

Marketing planning and strategy – nestle

[Business](#), [Marketing](#)



BHO3435: MARKETING PLANNING & STRATEGY INTRODUCTION TO**STRATEGIC MARKETING PLAN: ENVIRONMENTAL ANALYSIS Prepared by:**

Sarah Aljenfawi Bashayer S. Kout Fatimah Rawan Membership of Reporting

Body: – Environmental Analysis – Market & Customer Analysis – Competitive

Analysis – Internal Analysis 1. Membership of Reporting Body: In response to

the assessment our group has mutually agreed to investigate the strategic

operations of the Boost Juice. The team is composed of four members. Each

member has been allocated a specific scope to investigate further as listed

below: • Environmental Analysis: Market & Customer Analysis: • Competitive

Analysis: • Internal Analysis: 2. Aim of Report: 3. Background and Context: I.

Brief Description of Industry: Nestle is a multinational company based in

Switzerland. Nestle operates in food industry. In 1905, Nestle was formed as a

result of a merger between a Swiss and English company which was

established in 1866. Initially, Nestle started to offer condensed milk formula

and milk related products to customers (Nestle, 2013). Later on, it expanded

its offerings to other food related items.

Gradually, Nestle grew and made significant success stories. In the First

World War and also in Second World War, Nestle expanded its products to

other countries. The company produces snack and health related products.

The head quarter of Nestle is in Vevey. In terms of revenues, Nestle is the

largest food company of the world. The objectives of Nestle are to become

leader in Health and Wellness and nutrition. In addition to this, the company

also aims to be trusted by other stakeholders regarding its business and

financial performance.

Nestle offers wide range of products and services. The portfolio of company covers all categories of food and beverages industry. The aim of Nestle is to provide healthy eating and drinking experience to customers so that they can enjoy every stage of their life. In 2010, Nestle offered a Nestle Cocoa Plan which aimed at provision of 38 plantlets to farmers to help them to rejuvenate productivity of their farms. In 2011, Nestle became the first company which made a partnership with Fair Labor Association (Nestle, 2013).

Through this partnership, Nestle helped to investigate child labor practices in the cocoa farms which supply raw materials in its factories. II. Brief Description of Company: The industry analysis of food and beverages suggests that there will be significant growth in future. The global food and beverages industry composes different sectors which include food production, distribution, marketing, retailing and catering. Since 2009, global food and beverages industry has surpassed the total value of \$5. trillion. In the economic growth of every country, this industry is one of the significant contributors. It is expected that by 2014, global food and beverages industry will grow at the rate of 3. 5% and will achieve value of \$7 trillion (Business Vibes, 2013). In 2008, food product sector had value of \$3. 2 trillion. This industry included agriculture sector products. It is expected that by the end of 2013, the value of this sector will reach to \$4 trillion (Business Vibes, 2013).

The beverages sector of global food and beverages industry consisted products such as soft drinks, spirits, ciders, beers and wines. This industry accounted for \$1. 4 trillion in 2008. It is expected that by the end of 2013,

this industry will reach at \$1.6 trillion. This generates a growth rate of 2.6% in beverages sector (Business Vibes, 2013). The growth trends in global food and beverages industry suggest that there is great opportunity of further investment in this industry.

This growth rate is also reflected in the consuming power of customers. New companies can achieve substantial share from market in this growth phase period of global food and beverages industry. On the other hand, existing firms in global food and beverages industry can also expand their businesses. III. Key trends affecting the industry According to Nestle's annual report for the year 2010, it has shown that several trends have occurred and caused a major impact on the food industry in general and Nestle in particular.

Whereas, the recession that has happened in the year 2009 has caused a major decline in the economic growth for almost all of the businesses and especially in Nestle, which also has led to an increase in the unemployment rate. Therefore, the company's economic environment has continued to be ambiguous in the year 2010, and that would basically have led to an inflation period regarding the business's raw materials, as well as currency instability in the mentioned year. (Consolidated Financial Statements, 2010)

Although the world's economic crisis presence in the year 2009, however, Nestle has experienced its strongest growth by the final quarter of that year, and that mainly gave Nestle a great opportunity to enter the industry with their maximum power. Furthermore, with the company being motivated and be able to perform with its best has remained consistent throughout the

year, even in the end of the year 2010 when almost all of the businesses were suffering and trying to recover from the world economic crisis.

Thus, Nestle has entered the year 2011 with great energy and was able to put themselves together and perform with their best, As Nestle has stated: “ this will help us to manage the challenges? that we face and to take full advantage of our opportunities to drive? better performance and enhance shareholder value. ” (Consolidated Financial Statements, 2010). IV. Key industry success factors “ Key success factors have a share in enabling a company to differentiate itself from its competitors and to offer a ‘ unique selling proposition’ to customers or consumers”. Batra, Myers and Aaker 1996; Ketelhohn 1998). 4. Statement of problem to be investigated

References Nestle, 2013. History. Available at: <http://www.nestle.com/aboutus/history> Assessed on 17th March, 2013 Business Vibes, 2013. Available at: <http://www.businessvibes.com/blog/facts-and-figures-global-food-and-beverage-industry> Assessed on 17th March, 2013 Batra, R, J G Myers and D A Aaker (1996), Advertising Management. 5th ed. Upper Saddle River: Prentice Hall