

“Bandhan” Fair Price Shop: Changing Lifestyle

Economists say that the financial crisis of 2007-08 was one of the worst financial crises since the Great Depression of the 1930s. The impact hit all economies and Bangladesh was not an exception. Prices of goods increased significantly and for the workers who were earning less than US\$ 45 per month during the time felt significant challenges in order to tackle the situation. That was when DBL Group decided to include – which till date is one of the highlights of DBL Group’s achievement – the **“Bandhan” Fair Price Shop**.

It is very much feasible for DBL Group to increase the wages and salaries of workers and this was done during the time too by providing ad-hoc increment of 15% effective from July 2008. However, this particular issue was greatly sensitive as all the industries in DBL Group’s cluster of Konabari-Kashimpur reacted quite aggressively, demanding an equal increment from their management. That is why a strategic approach was required which would not only prevent any industrial unrest but also address the financial challenges of the workers. “Bandhan” Fair Price Shop provided the solution.



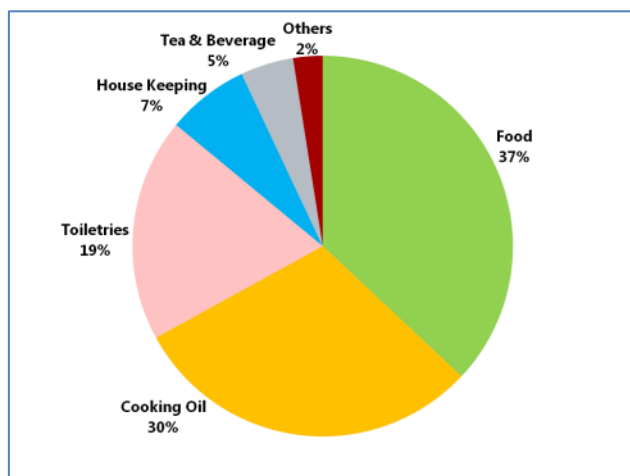
The transaction process

Transaction in any shop takes place through cash or credit cards. Credit card being used by a worker is an idea that still remains elusive. Credit card payments also include additional costs through interests. “Bandhan” provides a rather unique system: a worker is able to purchase items through credit but without bearing any interest.

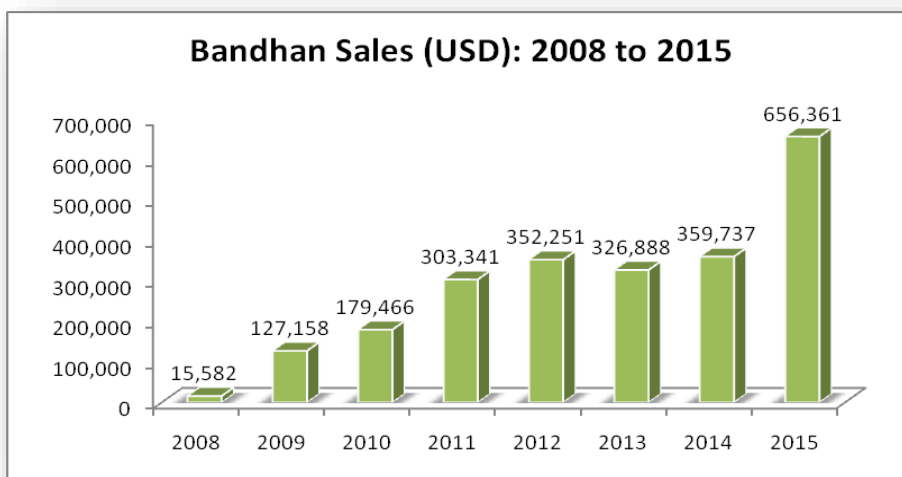
Filling up a requisition form including the ID and submitting to the shop or to its representatives – only these two steps are required by a worker for payment: the bills are adjusted with their salaries. During their breaks, the worker simply goes to the shop, collects the items, and heads back home. The long waiting queue that is present in a supermarket – where a customer has to wait for each single item being scanned in and then making the payment – has been totally eliminated here. An in-house designed point of sale (POS) system effectively keeps track of each worker’s procurement. The system also allows a limit to the total spending by a worker per month: this is to prevent him/her from overspending and thus starting a month with little or no money.

“Bandhan” in figures

“Bandhan” provides everyday commodities at subsidized prices ranging from 5% to 20%. The 368 items, from Unilever, GlaxoSmithKline and other nationally and internationally recognized brands, include categories of food, cooking oil, toiletries, house-keeping, tea and beverages, and so on.



“Bandhan” was initially launched in DBL Group’s Jinnat Complex where Garments and Knitting operations are taking place. With its success, today five complexes now have their own Fair Price Shop. What started with transactions worth BDT 1,217,444 (US\$ 15,583) in 2008 expanded in 2015 to transactions amounting to BDT 51,287,477 (US\$ 656,471). The success of Bandhan’s sales throughout the years has been portrayed in the graph below.



Worker feedback

The sales figure of the shop speaks for the performance itself. A regular user of the shop, Ms. Popy Akhter, Sewing Operator, states the following:

“It is really very helpful for us that we are able to buy a variety of good quality daily necessity products from ‘Bandhan’ Fair Price Shop. The product price is really very low compared to the market with the added benefit of buying on credit.”

Other workers expressed similar comments. Ms. Sajeda was impressed by the less priced products and the availability of fish. She also stated ***“The on-credit system is really beneficial”***. Ms. Munni joined DBL less than four months earlier and although she is yet to make any transactions, she stated ***“I plan to buy products from ‘Bandhan’”***. Ms. Alpona, who has been with DBL for over a year now, appreciated the quality of products available. She also said, ***“I have found no gaps here: it is an excellent shop”***.

Achievements from “Bandhan”

The employee retention is one of the most prominent achievements from “Bandhan”. A recent observation was made in one of DBL Group’s new factories: the remoteness of the location and lack of availability of shops for everyday items caused high turnover of workers. “Bandhan” was constructed in the premises and the change in turnover was almost immediate: within three months, the rate went down by more than one-third.

“Bandhan” has received commendable recognitions from various guests visiting DBL Group over the years. The most important benefit that this shop provides is creating better bonding between employee-employer: hence the meaning of “Bandhan”, which means “bonding”, is emphasized.