

# [Nestle singapore pte ltd marketing essay](https://assignbuster.com/nestle-singapore-pte-ltd-marketing-essay/)

Nestles promising to providing quality products to Singapore people. dates back more than 90 years ago trading MILKMAID condensed milk under the Anglo-Swiss Condensed Milk Company.

Over the years it has been available in Singapore for Singaporeans, Nestlé has won the trust of Singaporeans for being a food manufacturer with the highest safety and quality standards with this products.

Nestlé started its business and operation in Singapore in 1912 and has since been building on its success, largely as a net result of its operating principles. These seek primarily to:-

Offer Singaporeans the highest safety and quality standards in our food and beverage products in Singapore.

Nestle Utilized the most new and up-to-date technology and its accumulated science-based expertise in the manufacture of milk products.

Nestle fulfill its broad responsibility as a corporate citizen member by participating in community and social projects that contribute to the speedy development of the country.

Nestlé brands are household names in Singapore and very well-known company. These include MILO, NESCAFÉ, MAGGI, NESTLÉ NESVITA OMEGA PLUS ACTICOL, KIT KAT, PURINA, FRISKIES and dozens of other market leaders in their product categories.

## Segmentation, Targeting & Positioning of Nestle.

## Executive Summary

Nestle is a worldwide company of milk products and nutrition, chocolates’, beverage, catering and many type of confectionary goods. It has its millions of customers worldwide. Today Nestlé Singapore Limited is strongly positioned to grow through its policy of constant innovation and renovation, concentrating on its core competencies and commitment to high quality, with the aim of providing the best quality food to the people of Singapore. In the report we have brought a discussion about the marketing segmentation of Nestle, their target market and positioning strategy in Singapore. The way Nestle identify its different target customers different demands with an efficient way and how it satisfies its consumers by creating greater facilities by the combination of separate products or marketing mixes is shown in market segmentation of Nestlé. In the part of market targeting we have discussed how Nestle have made various segments and decided to spread their whole operation in whole Singapore. In the last part of this we have discussed how Nestle reached to the customers point more Easily and effectively comparing with their competitors in the highly competitive food& beverage market of Singapore by making differentiation of target Users and customers.

Nestle is the largest nutrition and foods company in the world, founded and headquartered in Vevey, Switzerland. The journey of Nestle begins when Henri Nestlé developed the first milk food for early in 1867, and saved the life of a neighbor’s child. This man makes a food for the infant babies who are unable to take mothers feed can use it as an alternative food. Henri Nestle retired in 1875 but the company was going on a full swing. In the following year the Nestlé company added condensed milk, so that the firms became direct and fierce rivals. After that the company was merged in 1905 with the another company named Anglo-Swiss Milk company which was founded by two brothers named George Page and Charles Page. The company reenter significantly during the First World War though it fall in debt, a banker provide facility and help it to reduce its debt. After the Second World War , the company eventually increased its offerings beyond its early condensed milk and infant formula products. The 1920s saw Nestlé’s first expansion into new products, with chocolate the company’s second most important activity. Nestlé felt the effects of World War II immediately. Profits dropped from US$20. 1 million in1938 to US$6. 1 million in 1939. But at the end of World War II was the starting of a dynamic phase for Nestlé. Growth accelerated and companies were acquired. At present the company operates in 86 countries around the world and employs around 283, 000 manpower’s.

## Theoretical Consideration

Marketing Strategies:

The Strategic plan provides the company’s overall mission and objective and new hpopes to achieve company’s views. Through market segmentation, targeting and positioning the company takes decisions which customers it will provide and how. The company also makes designs a marketing mix made up of factors under its control product, price, place, promotion.

## Strategy of Nestle in Singapore:

Nestlé’s basic strategy is to cover only the urban area of Singapore.

That’s why they are doing their activities in main and metropolitan cities of Singapore. They want to put babies and children healthy and ensure their sufficient nutrition. That’s why main and large range of their products are baby milk food products. They also target new age generation to build a strong relationship by providing various eating products. In the report, we are going to focus of Nestle is to segment, target the potential customers and to positioning of their profitable products. Their segmentations, targeting, positioning process are given below. Nestle want to change customers toward their products.

That’s why they are offering new products regularly. They also provide many social competitions for babies to go their mindset. In this report we are looking to focus of Nestle Singapore is to segment, target the major customers and to position of their profitable products. The relevant information is given below:-

## Market Segmentation:

The marketing concept asks for understanding customers’ requirements and satisfying their requirements and needs better than the others do. But many customers have different needs and it rarely is possible to satisfy all customers by treating them same just like. Market segmentation is the searching of portions of the market that are different from other. Segmentation provides the firm to better satisfy the needs of its potential customers.

1. Clearer understanding of the requirements and needs of selected customer groups.

2. More effective positioning in this place.

3. Greater precision in selecting promotional Transportation vehicles and techniques.

## Bases for Segmentation:

Users markets can be segmented on the basis of following customer characteristics.

1. Geographic area

2. Demographic area

3. Psychographic area

4. Behavioral area

## Geographic:

Nature: Nestlé Singapore segmented its market for Nescafe Ice based on the geographic weather: hot and cold.

Nescafe Ice: A coffee which can be consume with ice. During warm season consumers consume this coffee with normal or cold water with ice cube to bring freshness in their body.

## Demographic Age:

Nestlé segmented market for its major products based on the genration. For the products Cerelac, Lectogen, Koko Krunch, Nido, Nestle divided the market segment for new born baby and children of different ages.

## Nido

It is nutritious milk specially makes for children 2 years onwards. It includes 25 minerals and vitamin D which helps child’s growth.

## Cerelac

: Nestle also provide cerelac for new aged baby. It contains milk and rice mixture for less than one year’s baby. It fulfills baby’s proper nutrition in foods.

## Nesquick, Koko Krunch

: Both are chocolate milk for babies. Nesquick and Koko krunch contain child’s required growth. It’s very sweet and delicious and also contains vitamin protein, mineral.

## Lactogen

: Nestle Singapore brings full cream milk powder in the country. It gives baby required nutrition. Lactogen 1 is for babies whose age less than 6months and lectogen 3 is for babies whose age is below 1 year.

## Income

: Nestle segmented their market based on customer’s earnings in an effective way.

## Lectogen

: Nestle usage tk 800 for per 900 gm Lectogen 12 milk powder. They also usage tk 1000 for 900 gm Lectogen 3 milk powder pack. Middle income and low income people are not able to buy these products for their  babies.

## Occupation

: Nestle segmented the market based on their user’s occupation.

## Nescafe classic

: This product is for those who work busy and hard and needs more freshness. Both the male and female who need more caffeine and this type of needs Nescafe classic is for them.

## Psychographic:

Life style and personality: Nestle Singapore provides KIT KAT these people who really want to taste and enjoy chocolate. Nescafe 3 in 1 is for exclusively those users and customers who are really busy and do not have more time. They can save their time by taking Nescafe 3 in 1. All the things sugar, milk and coffee remain included.

## Behavioral

## Benefits

Based on benefits Nestle Singapore segmented their market in an effective way. So they provide Cerelac for those customers who want more profit from the product. Cerelac includes a high nutrition for baby’s whose age below 1 year. Two most important things rice and milk remain included in cerelac. On the other hand, cerelac includes vitamin, mineral and all nutritious elements for babies.

## Target Marketing:

Market segmentation reveals the firm’s market opportunities. Then the firmsort market targeting by evaluating the many types market segments and deciding which and how many segments it will targeting.

Nestle evaluated the various market segments on the basis of segment size and growth, segments, structural attractiveness, and Nestle objectives and resources and decided to launch their operation all over the Singapore country. Nestle distributes their target market because of having unique requirements and wants. Nestle Singapore selected their target market into two market coverage policy:

## Undifferentiated

: Nestlé has offered several products such as Nescafe 3 in 1Maggi noodles, and Kit Kat to the people of the whole Singapore without differentiating the market segment.

## Differentiated

: Nestle also selects the differentiated marketing. It offers different product for many segments based on different ages, occupation, season and climate of Singapore.

## Nescafe 3 in 1

: Coffee for people who are busy in life.

## Koko Krunch, Nesquick

: Chocolate milk who want to get taste of real chocolate.

## Nescafe Ice

: Cold coffee for the people in hot and warm weather.

## Concentrated:

Through concentrated marketing, Nestlé achieves a strong market position because of its greater knowledge of consumer requirement.

In theniches it serves and special reputation it acquires. Nestlé specializes in producing baby foods. It offers nutritious milk powder Lectogen 1 for babies whose age is less than 7 months and lectogen 3 for babies whose is under 12month. It also offers baby nutrition cerelac for baby less than 12 months.

## Positioning Strategy:

By creating product, service, channel, people and image differentiation Nestle arrives the consumer touch point more easily, effectively & efficiently in comparing with other competitors in the highly competitive food processing market.

## Product Differentiation

: Nestle brings a many of product for target customers.

They provide 25 types of minerals in Nido for children.

It also provides Cerelac and Lactogen 1 &3 for newly born baby exclusively.

Now the doctors says these products for babies to their parents for high & maximum nutrition Nescafe is a product which contains 4 types of categories. They offer  Nescafe ice for hot and warm weather, classic for all 3 in 1 for those who are busy in life. They provide Maggi including Maggi instant; Maggi 2 minutes which Includes and contain various minerals, vitamins and nutrition’s. Maggi also provide magi healthy soup and Maggi corn soup but charge the same price.

## Channel Differentiation

: Nestle reach their products to the customersthrough their experienced market salesman and transportation. So that their  products.

are much easy to their customers.

## Image differentiation

Nestlé’s logo is totally different from others competitors that are greatly choices by its customers.

For that reason customer easily identify them in the market which is another effective benifits for Nestle.

## People differentiation

Nestle has a large number of manpower’s that are highly educated and trained. In Singapore, 400 employees are working in market Company chairman; Peter Brakeck- Letmathe and CEO Paul Bulckeare highly educated, wise and experienced people. They are running this business successfully for a long time.

## Service differentiation

Another advantage for this company is better service for its respective users from its competitors. They provide 24×7 hot line service. High quality checking is providing for its customers. Its marketing dept. and public relation dept. are working for finding out customer’s new needs and response toward their nestle products.

## Selecting an overall positioning strategy:

The full standings of a brand is named the brands value proposition-The full mix of advantages up on which the brand is differentiated and positioned.

## More for more

More for more positioning includes providing the most upscale products or service and charging a higher price to cover the higher cost. Exactly Nestle is doing that. Nestlé’s products provide more benefit and for that Nestle charge higher price than other competitors. Nido provide nutrition and charge 250 tk for 400 gm. But Fresh, Marks do not arrange nutrition and charge less than that of Nido. Respectively Nescafe, Maggi noodles contains quality for high price, rather than competitors.

## Positioning Statement Baby Products

To babies who are deprived of proper nutrition, Nido, Cerelac, Lactogen are the nutritious milk Product that give you more nutrition other than any other brand because these includes different types of vitamin, mineral etc.

## Nescafe

To busy people who drink coffee and have little time for taking rest, Nescafe is the coffee that gives you more energy than any other brand because it has the highest level of caffeine,

## Maggi

To people, noodles and soup consumer who looks better quality, Maggi noodles and healthy soup that gives you proper nutrition than any other brand because it has the best quality. Their motto for business is “

## GOOD FOOD for GOOD LIFE

## Conclusion

The advent of consumer food products has brought an immense change in the field in the consumer’s food habit. Nestle has done well to adding its customers loyalty operating as a market competitor’s in its industry. Nestle is one of the largest food processing company. Their products and quality mainly includes on their experience and efficiency. Nestle provides quality that leads to good business growth and good development. It has segmented the market based on certain clustered preferencesdeploying multi-stage segmentation approach to meet individual requirements of the customers. Offering brand new products would also close its old products gaps to a great extend promise satisfaction and loyalty. In our report, we try to present the segmentation, target marketing and positioning strategy of Nestle and suggest some recommendations based on the marketing procedure.

## IMC Stratgies

## PROMOTION

Promotion activities perform a major role in re-launching any product. Addition in target market is possible by personal selling. It adds persons in retail stores telling the benefits to important customers about importance of milk in standard packed form. Awareness performs the most important role. They should taste housewives on many places. Because they are the main servers of such kind of nutritional diets to their family members. TV commercials and Bill Boards should be planned to advertise properly.

There are many promotional methods like personal sales, advertisement’s, sales promotions, public relations etc. but the method accepted by Nestlé for introducing Nestlé UHT Milk was advertising, outside printed media for advertising like, hording board, newspaper, posters outdoor etc. Nestlé seeing the old customer of the imported brands and potentials customers via its advertising promotions. In their advertisement, Nestlé mostly focus the small kids who are the major  portion of our population and milk and such kinds of Products are main requirement of enhancing ability in children that the reason Nestle launched Nesvita Milk product especially designed for younger children because addition of calcium diets in routine diet chart is main requirement. To remind the consumers about the nestle, Nestlé also made some special platform for retailers and hold them on their shops and as compared to other milk selling companies running in the country Nestle shows always attracting messages to feels customers that always drink milk but only I real form .

## RE – LAUNCHING

After thoroughly analyzing the reasons of presence of large number of competitors Nestle decided to re-launch it product with different new packing. It was an opportunity for Nestle to control the market in that a way that it will introduce. it’s all the discrepancies such as shortage, inflation based pricings which given opportunity to the competitors to control the market.

BELOW THE LINE

Below the line includes following mediums of advertisement.

- Direct mail to users

- Outdoor advertising

-Through Transit

DIRECT MAIL ADVERTISING

It is any form of advertising present directly to the new comers, this can be through the mail, fax, online computer services, sales personnel’s, retailers or other means rather than through traditional mass media.

Postcards

Nestle issued postcards to their home and office persons in the category of outlets and whole sellers. On different occasion nestle send them different type of post cards to build long term healthy relationships so that they can contribute in adding the market share of their product

## .

Leaflets/ flyers

Nestle has distributes many types of leaflets, which inform information about

Nestle Milk products, at different outlets.

Folders / brochures

Nestle distributes brochures of their product to their users through internet to make them inform of new innovations and products. This helps nestle in adding more customers.

OUTDOOR

Nestle expenses a big share of their advertisement budget on the outdoor advertisement in Singapore, which includes

-Painted Billboards at different places

-MMT in various locations

-Vinyl Sheets located in public places

-Perform Rotary Plan Here is an example of their billboards and rotary plan Nestle has hanged more than 500 billboards across the roadside. They have put on different themes of them, which are presenting different situations in which people are using real water. According to the NESTLE they perform heavy outdoor advertisement to aware people about the availability of their product because it is a product for which people never pre-determined plan to purchase it so to encourage them for the purchase of Nestle Milk Products they have to place billboards. Beside this they rotate the posters of their billboards after few months the reason for this is that people not interest in those themes when they see it for a longer time so when they exchange them and place the new different one that create the interest among the people.

TRANSIT ADVERTISING

Transit advertising is a category of public places out of home media that includes bus and taxicab advertising as well as posters on transit places, Bus terminals, and Display at airports

. Types of transit advertising

-Inside cards in public transports

-Outside posters on Vehicles

-Terminal posters at various locations

-Taxi / bus walls.

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