that changes in buyer power can significantly impact the entire firm's actions.

- Sensitivity of theprice
- Substitute Ability
- Cost changing
- Number of Customers
- Size of each product

The bargaining power of customers is the third of Porter's five competitive factors. Buyers can include both the customers who will ultimately utilize a company's products and the businesses that will distribute them to end users, including retailers and wholesalers. Porter asserts that purchasers are most potent under the following conditions:

- When a sizable portion of the supplier industry's overall orders are dependent on the customers.
- Customers may easily swap suppliers for their orders, pitting rival businesses against one another and driving down costs.
- Buying input from multiple businesses at once is economically feasible for the purchasers.
- When the purchasers are limited in number and big, the supply sector is made up of many small businesses. Due to these factors, buyers can control supplier firms.

4.11 Supplier's Power

Porter's fifth competitive factor is the negotiating power of suppliers. If suppliers can increase the prices of a company's inputs or lower their quality, it can be a threat to the company's profitability. According to Porter, suppliers are most effective when the company's industry is not a significant customer of theirs, and when the product they provide has few substitutes and is significant to the company. In such cases, the health of the supplier is unrelated to the sector in which the business operates, and suppliers have little reason to lower costs or raise quality.

- When a corporation finds it expensive to transfer suppliers due to the degree of differentiation between their various products. In such circumstances, the business is dependent on its suppliers and is unable to pit them against one another.
- When they can threaten to advance vertically into the industry and engage in direct competition with the company to raise prices.
- When the product they sell is crucial to the business and has few alternatives.

- When the company's industry is not a significant client. In these cases the health of the supplier is unrelated to the sector in which the business operates, and suppliers have little reason to lower costs or raise quality.

Classical Hometex is a well-known brand in the industry, therefore they look for the best and most reliable suppliers even though they offer the greatest products at competitive prices.

- Specialization of service
- Substitutability
- Cost of change
- Number of suppliers
- Size of suppliers

Supplier's power in the market – Low

4.12 Products Substitute Threat

Products from other industries are referred to as substitute products in Porter's mode. When a product's demand is impacted by the price change of a substitute product, an economist sees this as the presence of a substitution threat. As more alternatives become accessible, they have an impact on a product's price elasticity; as customers have more options, demand becomes more elastic. The ability of businesses in an industry to raise prices is limited by the existence of near-replacement products. First, comprehend the substitute's performance and change costs.

- Switching costs
- Cost of change
- substitute performance

In Porter's model, the threat of alternative producers is the final force. Products from other industries that can fulfill consumers' needs in a similar way to the industry being studied are referred to as substitutes. The existence of such alternatives can significantly limit a company's ability to charge higher prices, thereby threatening its profitability.

4.13 SWOT Analysis

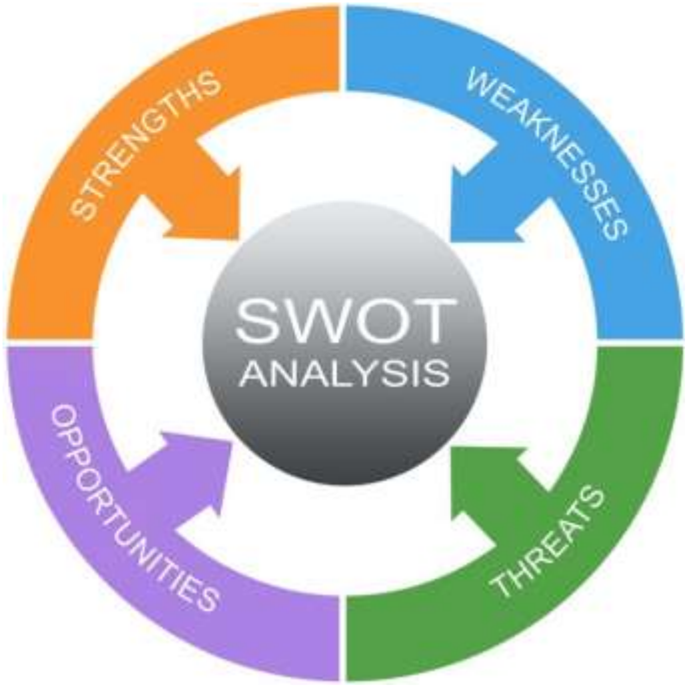

Figure-3-13: Classical Hometex's SWOT analysis

The company's external opportunities and threats, as well as its internal strengths and weaknesses, have all been discovered through the SWOT analysis. SWOT analysis, in other words, is the comprehensive assessment of a company's strengths, weaknesses, opportunities, and threats. To bring about this shift, new corporate or functional strategies may be devised. The following is a SWOT analysis of Classical Hometex:

4.13.1 Strengths

- Fully dedicated employee
- Product quality has to be better
- Higher production capacity
- Management competence.
- Best marketing skills.

4.13.2 Weaknesses

- Lack of experience
- Lack of supply chain
- Newly in the market environment

4.13.3 Opportunities

- New growth business diversity
- Extend cost or differentiation advantages.
- Growing market
- Market players are limited
- Barriers to entry Overcome.

4.13.4 Threats

- Better understanding brand
- Strong Competitors
- Consumer perception changes
- Vigorous industry competition
- Political instability and rules
- Depression Economic.

4.14 Marketing Mix

The four P's - product, pricing, place, and promotion - are well-known to all marketers. They serve as the cornerstone of many marketing practices and marketing educations. A new marketing strategy that is not focused on the four P's is starting to take shape. Create, Connect, Correct, and Cancel are the Four C's that form the foundation of this New Marketing Mix.

4.14.1 4 P's of Marketing

The four categories of main marketing management decisions are:

- Product
- Price
- Place (distribution)
- Promotion.

The marketing mix, often known as the four P's of marketing mix, refers to these elements. They are the factors that marketing managers can influence to best please target market consumers. The following diagram illustrates the marketing mix

Fig 3-14: The 4ps of marketing

PRODUCT

Product Objective

To place the product by understanding the Target Group with their decision-making tools like:

- Good color of the fabric
- Superior fabric

Strategy

To focus Product differentiation in market:

- Good Design
- Value
- Quality

PLACE

Place Objective

- Retailers
- Wholesalers
- Direct Sales
- Online sales

STRATEGY

Classical Hometex maintains the distributor channel and sends products to different locations.

PRICING

When setting prices, it is important to take into consideration the profit margins and pricing strategies of competitors to maximize sales and support the brand.

PRICE GAME PRACTICES

Classical Hometex is well-known in the marketplace, therefore to compete and maintain competitive pricing; it must charge the best price and guarantee the greatest quality.

PROMOTION

Promotions are wide in the market, without promotion can't possible to widespread our brand-

- Advertising (Billboard, Press, Radio Television)
- Online promotions on platforms such as Facebook, YouTube, Instagram, and others.
- Offers
- Direct mailing (SMS Marketing)
- Leaflets / Posters

4.15 Pricing Policy and Strategy

The total worth consumers exchange for the advantages of owning or using a product or service is its price. Price has traditionally been the primary factor influencing a buyer's decision.

4.15.1 Policy for Pricing

Because the company wants to continue doing this business for as long as feasible. It has embraced the price policy of market penetration in some domestic markets.

A set pricing strategy is used by the business to cater to a target market that dislikes haggling.

- Competitive Pricing
- Penetration price policy

4.15.2 Strategy for Pricing

When choosing a pricing strategy, it's important to consider consumer preferences, customer satisfaction, and market demand. The pricing strategy should be precise and straightforward based on the current state of the market. The managing directors review pricing options before making a decision.

In Bangladesh, prices are set to the market at three different times.

First off, factory prices refer to the price that the factory determines.

Second, after purchasing traditional hometex items from the factory, wholesalers set a price for them and then sell them to retailers via sub-dealers. Wholesale pricing is the name for this style of pricing. Below is the wholesalers' price structure:

Issue Price + Transportation + Storage + Packing + Physical Losses + Other Costs + Profit Margin = Wholesaler Price.

Thirdly, after receiving the goods from the wholesalers and maintaining a specific profit margin, the retailers set a price. Retail pricing is the term for this method of pricing.

4.16 Distribution Channel

A business ecosystem is a group of interconnected businesses that work together to make a good or service available for use by consumers or business users. There are three ways in which Classical Hometex can be distributed - direct distribution and indirect distribution.

4.16.1 Direct Distribution Channel

Classical Hometex industries manufactured product instance and sell their entire product through their own Ecommerce platform or from wholesale stores or retail stores as well.

4.16.2 Indirect Distribution Channel

Products of Classical Hometex industries can also be purchased from other stores as well like in Shopno. Some Other Online Platform sells their product as well such as: Daraz.

4.17 Promotional Strategies of Classical Hometex

There are four modes of communication: Advertising, Personal selling, Sales promotion, and Publicity. Classical Hometex uses all above promotional strategy to enhance its sales and create awareness:

4.17.1 Advertising

Advertising is said to be one of the most advanced tools that exact company uses to persuade communication to target customer. It aware the consumer about its quality, price, and consumption pattern.

Advertising can be done in various ways such as-

4.17.2 Newspaper

Newspapers are a significant medium for corporations to reach their target market. Almost all daily newspapers in Bangladesh have been used to advertise Classical Hometex.

For instance,

- ProthomAlo
- Jugantor
- The Daily Star

4.17.3 Journal

A particular target audience (Classical Hometex) reads a variety of publications that are published in Bangladesh. on order to draw attention to Classical Hometex, the company has invested a sizable sum of money on magazine advertising.

- The Weekly Magazine
- Recent News

4.17.4 Personal Selling

Personal selling is crucial for building positive relationships with customers, dealers, distributors, wholesalers, and retailers and the sales representatives play a vital role in the process.

4.17.5 Sales Promotion

Sales promotion is a crucial component of marketing campaigns, which includes various incentive techniques that are usually short-term and aimed at encouraging customers to purchase specific products or services. While advertising provides a reason to buy a product, sales promotion tools such as trade promotion and consumer promotion are designed to stimulate quicker and greater purchases of products like Classical Hometex:

- Coupon gift
- Better Quality than competitors
- Package (Wholesaler, Retailers, Distributors)

4.17.6 Publicity

Classical Hometex Limited in Bangladesh frequently provides publicity materials such as news releases, press conferences, and photographs.

Area wise selective people for promotion

- Promotion in public events.

- Sponsorship
- Billboard
- Banner hang on Markets

4.17.7 Outdoor Advertising

- Hoarding Board Installation
- The most popular visited place
- Traffic signal point

4.17.8 Special Sales Drive

- Super Shops
- Bus Station
- Rail Station
- Supermarkets

4.18 Target Market

Classical Hometex Industries targets the entire market of Bangladesh, with a specific focus on malls, restaurants, airports, shopping centers, and big/medium-sized shops.

4.19 Bangladesh Home Textile Market Leaders

Zaber and Zuber Fabrics

Saad Musa Group

All Tex Industries Limited

Classical Home Tex

ACS Textiles

4.20 Positioning

The company has competitive advantages such as providing higher quality products at a lower cost and greater benefits for customers, which sets it apart from its rivals. Traditional Hometex follows a competitive pricing structure that leverages a penetration-based strategy to establish a position in the market. Additionally, the company adheres to a consistent delivery schedule and offers standard-quality goods.

- High-Quality Good and Good design
- Reasonable Price
- Accessible in the market
- Support service
- Beautiful Design

4.21 Product Management

The manager of the marketing and sales department oversees a group of highly skilled workers and sales executives that were chosen from a pool of prominent, young, and vivacious individuals. A team of skilled workers consistently assures the efficient operation of the equipment, and the research team constantly looks for ways to enhance the new quality through research and development. Market well-made products while maintaining consumer needs

- Young and active individual
- Operator of the Smooth Machine
- Effective Management team

4.22 Push& Pull Strategy

Currently, Classical Hometex Limited uses the push technique during production and implements a strategy once this product gains market recognition.

Figure-3-22: Push Strategy & pull

5 FINDINGS

Finding and Analysis of Everyday Purchase

Based on the responses of 51 participants, 37 indicated that consumers buy Hometex items frequently, while 14 respondents stated that consumers purchase Hometex products sporadically. It is evident from the previous queries that customer behavior is constantly evolving, leading to frequent purchases of Hometex products.

Bangladesh Home Textile industry Overview

With a few regional competitors, the home textile market in Bangladesh is competitive. The textile enterprises in the area are concentrating on business reorganization, creating efficient work procedures, and making investments in specialized products. Due to Bangladesh's affordable labor costs, foreign firms also favor putting up production facilities for home textiles there. Zaber&Zuber Fabrics, Saad Musa Group, AllTex industries Limited, Classical HomeTex, and ACS Textiles are some of the key market participants.

Bangladesh Home Textile industry Segmentation

Home textiles are textiles and apparel used only to furnish a home. The applications for each, both practical and aesthetically pleasing, determine the materials and design of each. The Bangladesh Home Textile Market is divided into sections based on product (Bed Linen, Bath Linen, Kitchen Linen, Upholstery, and Floor Covering) and distribution method (Supermarkets and hypermarkets, Specialty Stores, Online, and other distribution methods). For each of the aforementioned segments, the study provides market size and predictions in US dollars (billion).

Bangladesh Home Textile Market Analysis

For the forecast period, the Bangladesh Home Textile Market is anticipated to post a CAGR of over 7%. The Bangladeshi economy as a whole and the business sectors both suffered severe effects from the COVID-19 outbreak. The supply chain was impacted by the lockdowns in Bangladesh, which hampered a variety of commercial activities, including those in the home textiles sector.

Bangladesh's home textile market is now expanding rapidly as a result of rising consumer expenditure and rising demand for home and office renovations. One of Bangladesh's top export markets is for home textiles, commonly referred to as decorative textiles. The nation's production of home textiles is rising quickly because of the high quality and wide range of available goods.

The most popular categories of domestic textiles in the nation are bed and bath linens, followed by kitchen linen and curtains.

Home textile manufacturers are increasingly focusing on producing eco-friendly products by using natural textiles such as soy, bamboo, silk, polyester, and other sustainable materials due to a growing demand for environmentally conscious products. In Bangladesh, home textile producers pay close attention to fashion innovation and design, enabling them to stand out in global marketplaces. The use of unique motifs is one of the latest and most popular home textile designs in the country. The government has introduced several support programs for textile manufacturers to enhance their competitiveness in the international market and boost the domestic textile industry. These programs aim to promote technology advancement, improve infrastructure, expand EPZ zones, and promote exports, among other things.

6 Financial Analysis

6.1 Total Cost of the Project

SL. No.	Cost Component	Figure in BDT
1	Factory Building	27,500,000
2	Equipment’s	1,000,000
3	Furniture	1,000,000
4	Machines	20,160,000
	TOTAL FIXED COST OF THE PROJECT	**49,660,000**
6	Cash & Bank Balance & Working Capital	6,000,000
7	Stores & Spares	600,000
8	Advances, Deposits & Prepayments	1,500,000
	TOTAL COST OF THE PROJECT	**57,760,000**

6.2 Means of Finance

DEBT	**81,779,583**
EQUITY	**82,380,487**
RATIO	**61%:39%**

6.3 Income Statement

PROJECTED INCOME STATEMENT					
DESCRIPTION / YEAR	**YEAR-1**	**YEAR-2**	**YEAR-3**	**YEAR-4**	**YEAR-5**
Sales Revenue	108,000,000	118,800,000	129,600,000	140,400,000	151,200,000
Cost of Goods Sold	41,472,000	45,619,200	49,766,400	53,913,600	58,060,800
Gross Profit	**66,528,000**	**73,180,800**	**79,833,600**	**86,486,400**	**93,139,200**
Selling & Administrative Expenses	33,351,600	36,597,110	39,906,926	29,221,435	31,572,346
Operating Profit	**33,176,400**	**36,583,690**	**39,926,674**	**57,264,965**	**61,566,854**
Financial Expenses	3,695,270	3,207,779	2,724,646	2,174,232	1,547,974
Depreciation Expense	2,641,000	2,641,000	2,641,000	2,641,000	2,641,000
Net Profit Before Tax	**26,840,130**	**30,734,911**	**34,561,028**	**52,449,733**	**57,377,879**
Tax	11,407,055	13,062,337	14,688,437	22,291,137	24,385,599
Net Profit After Tax	**15,433,075**	**17,672,574**	**19,872,591**	**30,158,596**	**32,992,281**

6.4 Balance Sheet

Projected Balance Sheet						
	Construction Year	**Year-1**	**Year-2**	**Year-3**	**Year-4**	**Year-5**
Current Assets						
Cash & Bank Balance	56,00,000	569,000	594,000	688,000	802,000	756,000
Inventory		3,803,062	4,950,000	5,400,000	5,850,000	6,300,000
Receivables		9,000,000	9,900,000	10,800,000	11,700,000	12,600,000
Stores & Spares	500,000	500,000	449,200	423,800	398,400	398,400
Advances, Deposits & Prepayments	1,000,000	608,000	537,200	466,400	395,600	324,800
Total Current Assets	**5,500,000**	**14,451,062**	**16,430,400**	**17,738,200**	**19,046,000**	**20,379,200**
Fixed Assets						
Factory Building	24,500,000	23,275,000	22,050,000	20,825,000	19,600,000	18,375,000
Equipment's	1,000,000	800,000	600,000	400,000	200,000	-
Furniture	1,000,000	800,000	600,000	400,000	200,000	-
Machines	10,160,000	9,144,000	8,128,000	7,112,000	6,096,000	5,080,000
Other Investment (FD)		7,559,330	17,112,316	26,358,455	38,161,639	50,681,423
Total Fixed Assets	**36,660,000**	**34,019,000**	**31,378,000**	**28,737,000**	**26,096,000**	**23,455,000**
Total Assets	**42,160,000**	**48,470,062**	**47,808,400**	**46,475,200**	**45,142,000**	**43,834,200**
Liabilities						

&Equity						
Current Liabilities						
Short Term Loan	4,117,583	4,117,583	4,522,726	4,933,227	5,349,570	5,772,279
Accounts Payable		3,456,000	3,801,600	4,147,200	4,492,800	4,838,400
Long Term Liabilities						
Term Loan	25,662,000	23,728,932	19,498,713	14,731,995	9,360,739	3,308,272
Total Liabilities	**29,779,583**	**31,302,516**	**27,823,038**	**23,812,422**	**19,203,108**	**13,918,951**
Owners' Equity						
Owners' Equity	**12,380,417**	**12,380,417**	**24,726,876**	**37,097,678**	**49,021,233**	**64,100,531**
Retained Earnings		12,346,460	12,370,802	11,923,555	15,079,298	16,496,140
Total Owners' Equity	**12,380,417**	**24,726,876**	**37,097,678**	**49,021,233**	**64,100,531**	**80,596,671**
Total Liabilities & Owners' Equity	**42,160,000**	**56,029,392**	**64,920,716**	**72,833,655**	**83,303,639**	**94,515,623**

6.5 Sales Forecasting

Fiscal Year	1/10/2016
Production unit	1,722,240
Production cost	BDT 9,942,660
Revenues	BDT 22,807,980

Taxes	BDT 4,051,429

6.5.1.1 Forecasting- 2016 (OCT-DEC)

Month	**Base**	**Oct-16**	**Nov-16**	**Dec-16**
Production %	100%	10%	10%	10%
Purchases (merchandise)	BDT 9 942 660	BDT 2 646 736	BDT 2 911 410	BDT 3202551
Produced units	1 722 240	BDT 458 460	BDT 504 306	BDT 554 737
Sales increase %	100%	15%	15%	15%
Monthly sales	BDT 22 807 980	BDT 5 203 213	BDT 5 983 695	BDT 6 881 249
Sold units	1 722 240	BDT 392 897	BDT 451 831	BDT 519 606
Taxes	BDT 4 051 429	BDT 924 258	BDT 1 062 896	BDT 1 222 331
Inventory		308 614,64	361 089,68	396 220,66
Fixed costs		BDT 6 701 733	BDT 6 701 733	BDT 6 701 733
Variable costs		BDT 2 646 736	BDT 2 911 410	BDT 3 202 551
Vat		BDT 924 258	BDT 1 062 896	BDT 1 222 331

Startup costs	BDT 51 962 000			
Total costs	BDT 51 962 000	BDT10 272 727	BDT 10 676 039	BDT11126 614
Cash	BDT 100 000 000	BDT31 120 578	BDT 26 051 065	BDT21358 721
Revenues		BDT 5 203 213	BDT 5 983 695	BDT 6 881 249
Net cash inflow/outflow	BDT 48 038 000	BDT26 051 065	BDT 21 358 721	BDT17113 356
Net return		-49%	-44%	-38%

6.5.2 Forecast- 2017 (JAN-JUN)

Month	Base	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Production %	100%	5%	5%	5%	35%	35%	35%
Purchases (merchandise)	BDT 9 942660	BDT 3 362 678	BDT 3530 812	BDT 3707 353	BDT 5004 926	BDT 6756 650	BDT 9121 478
Produced units	1 722 240	BDT 582 474	BDT 611 597	BDT 642 177	BDT 866 939	BDT 1170 368	BDT 1579 997
Sales increase %	100%	15%	15%	15%	20%	20%	20%
Monthly sales	BDT 22 807 980	BDT 7 913 437	BDT 9100 452	BDT 1046552	BDT 1255862	BDT 1507034	BDT 1808441

				0	4	9	8
Sold units	1 722 240	BDT 597 547	BDT 687 179	BDT 790 256	BDT 948 307	BDT 1137 968	BDT 1365 562
Taxes	BDT 4 051 429	BDT 1 405 680	BDT 1616 532	BDT 1859 012	BDT 2230 815	BDT 2676 978	BDT 3212 373
Inventory		381147,59	305566,18	157487,81	76120,37	108520,36	322955,58
Fixed costs		BDT 6 701 733	BDT 6701 733	BDT 6701 733	BDT 6701 733	BDT 6701 733	BDT 6701 733
Variable costs		BDT 3 362 678	BDT 3530 812	BDT 3707 353	BDT 5004 926	BDT 6756 650	BDT 9121 478
Vat		BDT 1 405 680	BDT 1616 532	BDT 1859 012	BDT 2230 815	BDT 2676 978	BDT 3212 373
Startup costs	BDT 51 962 000						
Total costs	BDT 51 962 000	BDT 11470 091	BDT 11849077	BDT 12268098	BDT 13937474	BDT 16135361	BDT 19035584
Cash	BDT 100000000	BDT 17113356	BDT 13556701	BDT 10808075	BDT 9005 497	BDT 7626 647	BDT 6561 635
Revenues		BDT 7 913 437	BDT 9100 452	BDT 1046552	BDT 1255862	BDT 1507034	BDT 1808441

				0	4	9	8
Net cash inflow/outflow	BDT 48 038 000	BDT 13556701	BDT 10808075	BDT 9005 497	BDT 7626 647	BDT 6561 635	BDT 5610 469
Net return		-31%	-23%	-15%	-10%	-7%	-5%

6.5.3 Forecast- 2017 (JUL-DEC)

Month	**Base**	**Jul-17**	**Aug-17**	**Sep-17**	**Oct-17**	**Nov-17**	**Dec-17**
Production %	100%	3%	3%	3%	5%	5%	5%
Purchases (merchandise)	BDT 9 942660	BDT 9 395 122	BDT 9 676 976	BDT 9 967 285	BDT 10 465649	BDT 10 988932	BDT 11 538379
Produced units	1 722 240	BDT 1 627 397	BDT 1 676 219	BDT 1 726 506	BDT 1 812 831	BDT 1 903 472	BDT 1 998 646
Sales increase %	100%	12%	12%	12%	1%	1%	1%
Monthly sales	BDT 22 807 980	BDT 20254 548	BDT 22685094	BDT 25407306	BDT 25661379	BDT 25917992	BDT 26177172
Sold units	1 722 240	BDT 1 529 429	BDT 1 712 961	BDT 1 918 516	BDT 1 937 701	BDT 1 957 078	BDT 1 976 649
Taxes	BDT 4 051 429	BDT 3 597 858	BDT 4 029 601	BDT 4 513 153	BDT 4 558 284	BDT 4 603 867	BDT 4 649 906
Inventory		420923,28	384181,3	192170,7	67 300,22	13 694,23	35 691,06

			8	4			
Fixed costs		BDT 6 701 733	BDT 6 701 733	BDT 6 701 733	BDT 6 701 733	BDT 6 701 733	BDT 6 701 733
Variable costs		BDT 9 395 122	BDT 9 676 976	BDT 9 967 285	BDT 10465649	BDT 10988932	BDT 11538379
Vat		BDT 3 597 858	BDT 4 029 601	BDT 4 513 153	BDT 4 558 284	BDT 4 603 867	BDT 4 649 906
Startup costs	BDT 51 962 000						
Total costs	BDT 51 962 000	BDT 19694 713	BDT 20408310	BDT 21182171	BDT 21725667	BDT 22294532	BDT 22890017
Cash	BDT 100 000 000	BDT 5 610 469	BDT 6 170 305	BDT 8 447 089	BDT 12672224	BDT 16607935	BDT 20231396
Revenues		BDT 20254 548	BDT 22685094	BDT 25407306	BDT 25661379	BDT 25917992	BDT 26177172
Net cash inflow/outflow	BDT 48 038 000	BDT 6 170 305	BDT 8 447 089	BDT 12672224	BDT 16607935	BDT 20231 96	BDT 23518551
Net return		3%	11%	20%	18%	16%	14%

6.5.4 Forecast- 2020 (JAN-May)

Month	**Base**	**Jan-18**	**Feb-18**	**Mar-18**	**Apr-18**	**May-18**
Production %	100%	0%	0%	0%	0%	
Purchases (merchandise)	BDT 9 942660	BDT 11 538 379	BDT 11 538379	BDT 11 538379	BDT 11 538379	BDT 11538 379
Produced units	1 722 240	BDT 1 998 646	BDT 1 998 646	BDT 1 998 646	BDT 1 998 646	BDT 1 998 646
Sales increase %	100%	1%	1%	1%	1%	
Monthly sales	BDT 22 807 980	BDT 26 438 944	BDT 26 703334	BDT 26 970367	BDT 27 240071	BDT 27 240071
Sold units	1 722 240	BDT 1 996 416	BDT 2 016 380	BDT 2 036 544	BDT 2 056 909	BDT 2 056 909
Taxes	BDT 4 051 429	BDT 4 696 405	BDT 4 743 369	BDT 4 790 803	BDT 4 838 711	BDT 4 838 711
Inventory		37 921,41	20 187,60	(17710,01)	(75973,05)	(134236,09)

Fixed costs		BDT 6 701 733	BDT 6 701 733	BDT 6 701 733	BDT 6 701 733	BDT 6 701 733
Variable costs		BDT	BDT	BDT	BDT	BDT

		11 538 379	11 538379	11 538379	11 538379	11 538 379
Vat		BDT 4 696 405	BDT 4 743 369	BDT 4 790 803	BDT 4 838 711	BDT 4 838 711
Startup costs	BDT 51 962 000					
Total costs	BDT 51 962 000	BDT 22 936 517	BDT 22 983481	BDT 23 030914	BDT 23 078822	BDT 23 078 822
Cash	BDT 100 000 000	BDT 23 518 551	BDT 72 894 011	BDT 12258082 5	BDT 17258210 6	BDT 222900999
Revenues		BDT 26 438 944	BDT 26 703 334	BDT 26970 367	BDT 27240 071	BDT 27 240 071
Net cash inflow/outflow	BDT 48 038 000	BDT 72 894 011	BDT 122 580 825	BDT 17258210 6	BDT 22290099 9	BDT 50 318 893
Net return		15%	16%	17%	18%	

7 Ending Remarks

7.1 Future Course of Action

The textile market is a highly competitive and vast sector in our country. In order for Classical Hometex to stay in the market or become a market leader, they need to adopt new strategies. With so many brands available in the market and new brands emerging, Classical Hometex must adopt new strategies to maintain its position in the market and increase brand loyalty.

One strategy that Classical Hometex can adopt is to create a market by providing high-quality products that are available everywhere. To create a position in the market, they can initially charge a better price and ensure they are available in every area. This will help them establish their brand and maintain a competitive position in the market.

- Sometimes people want a unique design at an affordable price.
- Classical Hometex can change its packaging.
- Higher expert people and take action to create a strong brand image.
- The young age segment is comparatively bigger than other age segments. By targeting this segment, some advertisements can be created.
- Need to create and maintain a strong supply chain system.
- Take steps for the wholesaler or retailers though they keep the product in their shop or their storage.
- They can sponsor cultural programs in different places to create a brand image or brand awareness.

7.2 Conclusion

Bangladesh is a country with a high population density. Unfortunately, the Industries of Bangladesh are facing issues with price increases in sewing costs due to the world's economic issues caused by war and the post-pandemic situation. The prices have dropped to a level that makes it expensive for the average person and Industries to grow rapidly. The demand for fabrics is rapidly increasing. This demand is especially high in hotels, restaurants, tourist spots, and offices, where the promoters of the company have established good connections.

In our region, people are mostly interested in being more decorative in many ways. To meet the demand, people are choosing bed sheets and many home decorative ornaments. The fabrics Industrial sector is growing in our country. Therefore, there is a hope that Classical Hometex Industry will be successful in the market and establish a strong position through its strategies and expertise.

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8 APPENDIX

Market Survey Questioner

1. Are you thinking of diversifying your product?

Ans. Already product diversification exists. Try to add new diversification.

2. Have you simplified your product line at present?

Ans. Always have to maintain simplification of products line. Still now

3. What is the industrial demand for Bed sheets?

Ans. Demand is unbelievably increasing every day.

4. What are your target markets? What is the reason?

Ans. All classes of people.

5. Do you have now any steps to develop the quality of the existing product?

Ans. Development is a continuous process, updated by research and development of the market.

6. Which raw materials are needed for Bedsheet?

Ans. Sew, Greige, and many fabrics

7. From where do you collect these raw materials?

Ans. China and some other Fabrics are made here locally

8. What factor do you consider for selecting the source of raw materials?

Ans. Quality

9. What problems are faced in collecting /purchasing raw materials?

Ans. When outside the country, there are no problems. However, within our country, workers face several issues, such as being stuck in seaports.

10. Is there any problem with the storage of the product?

Ans. No

11. What method is used for demand Forecasting?

Ans: Sales forecasting method based on market survey.

12. Does your organization participate in social development activities?

Ans. Yes

12. Which areas are you now selling Bed sheets to?

Ans. All around Bangladesh

13. How do you appoint a middleman?

Ans. Contractual, Target base appoint, selling dept. appoint the middleman

14. Do the representatives work area-wise?

Ans. Yes, Area wise

15. What kind of transportation do you use? Is it of your Own or Fare?

Ans. Own

16. What is the reason if you used transportation of your own or transportation in fare?

Ans. Just time delivery of the product & monitoring the delivering system.

17. What kind of media do you use for advertising?

Ans. TVC, PVC, Direct Selling, Tag, etc.