E-marketing strategies for nestle

Consumers buying behaviour and want often changed rapidly as the trend of the market and the current fad had worked closely with the advancement of technology. Marketing has also moved to ' helping the buyer to buy' rather than the traditional way of advertising that more towards to ' helping seller to sell' which lead to companies to use the Internet as the effective tool to provide the customer with information and gained their buying decision whilst develop a lasting relationship. (Charlesworth, 2009). There are numerous of companies set up their business online, as a result, each business owner has to come out with new and appropriate e-marketing strategies in order for their company to be one step further or stay competitive with its rivals. As in the food manufacturer industry, Nestlé (M) Bhd. had growth and made expansion throughout Malaysian which became the trusted names in every household from generation to generation. As to move along with the current fab, Nestlé (M) Bhd also breaking its traditional ways of advertising and penetrate into the Internet world in order to stay on top of the summit of food manufacturer leader in the country and increase the company Return on Investment.

2. 0 Introduction

E-business has become in vogue because of it benefits such as cost effective, enable better customer relationship, gaining competitive advantage and etc. By making the appropriate and critical use of e-marketing strategies and practices through Internet, companies can achieve their objectives and sustain competitive advantage over its rivals.

As for this report, Nestlé (M) Bhd. will be chosen as the case study. Nestlé Malaysia is the food manufacturer which manufactures its products in 7

factories and operates from its head office in Mutiara Damansara, and 6 other offices in Malaysia. Nestlé Malaysia manufactures more than 300 Halal products with the brand name such as MILO, NESCAFÉ, MAGGI, NESPRAY, KIT KAT and etc. (See Appendix 1 for Nestlé Malaysia's history)

In this business report, it illustrates e-marketing strategies of Nestlé (M) Bhd. that can be adopted to achieve the objective of the company, which are likely to produce the best of Return on Investment (ROI). In order to achieve this objective, Nestlé (M) Bhd. can:

- Build and market Nestlé Brand via internet
- Advertise and attract more online users to Nestlé's website
- Improve online sales and boost business profit
- Develop and build relationship with customer base

The e-marketing strategies recommended to Nestlé (M) Bhd. to implement to achieve the company Return of Investment (ROI) as mentioned above are website development, viral marketing, affiliate marketing, search engine optimization (SEO), domain name, online advertising and email marketing.

3. 0 E-marketing Strategies Nestlé Malaysia can be Adopted to Achieve the best of Return on Investment (ROI)

3. 1 Website Development

To achieve the objective of Nestlé Malaysia to produce the best of Return on Investment (ROI), developing and designing a good website is the most important and initial stage in the e-marketing strategies. Based on the Internet World Stats (Figure 1), Asia has the highest percentage of Internet users in the world; this shows that Asia is an Internet-mature country among

the world and this indicates a potential online market whereby Internet is currently a fad tool for them to look for information, therefore, a quality website design is a key to attract more online users to Nestlé Malaysia's website.

3. 1. 1 Presentation

Based on Dr. Wilson (2003), the ' splash' pages which is the ' home pages with dancing logos powered by Macromedia Flash technology designed to annoy and turn away visitors before they reach the real home page'. Charlesworth, (2009) states that a website should be designed for its target readership and is easy to find information. In the case of Nestlé Malaysia, some of the webpage of it brands such as NESLAC, MAGGIE are designed with Flash type technologies. Nestlé Malaysia can improve on this area because a web page is designed for key audience and sending messages around their needs and glossy graphic form the Flash will grabs attention and brand association from the audience. (Tobin, 2008).

Nestlé Malaysia also has to ensure that the entire site is consistent, with every page in the site is follow the same layout and structure. Besides, in terms of the subject of the page width, the site should be user printed friendly by setting the page width not more than the maximum width of 750 pixels to conveniences the visitors when they want to do print-out from the site. The site also should avoid using the large images especially on the front page as this will slower down the download time of the site and simply turn away the impatient web users. (Charlesworth, 2009).

3. 1. 2 Usability

According to Charlesworth (2009), website usability is to aid visitor to achieve their objectives for visiting the site in the simplest as easiest way. Most of the Internet users are used to a certain user interface elements where they usually reluctant to learn or adapt new thing with just to use the website. Nestlé Malaysia should design its sites with a clear categorization of its brands. In a case of a user would like to look for the information regarding Growing Up Milk, the site should easily link to the user, e. g. Brands > Milk > Growing Up Milk > NESPRAY. This is vital as a smooth visitor's flow will definitely adding percentage of turning an Internet browser into e-shopper.

As Nestlé Malaysia's website comes along with many pages with its myriad of product brands, the navigation of the site should be taking into account. This is because some of the users might not arrive on the front page when they enter the site, so there is a possible risk for this potential users might not aware of other content from the site. Nestlé Malaysia should ensure that the in-site search facility they provided will offer a marketing message, i. e. ' search again', whenever there are no matching products for the user's particular search.

3. 1. 3 Content

According to Chen & Barnes (2007), shoppers make purchase decisions based on the information provided by the sites. Besides, content is being recognized by the users where a successful Internet presence has always been about effectively delivery of the information of the visitors wants – ' Content is king!'. Nestlé Malaysia should always -update the content of its site by providing the latest and useful information of the product for each of

its brands. Nestlé Malaysia also can give a description of ingredients used, dietary exchange per serving and allergen information such as eggs, milk, soy to steer clear of consequences of customers who are allergic to certain ingredients of each of its brand products.

By adopting the web as a commercial medium, Nestlé Malaysia can benefited in a way that it can deliver its products such as products promotion, newly launched products through a direct and information oriented manner to the web users. This can help Nestlé Malaysia to lower their cost for postage, printing cost, television commercial cost that incur when using the traditional advertising.

3. 2 Viral Marketing

Viral marketing have the extremely powerful effect in the form of word-of-mouth advertising techniques which utilizes the popularity of online social networks, forums, email, blogs and other resources to deliver marketing message and hence bring exponential business growth. Nestlé Malaysia can market and build its brands through these channels such as Facebook, MySpace, Tagged, Twitter.

According to Figure 2, more than 30 billion pieces of content such as web links, news stories, blog posts, notes, photo albums, etc had been shared each month in Facebook. Nestlé Malaysia can use Facebook to build the brand of its products as the company can target these number of users in Facebook to promote the brands. For instance, Jane a Facebook user who shared her newly experiences on the taste of Nestlé new products, MAGGI® TASTYLITE™ Atta Whole Wheat Instant Noodle by uploading pictures of her

having the noodles will certainly draw the attention of her Facebook users friends to browse on the Nestlé's website. This can lead to the increase of sales of Nestlé and helps Nestlé to achieve the Return on Investment.

Based on the graph above (Figure 3), the numbers of visitors to Twitter. com in May are exceeding 20 million. The users of Twitter often post their daily status on their account and many user of Twitter will follow their friend's tweets. This can help Nestlé if for instance, Alan a Twitter user who satisfy after experienced with Nestlé products and posted the review on his Twitter account, this will more likely to let his friend who follow his tweet will make purchase of Nestlé's product if they have read positive comments from the tweet.

3. 2. 1 Criteria that requires for Successful Viral Campaign

Nestlé Malaysia has to ensure that the information on its site is:

Easy to forward

For instance, Nestlé should making sure that its website enhance a good usability techniques that will make the receiver to pass the information of the sites on to others.

The Nestlé site can add in the 'email to a friend' button on every product so the visitors can easily share the information with their friends. (Charlesworth, 2009)

Right target audience

Nestlé Malaysia can provide more details information regarding the products so that the receiver will realize which message are suitable to forward to

their friends. Take for example, the dairy products from Nestlé Malaysia can be range from growing up milk to adult milk, therefore, Nestlé should categorized its products accordingly so that the consumers will only forward the message to their friends in accordance to their needs. (Charlesworth, 2009)

Message is placed where it can be seen

Nestlé Malaysia not only can target its products information message and ads on mailing list but it only can place them on an appropriate website, blog. For instance, Nestlé Malaysia can place its product on the local famous food blog such as Criz Bon Appetite blog because there were many blog viewers who followed the blog and therefore they will also notice on Nestlé's ads. (Charlesworth, 2009)

3. 3 Affiliate Marketing

There were many types of affiliate marketing such as Pay-Per-Click (PPC), Pay-Per-Sale (PPS) advertising, loyalty websites, email lists and etc. Nestlé Malaysia can use affiliate marketing as one of its marketing strategy to improve its sales while build up its brand and finally lead to produce the best of Return on Investment.

For example, Nestlé Malaysia can advertise its products in ClickBank. com where Nestlé Malaysia itself become the vendor in ClickBank and wait for the affiliate marketers in ClickBank to promotes its products. Then, the marketers in ClickBank will promote the Nestlé products on the Internet, if any buyers who click and browse on the marketer's link, ClickBank will charge on Nestlé in the share profits basis upon a successful purchase. This

type of charging are knows as Pay-Per-Click (PPC). One of the advantages of Nestlé through this strategy is that it will have a wider place to sell its products and the more websites that publish by the marketers will naturally provide more customers and create more sales. As through this strategy, it will help Nestlé to build up the brand name of and at the same time increase sales volume and achieve time efficiency.

3. 4 Search Engine Optimization (SEO)

Search engine optimization is one of the very potent e-marketing approaches that can help Nestlé Malaysia in achieving its objective of producing the best of Return on Investment by increase the traffic to its website. This can be done by enhancing the visibility and accessibility to Nestlé Malaysia website from search engines such as Google, Yahoo!, Baidu and etc.

According to the Jupiter Media Metrix, surveyed resulted that 47% of web users said that the most common way they find products or online stores is through search engines. The top 10 results to the search query get 78% more web traffic as compared to the subsequent listing. (Strauss, El-ansary, and Frost, 2003).

3. 4. 1 Comparison of daily traffic rank trend between Nestle Malaysia Berhad & Unilever Malaysia from Jun-Aug'10 of both

Based on Figure 4 & 5, Nestle Malaysia ranked number 205, 070 while Unilever Malaysia ranked number 1, 199, 354 in the world according to the alexa traffic rank. This indicates that Nestle Malaysia had a very low percentages visitors visit on their sites as compared to its competitor, Unilever Malaysia. The fraction of visits to the site referred by search engines

for Nestle Malaysia is roughly 11% while approximately 45% for Unilever Malaysia. Unilever Malaysia is relatively popular among users in the city of Kuala Lumpur which ranked #14, 163.

Figure 6 illustrates that Google dominated the market share of search engine in Asia which is about 86. 30 percent out of the total market share. In order to gain competitive advantage and to increase the website traffic, Nestlé Malaysia should adopt search engine optimization strategy through the famous search engines – Google. Besides, Otto's Cookies also can place their advertisement in Google AdSense so that online users will aware of Otto's Cookies website that appeared on the various websites of Google. This also can help Nestlé Malaysia to gain more visitors to their websites.

3. 4. 2 Advantages of Search Engine Optimization (SEO)

The advantage of search engine optimization is that it can deliver Nestlé Malaysia website among the top ranked sites in the web. There will be a greater likelihood of internet users visiting Nestlé Malaysia website if it is ranked on top of the first page as compared to the website ranked at third or latter page of search engines.

Moreover, search engine optimization also aids Nestlé Malaysia in promoting the brand on the related award Nestlé Malaysia has won such as the Asian Marketing Effectiveness Awards (AMEA) 2007 from the NESCAFÉ Kick-Start category. This will definitely lead to the visitors' decision and assist visitors to come up o purchasing Nestlé Malaysia products.

3. 5 Domain Name

The domain name of the company is the fundamental when considering the website as the company brand. According to Murphy and Scharl (2007), an effective online presence is crucial to a brand's internet success whereby a successful online presence came in place. This can be successful when customers can found the brand name when they type the brand name followed by the global or the country suffix in the search engines. By using the company trademark or its brand name can certainly helps consumers to quickly find the site and adds power to the brands. (Strauss, El-Ansary, and Frost, 2006). This is added-value to Nestlé Malaysia which registered the domain name with the local country suffix as nestle. com. my.

Besides, Nestlé Malaysia also can create multiple domain names to cover variations of it products brand as well by using the top search engines-Google to promote its domain name. This can help Nestlé Malaysia to promote its websites and attain more online users to its site.

3. 6 Online Advertising

Nestlé Malaysia objective is to produce greater Return on Investment by creating brand awareness of the public through the medium of Internet. As for this, Nestlé Malaysia can use the online advertising as it is the powerful tool to start and strengthen relationships with customers in brand promotion. Nestlé Malaysia can place their advertisements of their various brand of product through the web.

For instance, Nestlé Malaysia can apply one of the forms of paid advertising models such as Pay-Per-Click (PPC). (Charlesworth, 2009). By using Pay-Per-

Click advertising, Nestlé Malaysia can place their advertisement in Google AdWords whereby Nestlé Malaysia advertisement will appear in the search results of Google when people search on Google using one of its keywords. For instance, the keywords of " good food, good life" will immediately link Nestlé site on top of the search engines. Nestlé Malaysia will only have to pay to Google on performance when the users click on the advertisement of Nestlé Malaysia.

However, the keyword bid in Google also might be affected by the Clickthrough rate (CTR). The keyword bid of Google are depends on its quality score. If the previous ads of Nestlé Malaysia had been attracting many clicks from the users, naturally this good track of record will gain more credit. This is a disadvantage for the first time advertisers as they will be penalized as they do not have record of history. (Charlesworth, 2009).

With the increase number of information, people and time spend on Internet; Nestlé Malaysia can easily promote its brand through online advertising. Besides, by using the Pay-Per-Click advertising, Nestlé Malaysia can easily track the number of people who gets to know their advertisement and this can help them to trace the popularity of their brand in the Internet and also the effectiveness of their advertisement.

Moreover, Nestlé Malaysia also can advertise its brands on the blog and forum in the form of banner ads. For instance, the famous social media sites such as Blogger, Lowyat. net forum and etc. There is also community websites where Nestlé Malaysia can post its ads as the content of the

community websites is decided by the community members. (Charlesworth, 2009).

In addition, online advertising also has greater range as compared to publications such as TV advertising which cater to a particular geographical area. As Internet can reach people around the world, Nestlé Malaysia brand will be recognized globally and hence this can create business opportunity by bringing Nestlé Malaysia out of the country.

3. 7 Email Marketing

Nestlé Malaysia can specially create lists of consumers who agree to receive email to have the privileges to redeemed special rewards such as gift certificate from Nestlé Malaysia to attract consumers to give them permission to email them on relevant news from Nestlé Malaysia. This can attract more consumers to visit their website and at the same time brush up Nestlé Malaysia brand name.

Additionally, Nestlé Malaysia can request the consumers' email address and information used to registers a site when they make an online or offline purchase. By doing so, Nestlé Malaysia actually can give online memberships to their customers who register to their websites and for every new registered customers will entitle extra discounts when make purchase on their products. This can help Nestlé Malaysia to targets their consumers based on geography, age, income, spending powers and etc. Nestlé Malaysia gets to build and maintain the relationship through a variety of communications such as newsletters, special offers or promotions to members, and customer services.

With email marketing, Nestlé Malaysia can transmit their email about the company products and services promotions instantly to the potential customers with literally just the click of a mouse and this factor already make email marketing strategy an extremely cost effective. In addition, as compared to offline normal postage, email advertising is faster and convenient. There are also no printing and postage charges required for email advertising.

4. 0 Conclusion and Recommendation

It is important to Nestlé Malaysia to have a better understanding on how the e-marketing strategies will bring effects towards achieving the company objective of producing the best of Return on Investment. Applying the appropriate strategies based on the company needs will help the company to stay competitive and stand strong in the market. In order to be better and having more opportunities than the rivals, the e-marketing strategies that chosen by the company also must compatible with current fad of the market and be creative from others in the sense that it also should applicable to the company.

(3310 words)

5. 0 Harvard Referencing

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