

Introduction and company profile of nestle marketing essay



**ASSIGN
BUSTER**

Nestle's start date back to 1866, when two split Swiss enterprises were founded that would later form the core of Nestle. In the subsequent decades, the two challenging enterprises forcefully delayed their businesses throughout Europe and the United States.

Nestle was formed in 1905 by the merger of the Anglo-Swiss Milk Company, established in 1866 by brothers George Page and Charles Page, and Farine Lactee Henri Nestle, founded in 1866 by Henri Nestle. The company grows significantly during the First World War and again following the Second World War, expanding its contributions outside its early reduced milk and child formula products. The company has made a number of corporate acquisitions, including Crosse & Blackwell in 1950, Findus in 1963, Libby's in 1971, Rowntree Mackintosh in 1988 and Gerber in 2007.

Nestle's products include baby food, bottled water, breakfast cereals, coffee, confectionery, dairy products, ice cream, pet foods and snacks. 29 of Nestle's brands have annual sales of over 1 billion Swiss francs (about \$ 1.1 billion), including

Nespresso, Nescafe, KitKat, Smarties, Nesquik, Stouffer's, Vittel, and Maggi.

Nestle has around 450 factories, operates in 86 countries, and employs around 328,000 people. It is one of the main shareholders of L'Oreal, the world's largest cosmetics company.

Nestle has a primary listing on the SIX Swiss Exchange and is a member of the Swiss Market Index. It has a secondary listing on Euronext. In 2011, Nestle was listed No. 1 in the Fortune Global 500 as the world's most gainful

business with a market capitalization of \$ 200 billion, Nestle ranked No. 13 in the FT Global 2011.

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As nutrition, health and wellness company, Nestle, is committed to the improvement of value of life by helping community in which it operates to meet basic and necessary human needs. The competitors are glaxosmith con, Britannia, rei agro, kwalkity dairy, lakshmi energy, heritage foods etc.

Over the years Nestle has used its resources, skills and technology to help find solutions to the many socio-economic challenges facing communities. Many of the communities are confront by challenges such as poor cleanliness, lack of clean water, poverty, diseases, underfeeding, food security and many others.

Mission:

Positively influence the social environment in which we operate as responsible corporate citizens, with due regard for those environmental standards and societal aspirations which improve quality of life.”

Vision:

To be a leading, competitive, Nutrition, Health and Wellness Company delivering improved shareholder value by being a preferred corporate citizen, preferred employer, preferred supplier selling preferred products.

Company profile:

Nestle India Ltd, one the biggest players in FMCG segment, has a existence in milk & nutrition, beverages, prepared dishes & cooking aids & chocolate &

confectionery segments. The company is unavailable in the food business. The food business incorporate product groups, such as milk products and nutrition, beverages, prepared dishes and cooking aids, chocolates and confectionery. Nestle India manufactures products under brand names, such as Nescafe, Maggi, Milky bar, Milo, Kit Kat, Bar-One, Milkmaid and Nestea.

The company has also introduced products of daily utilization and use, such as Nestle Milk, Nestle Slim Milk, Nestle Fresh ' n ' Natural Dahl and Nestle Jeera Raita. The company's brands include milk products and nutrition, prepared dishes and cooking aids, beverages, and chocolates and confectionery. Their milk products and nutrition includes Nestle Everyday Dairy Whitener, Nestle Everyday Ghee, Nestle Milk, Nestle Slim Milk and Nestle Dahl. Beverages Include Nescafe Classic, Nescafe Sunrise Premium, Nescafe Sunrise Special and Nescafe Cappuccino.

Nestle India is a secondary of Nestle S. A. The company has attendance across India with 7 manufacturing facilities and four branch offices extend across the region. The four branch offices in the country help facilitate the sales and marketing of its products. They are in Delhi, Mumbai, Chennai and Kolkata.

The company's four factories were awarded the internationally predictable external certification ISO 14001 for adherence to environmental processes and OSHAS 18001 for Health and Safety. In the year 2008, the company launched Nestle Nesvita Pro-Heart Milk with Omega-3 in Mumbai. Nestle Nesvita Pro-Heart is part of daily diet and has Omega-3 heart friendly nutrients scientifically known to help manage cholestrol. As part of their

ongoing dedication to offering best in class nutrition products to Indian consumers, the company launched NESTLE NAN 3, a follow-up formula for older infants. During the year, MAGGI PICHKOO Tomato Ketchup was launched in a unique easy to handle day pack to drive affordability, taste and convenience for a larger number of consumers.

Milestones achieved

CNBC Awaaz Consumer Awards has honoured Nescafe as the most preferred coffee brand.

Business India has rated Nestle India as No. 1 on Return On Capital Employed amongst Super 100 companies.

In 2011-2012 Nestle India was awarded the ' Best Exporter of Instant Coffee', ' Highest Exporter to Russia and CIS", ' Highest Exporter to Far East Countries'.

Recent developments

The company has introduced products in milk segment for daily consumption and use such as Nestle Milk, Nestle Slim Milk, Nestle Fresh ' n' Natural Dahl and Nestle Jeera Raita.

Growth of nestle

In 2008 profit growth are increase 29. 06%, in 2009 profit growth are increase 22. 64%, in 2010 profit growth are increase 24. 99%, in 2011 profit growth are increase 17. 45%, in 2011 profit growth are increase 11. 06%.

In 2008 sales are increase 23. 40%, In 2009 sales are increase 18. 62%, In 2010 sales are increase 21. 94%, In 2011 sales are increase 19. 76%, In 2011 sales are increase 10. 83%.

Nestle company continues to maintain high operating margins at around 21%. We believe low volume growth resulted from lower off-take by canteen store departments, which sustained to result in slower growth across industry. Depreciation provisioning has increased by approximately 86% due to aggressive capacity addition by the company in the last one year.

The lower net profit growth is also due to a reduction in the tax benefits enjoyed by the company at its Pantnagar plant in the March 2012 quarter. net profits expanded just 9 per cent in the March 2012 quarter; growth in the March 2011 quarter stood at 27 per cent.

The Nestle scrip closed at Rs 4, 938. 10 up by 0. 92% while the Bombay Stock Exchange marginally declined by 0. 33% to close at 17, 151. 29.

In 2010 operating profit are 1015. 39 crore, In 2011 operating profit are 1245. 42 crore, In 2012 operating profit are 1537. 96 crore. Nestle company every year increase the profit because of the customer are purchased from the different product in the market. Customer are satisfied for the all the products.

Product

Milkmaid

Milkmaid

A partly skimmed sweetened condensed milk, nestle milkmaid is a versatile product and excellent as a dessert ingredient. With milkmaid, you can whip up lip-smacking desserts for your family in the shortest possible time.

Lactogen

Lactogen

We supply milkoplex bolus which helps in stimulating the milking power of psychologically disturbed milch animals such as cows and buffaloes. Some of the psychological conditions for which milkoplex blous is used in animals.

Nestle Cerelac

Nestle Cerelac

Our range is highly hygienic and has excellent strength that prevents the food from dust, moisture and other contaminants, thereby increases shelf life. Further, our range is available in different finishes and at most affordable rates to the clients.

Nestle Nescafe

Nestle Nescafe

We are engaged in offering Instant Nescafe Premix, which is prepared by just adding hot water. It is instant to prepare, and additional sugar or milk is not required. We procure these instant Nescafe premix from reliable vendors of the market, keeping in mind the varied requirements of our clients. These are made using perfect proportions ensuring rich taste and pleasant aroma.

Nestle Munch

Nestle Munch

We offer instant chocolate premixes which is of high standard. Recipe based exotic beverages to have an intense lingering experience. We manufacture the most luscious and refreshing Instant chocolate Premix. We use meticulously selected chocolate to create the most natural coffee flavor. As the name suggests, this coffee premix is very convenient to use and provides great taste.

Nestle Kitkat

Nestle Kitkat

Chocolate is the choicest food item among people for celebrating various occasions and parties. Using pure milk these chocolates are made which are blended with dry fruits to bring a delicious and crunchy taste. These chocolates are further finished with square shaped cakes and are packed using quality packaging materials which keep them fresh & hygienic for a long period of time.

Nestle Maggi

Nestle Maggi

As a reputable trader, we are always ready with fresh stock of the best quality Maggi Masala Noodles. We provide Maggi Masala Noodles to popular outlets in India and other retail shops. Moreover, Maggi Masala Noodles are always in demand in the market.

Nestle Nestogen

Nestle Nestogen

Contents : Per 100g: Fat 23. 9 g, linoleic acid 3. 65 g, linolenic acid 467 mg, docosahexanoic acid 44 mg, protein 12. 5 g, carbohydrates 58. 2 g, minerals 2. 4 g, sodium 155 mg, potassium 495 mg, chloride 305 mg, calcium 475 mg, phosphorus 305 mg, magnesium 33 mcg, manganese 45 mcg, moisture 3. 0 g, vitamin A 1, 500 IU, vitamin D 230 IU, vitamin E 6 IU, vitamin. K 40 mcg, vitamin C 50 mg, vitamin B1 0. 35 mg, vitamin B2 0. 75 mg, niacin 5 mg, vitamin B6 0. 37 mg, folic acid 45 mcg, pantothenic acid 2. 2 mg, vitamin. B12 1. 5 mcg, biotin 11 mcg, choline 50 mg, inositol 25 mg, taurine 40 mg, carnitine 8 mg, iron 6 mg, iodine 75 mcg, copper 0. 3 mg, zinc 3. 7 mg, selenium 5 mcg , 498 kcal.

Production department

Production process:

Milk collection:

Milk collection system of nestle milk pak is excellent. According to this system milk is collected farmer area of about 72000 km.

Village milk center 2273

Sub centers 583

Main centers 23

Nestle acquire milk directly few farmers, there is no middle man. On molk centers price is milk is paid according to percentage of fats. If the quality of

fat is less than required (6%) than price will be accordingly. in milk collection centers temperature of milk is kept at 4 C.

Reception:

From milk collection centers milk is collected and deliver to factory daily seal of tankers are correctly decided. Receiving capacity of milk is 60000 liters.

Standardization:

All the animals are different composition of fats in their milk in different seasoners. Standardize milk according to the recipe milk is given temperature of 72 c for 15 second to reduce bacteria in milk, this process is called thermization life of milk is increased by this process and standardization composition is fats.

Decreaming:

In this process of descreming solid non fat and cream is divided, milk is given temperature of 60 c and 60000 rpm in de- cremer. so that dirt particles cream can be estranged Dirt is drained after 30 seconds milk is send for further processes.

Pasteurization:

In this process milk is heated at 92 c for 5 seconds to remove remaining bacteria. After pasteurization milk to treated for conversion into powder.

Evaporation:

Low hit treatment:

Milk is intense at high pressure of 889 mille bar so that is start boiling at about 70 c.

4 effect folling film:

Milk is evaporating in 4 consequence system. Milk is evaporating about 56%, 62%, 67% and 75% after 1 st, 2 nd, 3 rd and 4 th effect respectively.

Spray drying:

In this process there are 5 creative high pressure nozels which exert high pressure on milk after that their which exert high pressure on milk after that that area about 50% water and 50% solids in milk.

Cooling:

After spray drying there is a cooling process, in which powder is cooled before storing.

Packing:

Milk is packed in different packing according to the weight required, form tote tilting station from selling.

Marketing department

Product:

Milkmaid

Lacto gain

Nestle cerelac

Nestle Nescafe

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Nestle munch

Nestle kitkat

Nestle magi

Nestle nestogen

Price:

product

price

milkmaid

30

Nestle kitkat

30

Nestle magi

40

Nestle Nescafe

50

Nestle munch

20

Distribution channel:

manufacturer

agent

distributor

retailer

end customers

Segmentation:

Geographic segmentation:

It is compare the spending levels, income levels, employment levels and buying lifestyle.

Demographic segmentation:

This refers to ways of separating people according to age, gender and income.

Psychographic segmentation:

There are no. of important issue to not regarding the use of socio – economic groups. They refer to the head of household. They do not refert to income levels.

Behaviouristic segmentation:

It is considered consumer behavior patterns.

Human resource department

HR policy:

This policy encompasses those strategies which represent a sound basis for competent and helpful HR management in the Nestlé group of around the world. They are in spirit supple and vibrant and many require modification to a variety of situations. Therefore its execution will be stimulated by sound decision fulfillment with local market laws and common sense, taking into account the explicit framework. These HR policies are addressed to all those who have a dependability in organization people as well as to HR professionals. The Nestlé management and leadership principles include the guidelines inspiring all the Nestlé employees in their action and in their dealing with others.

Employment:

The commercial business principles outline the company's promise to fully support and to respect a series of principles and international conventions regarding employment rights. Nestlé provides a working environment which protects the health and welfare of the employees according to the highest reasonable standard of safety, hygiene and security. Each employee should not only care for her own safety. Nestlé favors a policy of long-term employment. Whenever, a business cannot be maintained within the Nestlé specialty, reasonable steps will be undertaken to avoid overall loss of employment by identifying external businesses willing to take over activity from Nestlé.

Work life balance:

Nestle is prepared to support employees who wish to taken an active part in the life of the society or by pretentious farm duties in professional, civic, cultural, religious organizations is being understood. Nestle consider that the employees private and professional life should have a good balance. Nestle encourages bendable working condition whenever possible and encourage its employees to have motivations outside work.

Industrial relations:

Nestle upholds autonomy of relationship of its employees and the effective gratitude of the collective bargaining. IR are a clear responsibility of local management and will be handle at the suitable level: first at site level (factories) consequently at regional level. Relation with union established under strict observation of national law, international commendation to which nestle has to a voluntary basis stated in the corporate business principles. Nestle will ensure that direct and frequent communication is established with its employees, both union members and non- members, as mention in the nestle management and leadership.

HR organization:

The fact that Nestle is more people and product than systems leaning is reflecting in the way HR is functioning and is organized. Processes and systems as well as professional HR tools are there to support HR management but never to the damage of the human dimension. The HR function should report to the manager accountable for a defined operation (Region, Market, Country, and Factory) with a functional relation to the

market HR according to the size of that operation. The HR manager should not only have the skills and competencies from a simply professional position but also have the behavior and the influence to be a dependable partner to her/his contemporaries. HR function should certainly provide perfect organizational hold.

Information technology department

On a day to day basis, our systems give the essential edge to significant, highly complex business functions across everything from logistics to manufacturing, human resources, finance and sales. It's therefore fundamental that we stay supple in order to allow each business group to counter to quickly shifting market circumstances whilst maintain high standards of dictatorial and internal fulfilment.

A demanding IT career which is as much about service management and delivers efficient cost-effective services as it is about technical knowledge. It will entail you to drive out needless cost and complication and pre-empt problems through end-user education and a right-first-time mentality.

In return, you'll be joining an IT team widely documented as the aptitude pool for technical specialist and senior managers throughout Nestle's global operations. The opportunity to take your career to a global level and work with the latest configurations from vendor. Plus you'll get to say that you helped facilitate the world's leading nourishment, healthiness and wellness of nestle company.

Swot analysis

Strength:

Brand image

Marketing strategies established by the innovative

Financial, marketing and sales strategies are formulated by gauge the interrupted research

Approved out of moderator market trend.

It is a large scale organization, with plentiful funds and has the ability of acquire weaker

Firms by throw out of competition. E. g. growing sales and profits, quality products, skilled

Labor, educated staff, solid financial position.

capability to control strong product name to generate sales

Talent to modify product to the local market situation.

physically powerful worldwide operation with diversify income base

investigate and expansion capability

The world biggest processed foods and beverages company

constantly introduce new products for its Indian customers on a numerous basis, thus

Growing its product offering.

Parent support:

Nestle India has a strapping maintain from its parent company, which is the world's largest process food and beverage company, with a attendance in almost every country. The company has entree to the parent's enormously victorious international piece of paper of products and brand.

Brand strength:

In India, Nestle has some very strapping brands like Nescafe, Maggi and Cerelac. These brands are almost standard to their product category.

Product innovation:

The nestle company has been always introduce new products for its Indian consumers on a common basis, thus increasing its product contributions.

Weaknesses:

Escalating instance of product recall obstruct brand equity

The target market of nestle milk pack is upper middle and high class because lower middle and

Reduced class can not pay for to buy milk due to its best value

Main weakness is milk pak that there are special companies of milk but the name of nestle

Milk pack is forever position in the last because of low advertising and marketing of the

Product.

Supply chain:

The company has a compound supply chain management and the main matter for Nestle India is traceability. The food processing industry requires high standards of cleanliness, quality of safe to eat input and workers. The uneven nature of the Indian market place complicates things more.

Exports:

The domestic business posted a 13.7% growth in net sales to Rs. 1866 cr. However, exports register a 1.1% decline to Rs. 118 cr although a strong 56% increase in exports to third parties due to 24.5% decline in exports in affiliate. This constitutes a big portion of the total exports to a single location. Historically, India has been a very unbalanced market for Nestle, and its overall performance takes a hit often due to this factor.

Mature markets:

Nestle is incoming to markets that are already mature and can give a rough struggle to new entrants in the market.

Plain yogurt:

Nestle plain yogurt has proved to be a nestle weakness because it has been unable to make its market place in India, but nestle by analyze the responsive areas can rise above its weaknesses. Less consumer research in few areas.

Opportunity:

conversion to a nourishment and well being company

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Focus on rising and budding saving

booming out at home company

possible to enlarge to minor towns and geographic product

recognition rule can be adopt to increase sales

Expand by modification the taste of the sufficient towards product.

Healthy food market

Asian market

Expansion:

The company has the possible to expand to smaller towns and other geographies. Existing markets are not fully tap and the company can increase occurrence by stabbing further. With India's demographic profile shifting in favor of the uncontrollable class, the per capita utilization of most FMCG products is likely to grow. Nestle will have the intrinsic advantage of this trend.

Product offerings :

The company has the option to expand its product sheet by introducing more brands which its parents are famous for like breakfast cereals, Smarties Chocolates etc.

Global hub:

Since manufacturing of some products is cheaper in India than in other South East Asian countries, Nestle India could become an export center for the parent in convinced product category.

Threats:

reduce chocolate interest

Water

fulfillment issue consequential in penalty payments

Macro economic factors

allegation of unprincipled trade

Market section growth could draw new entrant

Taste of consumer has already developed which is hard to change.

Inflation is getting higher and higher so the purchase power of the people is decreasing day to

Day basis.

Competition:

The company faces huge struggle from the organized as well as the unorganized sectors. Off late, to loosen its trade and investment policies to facilitate the country to better function in the globalised wealth, the Indian

Government has condensed the import duty of food segments thus increasing the fight.

Changing consumer trends:

Movement of enlarged consumer spends on consumer durables resulting in lower expenses on FMCG products. In the past 2-3 years, the performance of the FMCG sector has been uninspiring despite the economy growing at a straight speed. Although, off late the state has been improving, the confidence on monsoon is very high.

Sectoral woes:

Rising prices of raw materials and fuels, and sequentially, increasing wrapping and manufacturing costs. But the companies' may not be able to pass on the full encumber of these onto the customers.

Michel Porter's Five Force Model

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[ANd9GcQCqo8SyDfdR3pTZWlc2JNAeu_q5NdDJPSrL1hW3R9f-qEszGcc](http://t2.gstatic.com/images?q=tbn:ANd9GcQCqo8SyDfdR3pTZWlc2JNAeu_q5NdDJPSrL1hW3R9f-qEszGcc)

Threat of new entrants:

The threat of entry depends on the existence of entry barriers and the attendance of new entrants to a food processing industry naturally bring to it new competence and the want to increase market share. The threat of substitutes exists most acutely when the price of a similar product in the marketplace go losing. As more substitutes become available, both the order for and the price of the products becomes more expandable. As the price for

substitutes goes down, the manufacturer of the original product is prohibited from rising or required to lower its price.

Smaller food processing companies often have difficulty obtain supermarket shelf autonomy for their products as large retailer charge for hole on their shelf and give precedence to the established companies who can pay for the advertising needed to produce high buyer command The nation is a major factor as if the company requirements to be a part in this food processing industry. It must be clever to face high costs for strapping competition. Moreover, the slow market growth rate for the food processing industry cause gaining between companies, resulted the barriers to entry are high with so many food processing companies and little to zero capability remaining for any more companies.

The barriers to entry are obstacle on the way of possible new entrant to enter the market and complete with the incumbent. The difficulty of entering a market cans protection the incumbent alongside new entrants. Current profits are potentially higher than in a truly aggressive market, at the operating expense of their suppliers and buyers. The higher the barriers to entry, the more power in the hand of serving.

Most important barriers:

Capital requirements

Government policy and regulations

Customer channels

Bargaining power of customers:

Buyers are the people or organizations who generate demand in the food processing industry. Bargain power is capacity to pressure the setting of prices. Monopolistic buyer will use their supremacy to remove better terms higher profit margin at the expense of the sell. In a truly competitive market, no one buyer can set the prices. Instead they are set by supply and demand. Prices are set by supply and demand and the market reach the pareto-optimal point where the highest probable number of customers are content at a price that still allow for the supplier to be beneficial.

The bargaining power of buyer is greater than:

There are leading buyers and many sellers in food processing industry

Product are consistent

Buyers pressure to integrate backward into the food processing industry.

Suppliers do not threaten to combine forward into the buyers industry.

The industry is not a key supplying group for buyers,

Consumers affect the food processing industry through their ability to strength down prices, bargain for higher products quality and services, and play competitors alongside each other. The bargaining power of buyers is high as there are huge tendency of new entry with new and diversity of products. Besides, consumers prefer choose products which offer lower prices. For example, Campbell's soup products price is relatively 20 to 25% higher than generic brands in grocery stores, hence some consumers would

choose generic brand products in the market rather than Campbell's.

Besides, the profitability obtained by the company is also determined by consumers.

Food processing companies would be forced to lower prices if consumers believe that the prices are too luxurious as consumers be inclined to stop buying their products or button to supplements.

Bargaining power of suppliers:

Suppliers are the businesses that supply materials & other products into the food processing industry. The cost of items buy from suppliers (e. g. raw materials, components) can have a major impact on a industry productivity. Suppliers may decline to work with the firm. Analysis of the determinants of qualified power between the manufacturer in food processing industry and their supplier is accurately parallel to analysis of the relationship between manufacturer and their buyer.

The firms in the food processing industry that are the buyers and the producers of inputs that are the suppliers. The key issue is the case with which the firms in the food processing industry can control between different contribution suppliers and the comparative bargaining power of each party.

Suppliers can involve the food processing industry during their skill to raise prices or decrease the quality of purchased goods and services. In case quality products the suppliers features an important factor. Due to the increase rate overall price of material has been significantly increased.

Suppliers can also exercise authority on the players in a food processing industry. Supplier can grow bargaining power and can be possible threat to industry players in terms of food processing industry profits. They have the aptitude to increase or decrease the quality of products in a particular food processing industry.

Supplier powerful:

It is subject by a few companies and is more focus than the industry is selling to.

Its product is exceptional or at least differentiates or if it has built up switching costs.

The food processing industry is not an important customer for the supplier group.

Threat of Substitutes Products:

Those products that come from other industries and can create as a exchange for product in the fundamental food processing industry. In the area of expertise coffee industry, substitute products can be those non – strong beverages such as tea, soft drinks, fruit juices and energy drinks and other caffeinated drinks. These are sources of substitute products which the customer can purchase in place of coffee. However, the only true straight substitute for specialty coffee is the basic coffee, but the basic coffee is careful to be a considerably minor quality than field an as such does not near threat to specialty coffee.

The rivalry from firms of other industries which offer substitute products is strong as they are produce, supplying and serving the same food products that the food processing companies are. For example, Dunkin' Donuts is in the foodservice industry and Campbell Soup Company is in the food processing industry.

On the other hand, there are several possible substitutes; a cup of specialty coffee is still what consumer prefers to purchase. Product segregation and trademark icon plays an important role in this food processing industry. The field coffee product are different in many aspect from the substitute.

Coffeehouses offer not only a cup of coffee but the incident of sipping the specialty coffee on a deluxe hotel. Soft drink companies and non - alcoholic beverages producer are on bunch marketing, selling their product in sell stores, supermarket and departmental stores. Hence, the substitute products is not significant or is not careful a major force In the specialty coffee business,

Rivalry among competitors:

The rivalry among companies in the food processing industry i