

Nestle

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Abstract: We choose Nestle company for our research, Our study was to do research on Nestle company because it provides varieties of products to their customers, This Research is based on information from internet, questionnaire, History of Nestle company, how they introduce their products in the market, what were the purpose and scope and what were the strategies adopted by the company.

1. INTRODUCTION

Henri Nestle, the pharmacist founded Nestle Company in 1866 and today it is the world's biggest food and Beverage Company and its history began in Switzerland in 1867. The word Nestle means little nest which symbolises family, security and attitude to life-long nutrition. Nestle products include baby food, breakfast cereals, bottled water, coffee, dairy products, ice cream, maggi etc. Nestle success with its product innovations and now the company has turned as world's leading Food Company. Nestle is one of the main shareholders of L'Oreal which is the world's largest cosmetic company. The main commitment of Nestle is to improve the value of life by helping community in which it operates to meet the basic needs of the customers.

Nestle India Ltd is one of the biggest players In FMCG industry, Nestle India is Secondary of Nestle S.A. The company has 7 manufacturing units and 4 branch offices extend across the region the four branch offices are in Delhi, Mumbai, Chennai and Kolkata, These branches help facilitate the sales and marketing of its products.

1.1 EVOLUTION OF NESTLE

1867- Company was founded by Henry Nestle in Switzerland

1898-First Factory was purchased outside Switzerland. This was named as Viking Milk Factory in Norway.

1905-Meger of the company with Anglo-Swiss Condensed Milk Company.

1938- Nestle launches Nescafe World's first instant coffee of their brand.

1947- Merger with Alimentana S.A. With the brand Maggi.

1974-Became shareholder in the cosmetics company L'Oreal.

2. Competitors:

- Mondelez
- Mars
- Kraft Foods
- Danone
- Hershey,s
- Unilever
- Kellogs
- Pepsico
- Amul
- Starbucks

3. Findings from internet:

Nestle company owns various brands in its product line such as junior food, coffee, culinary products, beverages and others. The brands include Nescafe, Nestum, Maggi, Milo etc. According to Nestle sales report, Milo, Coffee mate and Nescafe are the best selling products. Culinary product such as maggi is the following bestselling product. Many people like to drink Nescafe or Milo in their breakfast drinks. Many choices are provided to satisfy the customers needs. Nestle brand is trusted hence many people tends to buy its products.

Nestle research and development analyses the local consumer's trend in lifestyle, culture and purchasing power. It facilitates to understand customers need and to make new products. Also Nestle indulge in nutrition research to increase nutrition level with tasty products.

The company Nestle provide great career opportunities for those who have expertise skill and competent people. Nestle set a principle to organise their organisation. The principle is of Trust, Respect, Involvement and pride. It motivates them to run their organisation in a great way.

4. Findings from sales:

- Nestle India reported 34.46 per cent rise in net profit at 595.41 crore for the third quarter ended September 2019, on higher domestic sales growth.
- Net sales were up 9.49 per cent to 3,199.31 crore during the quarter.
- Nestle profit also includes one-off credit of 72.5 crore pertaining to the previous quarter.
- Nestle's total expenses were at 2572.32 crore during the quarter.
- Exports were down 7.11 per cent to 160.22 crore.
- Domestic sales increased 10.5 per cent during the quarter of July to September of 2019.

5. Nestle SWOT analysis:

5.1 Strength

- **Reputed Brand Name-** The Company Is most renowned Brand in the world, It has a respected reputation in FMCG industry because it offers high quality products for the customers across the globe.
- **Diversified Company-** The products of Nestle are sold in more than 189 countries, Instead of relying on a few market nestle has captured market on large scale in lot of developed and developing countries to earn more and more revenue.
- **World's Most valuable brand-** According to Forbes Global (2018), Nestle has rank top among most valuable company in revenue, market value assets.
- **Large Distribution Channel-** Nestle has a large distribution channel which is not only penetrated in urban areas but also rural regions, it has strong relationship with the vendors, suppliers, retailers and distributors.

5.2 Weakness

- **Maggi Noodles Controversy-** In 2017, there was a controversy on one of the products of Nestle as it failed to clear the laboratory test in India, this created a publicity hype and a bad image of nestle and as a result people boycotted Nestle, leading to a loss of 80% market share in the country, Nestle claimed 'no added MSG' In the noodles packets, however 1000 times more lead was found in the maggi.
- **Water controversy-** Nestle was accused of illegally pumping millions of liters of water in 6 nations where there was scarcity of drinking water.

5.3 Opportunities

- **Partnership-** Nestle has a reputed brand name so merger with different companies and with a strategic alliances with other food giants is also a great opportunity for the Nestle company to increase its revenue and profits.
- **Expansion in tea and coffee-** Nestle can Expand its market in this area because the demand for tea and coffee is continuously increasing this will lead in profitable opportunity for Nestle to groom its market and earn more revenue.

5.4 Threats

- **Rising Competition-** Many company such as uniliver, Mondelez offers similar kind of food and beverage products, its hard for nestle to compete because substitute products are easily available in the market with price difference also.
- **Illegal rainforce controversy-** In 2017, there was a controversy in destruction of Sumatra's last track of rainforest. And nestle faced severe criticisms from NGOs and environmentalists across the country.

6. FINDINGS FROM SURVEY /QUESTIONNAIRE

A questionnaire was given to 30 respondents, where 25 of them were satisfied with the products of Nestle and they believe that nestle is the trusted company because they market over more than 100 years and they produce more good quality of products, beside most of them agreed that the products available are of affordable prices and easily available in the market but some said that they were very expensive as compared to substitutes available in the market, the respondents said that the nestle products are easily available in the store such as supermarket. Big bazaar etc as well as both rural and urban areas. In addition we notice that the customers who responded to the questionnaire are very often purchasing the Nestle products.

Addition to this we found that the Maggi Controversy has made a bad image in the minds of the customers which lead to the decrease in the share price of the market as well as the revenue of the company.

7. Marketing strategy:

The products includes features that contain the combination of both health and hygiene keeping in mind the individuals requirements in terms of taste. The marketing will be done considering the core concept of mass percentage.

Products will be tailored to individuals needs but promotion will attract all of them collectively. Nestle will be following pull strategy to approach its end user with the help of various promotional activities. For the distribution of products, no intermediary is involved. The distribution channel is direct channel to retailers.

7.1 Motivational Strategies:

- **Employee Discounts:**

Nestle provides huge discounts and offers on tetra pack products and provides broad range of products to their employee also provide travel and quarters, electronics, gifts, financial services, clothing and more.

- **Voluntary Benefits:**

Tetra pack makes a number of voluntary benefits available to you through an outside service provider, including auto and home insurance, prepaid legal services.

- **Adoption Assistance:**

Family is an important part, which is why Tetra pack offers a valuable support for the families through programs.

- **Pick and drop Facilities:**

Nestle provide their employee pick and drop facilities, the timing of employee come into the workplace is also not disturb. All employees are on the time in their workplaces.

7.2 Competitive Strategy

“What makes competitive”

The hallmark of the nestle is the quality of the products which is offered by the company.

Competitive edge of nestle

The companies all over the world get some competitive edge based on features. Nestle has Competitive edge based on following strategies:

- Product Differentration
- Customers Oriented

7.2.1 Product differentiation Strategy

Nestle is the product differentiation strategy by providing the superior quality products. Their main focus is to keep the customers loyal. Nestle tried to reach each and every group of people in which they have succeeded.

7.2.2 Customer Oriented

Customer satisfaction is the focal point for the company. They provide hygienic products to their customers. Products are verified by health and safety measures and also by international quality standards.

8. Conclusion

Our research has found out that the problems faced by the consumers of nestle is mainly the unbalanced nutria diet which can increase the risk to have disease because of excess nutrition consumption. Secondly, by consuming too much of chocolates affects the children because taking a lots of chocolates can cause them disease in early ages. Lastly, there is a less production of energy drinks by nestle so we recommend nestle to focus on energy drinks and target their customers and come up with new innovation in beverages.

9. Recommendation

Based on our research, we will like to recommend to focus on products that are suitable every age of people and produce more of protein milk, organic products, sugar free chocolate bars.

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