

Report On
**“Integration of Supply Chain Management and Marketing
Management: A Case Study on FMCG Products under Nestle
Bangladesh.”**

By
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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Bachelor of Business and Administration.

BRAC Business School
Brac University
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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

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Letter of Transmittal

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Subject: Submission of Internship Report on “Integration of supply chain management and marketing: A case study on FMCG products under Nestle Bangladesh.”

Dear Sir / Madam,

It is my great pleasure to submit my internship report on “Integration of supply chain management and marketing: A case study on FMCG products under Nestle Bangladesh.” On the month of September, I had been appointed as an intern in Nestle Bangladesh under Supply chain management department. Thus, I have chosen to do my internship report on this subject.

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible. Moreover, I have gathered valuable data while working in Nestle Bangladesh as well for my internship report. I have tried my best to cover all the aspects of the topic in my internship report.

I trust that the report will meet the desires.

Sincerely yours,

Syed Zarif Samdani

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BRAC Business School

BRAC University

Date:

Non-Disclosure Agreement

[This page is for Non-Disclosure Agreement between the Company and The Student]

This agreement is made and entered into by and between Nestle Bangladesh and the undersigned student.

Student's Full Name & Signature:

Student Full Name

Supervisor's Full Name & Signature:

Supervisor Full Name

Acknowledgement

I wish to express my sincere gratitude to Mr. Joglul Tareq for providing me the opportunity to do my Internship and finish my project within Nestle Bangladesh.

I sincerely thank Mr. Habib Hasan for guiding me through the whole work process and the culture that Nestle Bangladesh follows. I also wish to express my gratitude towards the whole Nestle Team to guide me during the initial stage and provide valuable guidance when required. Moreover, I want to thank my fellow Intern colleagues to assist me and help me during my internship.

I also want to thank my Supervisor and Senior Lecturer of BRAC Business School Mrs. Mahreen Mamoon for providing an opportunity to embark on this project and guide me through the whole project.

Executive Summary

This research is on the topic “Integration of Supply Chain Management and Marketing Management: A Case Study on FMCG Products under Nestle Bangladesh” which focuses on the effective collaboration process of SCM and Marketing department to achieve enhanced competitive advantage in the market and gain quick response to market change. In an industry with fierce competition and various opportunities to capture market share, responding to the customer needs faster and quicker will become very essential for any company aiming to reach the top within any industry. Thus, it is essential to maintain the integration process between SCM and Marketing. Applying the integration process framework to understand how the case company ‘Nestle Bangladesh’ keep their business ahead in the Market and build a positive image of their multiple brands among so many customers The products of the FMCG industry requires quick response and fast reaction to the market change as a result integration is much more needed in this industry. This research also tries to successfully complete all the research objectives which are linked to the various strategies used by Nestle Bangladesh in order to connect the bridge between SCM and Marketing. Finally, the results from the research study shows that effective integration process is maintained through the development of an in-depth understanding of the key integrated work, maintaining proper relationship, aligning the departments within the organization, enhancing the communication within and understanding the key advantages of integration for the company. Primary data collected from the in-detailed interview sessions of the company employees allows the research to have a more significant impact for companies aiming to gain proper competitive edge and react to ever changing customer needs.

Keywords: Nestle Bangladesh, Integration, Framework and model, SCM, Marketing, Strategies, process.

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List of Acronyms

SCM- Supply chain management

FMCG- Fast moving consumer goods

GDP- Gross domestic product

MAC- Middle-Class and Affluent

SKU- Stock keeping unit

TEU- Twenty-two thousand equivalent

LER-Logistics Excellence Review

KPI- Key performance indicator

DAT- Digital Acceleration Team

SVIO- Silicon Valley Innovation Outpost

CCSD- Channel category sales development

INR- Innovation

CP- Customer promotion

PO- Purchase order

DFP- Demand fulfillment process

DCP- Demand creation process

Glossary

Terms	Definition
Demand Creation Process	Understanding the proper needs of the customers in the market and reacting accordingly
Demand Fulfillment Process	Supplying the required product from the needs of the customers is the fulfillment process, it is the buying side of the company
Digital Acceleration Team	Team created by Nestle Bangladesh who handles the digital side for Nestle Bangladesh
Silicon Valley Innovation Outpost	A team created by Nestle Bangladesh who constant focus on innovation and unique ideas for future development
SKU (Stock Keeping Unit)	Each item and product sold via Nestle has their own stock keeping number and it is called SKU in short form

Chapter 1

Introduction

1.1 Introduction of the Study

A network of connected and interdependent organizations mutually and co-operatively working together to control, manage and improve the flow of materials and information from suppliers to end users can be summarized as supply chain management (J. Aitken 1998).

Marketing is typically seen as the task of creating, promoting, and delivering goods and services to consumers and businesses (Philip Kotler 2009). So, both supply chain management and marketing management has one goal, which is to provide the end goods to the customer to run an individual business. Integrating both of this department can make the business run smoothly and precisely. Managing both departments separately for their individual purposes and coordinating them for multiple tasks to reach an end goal is quite challenging. However, once integration is achieved successfully it can create a valuable impact on the overall business process for any company or organization. Such is the case for Nestle Bangladesh. Generally, SCM seeks to optimize supply efficiency and focuses on cost oriented while marketing aims to optimize demand and strives to fulfill volume and revenue objectives (Walters 2006; Madhani 2016). An organization needs a proper structure which will enable them to grasp the full power of supply chain and marketing integration. With the increasing demand of quality, quantity, innovation, customization etc. among the customers it is becoming difficult day by day to keep up with such high end expectation. However, integrated work within multiple departments in an organization can assist them in achieving the galactic demands. Business integration is driving the present day organizations and may be a key catalyst for development. It permits organizations to use their existing forms, individuals, innovation, and data in arrange to remain ahead in a red ocean where thousands of companies are ready to jump in and to find

a market gap. Understanding how internal end operation of supply chain correspondingly work in an integrated environment with the external end operation of marketing management is the real examination of towering organizations.

1.2 Research Objective

The general objective of this research is to develop a clear understanding of the integration process of supply chain and marketing of Nestle Bangladesh. Basically, assessing the framework of integration in the work environment. Among the specific objectives, Understanding and analyzing the total integrated work units developed in Nestle Bangladesh to properly maintain the integration. Assessing the key roles that take part in running the engine room for the integration between supply chain management and marketing management. Focusing on the relationship building and maintaining between the employees of Nestle Bangladesh of separate departments. Identifying the advantages gained from the structured integration process of Nestle Bangladesh. Finally, comprehension of how Nestle Bangladesh maintains clear understanding between two separate departments and aligning them to the same direction.



Figure: Research Objective extracted by author

1.3 Problem description and problem analysis

Marketing leads the front face with creative solutions to the customer's endless needs. Implementing and executing those ideas and fulfilling those needs is the work of supply chain. However, supply chain along is not sufficient to lead both functions and marketing cannot execute creative ideas and innovation without the engine running behind them.

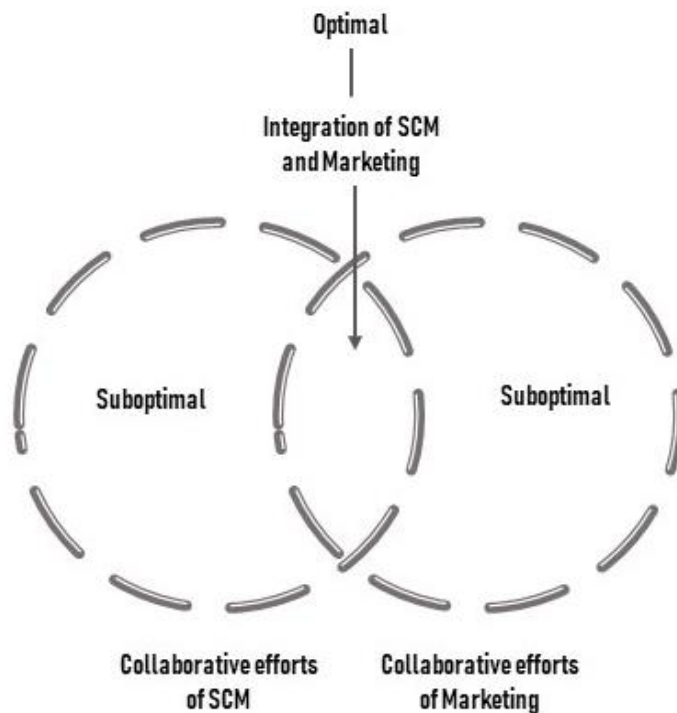


Fig: SCM and Marketing integration for optimal outcome (Source: Madhani 2019)

Although having massive arguments that indicates its necessary to have a business atmosphere where integration between SCM and marketing is absolutely necessary but most organization tends to fail collaborating the two different departments. Thus, this research focuses on providing a guideline to other companies and

organization and gives a proper insight on how Nestle Bangladesh have created a structure business atmosphere where integration work between SCM and Marketing management is managed. Moreover, this research also provide useful analysis on how this process can be further improved for both national and multinational companies.

1.4 Limitation of the Research:

Although working in a very motivated business environment of Nestle Bangladesh has provided me bunch load of experience. However, there were number of limitation for this

research paper. Firstly, due to working for only three months in the business environment of Nestle Bangladesh I had access to limited data and experience. Working in a specific business unit also provided me less opportunity to learn about other business units. Secondly, I didn't have much financial support to conduct this study on a bigger scale. I could not interview with more employee across the whole Nestle headquarters and factory. Thirdly, due to such a compact and busy schedule of the working employees, I was not able to get a lot of time gathering data and interview sessions.

1.5 Motivation of the Research Topic and Case Selection:

In a world of intense competition, gaining competitive advantage is the prime target for every working organization. I believe multinational companies who have established such huge presence all over the world can be an ideal example to the emerging and growing companies. As I have been working as an intern in Nestle Bangladesh, the first thing that fascinated me about Nestle Bangladesh was that, the international structured maintained through every office across the globe. Not only the Head office of Nestle Bangladesh but also the different factories and distribution point across Bangladesh. As a result, I was motivated to pick Nestle Bangladesh as part of my case study. I believe this study will be valuable for all the FMCG industry. As for the topic selection, as I am closely working with the Supply chain heads in Nestle Bangladesh supply chain, I wanted to dig deeper in this topic. However, I have abundance knowledge in the marketing sector due to university teachings and practical experience as well. As a result, I wanted to select a topic that will allow me to use the knowledge I have gained in Nestle Bangladesh and the previous experience/study from my academic career. Nestle Bangladesh has won multiple awards for its renowned supply chain unit. Moreover, Nestlé's brand is known all around the world thanks to the brilliant minds working in the marketing team. However, this successful journey would have not been possible without the SCM and marketing team working simultaneously and collaborating in the same

direction. Thus, I chose to work on this topic “Integration of supply chain management and marketing management: A case study on FMCG products under Nestle Bangladesh.”

1.6 Research Question:

This study will primarily focus on the theories and the data collected from firsthand experience to identify the following research questions:

1. How does Nestle Bangladesh execute high level integration process between SCM and marketing management to achieve proper working accuracy?
2. What are the strategies followed by Nestle Bangladesh in order to maintain effective collaboration between SCM and Marketing?

1.7 Study weight:

The wide extend of items from Nestle caters to desires of all age bunches. Be it, newborn children, with the infant nourishment items or grown-ups with the coffee, tea, breakfast cereals, solidified foods, and snacks, to name some. Nestle too offers nourishment for your pets. Considering such huge range of products, I think this study will not only create an impact for the FMCG industries but also multiple product based and manufactured based industries. According to Michael Wilson, “Whether you're a fledgling start-up or a long-standing cooperation, this Swiss conglomerate displays the true importance of market research, responsible sourcing, product diversity, and going waste-free.” As a result, I think Nestle Bangladesh can make an outstanding benchmark to all the companies and how to maintain and operate proper integration between different departments.

1.8 FMCG Industry:

The broadened urban populace of the nation has invigorated sensible development for the nourishment and finished products and has caused sizable needs for the related items. Like urban populace, middle class individuals have contributed and anticipated to contribute within the development of quick moving consumer product. Consumption of the rising class from low to middle class is considered as one of the major drivers of the growth of the FMCG industry. According to the Boston Consulting Group, 2 million Bangladeshis are joining the ranks of the MAC every year. By the year 2025, the number of people belonging to MAC is expected to nearly triple to 34 million from 12 million in 2017. As the process unfurls, the FMCG industry should be able to capitalize on the situation. In last 15 years, consumption expenditure for rural areas has increased significantly and reached at 103% from 81%. There was a time when FMCG products heavily depended on the urban population. But now most of the FMCG companies are also relying on the rural people and their consumption behaviors. Introducing innovative products with smaller sachets so that rural people can use FMCG products and include them in their daily life. Specially in Bangladesh where majority of the population is rural dominant. Moreover, I believe with the growth of GDP and rural development we will see a major growing curve in the FMCG industry. At present there are about 38 FMCG companies in Bangladesh with Unilever, Nestle, PRAN, ACI, Marico leading the bunch. In Bangladesh, the FMCG industry can be classified in three major categories- Nourishments and Beverage, Personal Care and Household Care. Foods and Beverage Industry includes all food products such as biscuits, milk & dairy products, ice-cream, frozen foods, coffee & tea, baby foods, tobacco, soft-drinks and others. Personal Care industry incorporates the items which are utilized for individual care like cosmetics, perfume, toiletries products and other related products. Household products incorporate the items which are valuable to preserve the house

like cleaning and beautifying. Like sprays or room scents, detergent, soap noodles, liquid detergents and related products. A snapshot of the FMCG companies at present in Bangladesh.



Fig: A snapshot of the logos of the FMCG brands present in Bangladesh

Chapter 2

Literature Review

2.1 Theory

2.1.1 Supply Chain Management

Extreme competition in today's worldwide markets, the presentation of items with brief life cycles, and the increased desires of customers have constrained trade enterprises to invest in, and center attention on, the connections with customers and suppliers (Simchi-Levi et al., 2000). Supply Chain Management is a sequence of (decision making and execution) processes and (material, information and money) flows that aim to meet final customer requirements and take place within and between different supply chain stages. The supply chain not only includes the manufacturer and its suppliers, but also (depending on the logistics flows) transporters, warehouses, retailers, and consumers themselves. It includes, but is not limited to, new product development, marketing, operations, distribution, finance, and customer service (Chopra and Meindl, 2001). So, supply chain can be deemed as a carrier for businesses to get the product from the company to the customer. Below figure will provide a wider portrait of Supply chain management.

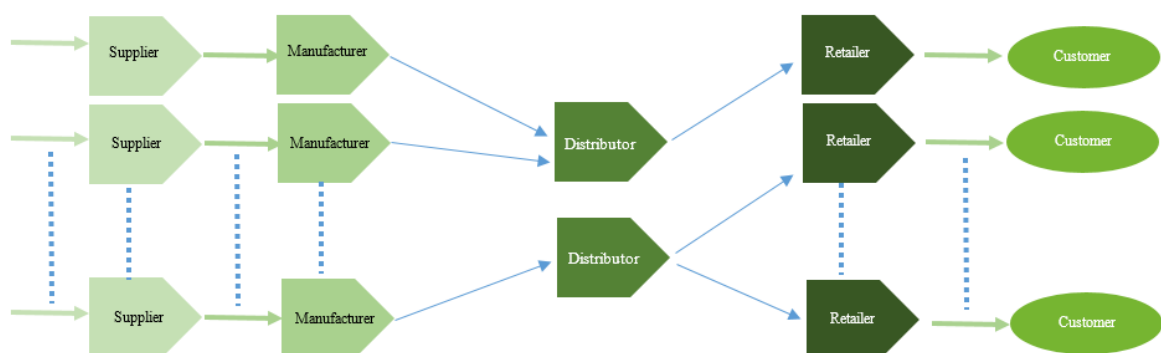


Fig: Overall supply chain network (Source Chopra and Meindl, 2001)

The traditional view on a supply chain is the cycle view (Chopra and Meindl, 2001). In this particular cycle various number of suppliers provides the essential raw materials to the

manufacturing house. Usually the raw materials are provided based on forecasting conducted by the manufacturing company. After getting the required raw materials the manufacturing house produces the finished goods. Which is then passed along the distributors so that the finished product can reach the retailers store. In the retailer stores the finished goods acquire shelf existence. The customers can visit different and various number of retailer stores to buy the finished goods. Basically this the cycle view of supply chain management. The characteristics of SCM is provided below to provide a detail understanding of SCM.

<i>Element</i>	<i>Traditional Management</i>	<i>Supply Chain Management</i>
Inventory management approach	Independent efforts	Joint reduction in channel inventories
Total cost approach	Minimise firm costs	Channel-wide cost efficiencies
Time horizon	Short term	Long term
Amount of information sharing and monitoring	Limited to needs of current transactions	As required for planning and monitoring purposes
Amount of co-ordination of multiple levels in the channel	Single contact for the transaction between channel pairs	Multiple contacts between levels in firms and levels of channel
Joint planning	Transaction-based	On-going
Compatibility of corporate philosophies	Not relevant	Compatible at least for key relationships
Breadth of supplier base	Large to increase competition and spread risk	Small to increase co-ordination
Channel leadership	Not needed	Needed for co-ordination focus
Amount of sharing of risks & rewards	Each on its own	Risks & rewards shared over longer term
Speed of operations, information and inventory flows	'Warehouse' orientation (storage, safety stock). Interrupted by barriers to flows. Localised to channel pairs	'DC' orientation (turnover speed). Interconnecting flows; JIT, Quick Response across the channel

Fig: Characteristics of Supply Chain Management

(Source: Vorst 2014)

2.1.2 Marketing management

Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders (Kotler, 2006). Marketing management is the craftsmanship and science of choosing target markets and getting, keeping, and developing customers through creating, conveying, and communicating superior customer value (Kotler,

2006). So, marketing management is the driver of the company, it sets the direction in which the company will move forward to and also delivers the needs to the customers of the company.

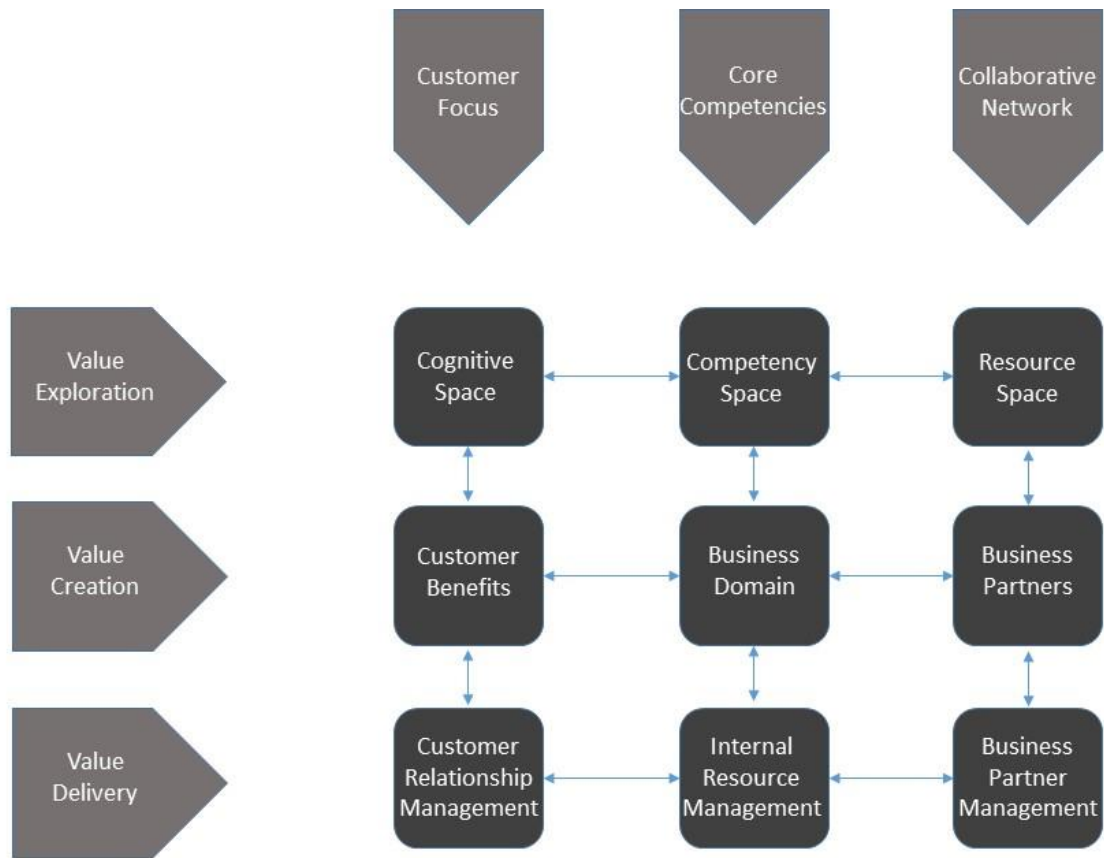


Fig: A holistic marketing system framework (Source: Kotler 2012)

holistic marketing system highlights such process, where interactions between clients, suppliers, distributors, company, workers, etc., and others exercises based on common benefits, can offer conceivable outcomes in creating, keeping up and renewing customer value. Marketing plays an essential role in developing products and understanding the key needs the that the customers demand so that the business can always pace themselves with the new trends and demands. Just producing goods aimlessly will lead to huge loss for any company and that's where marketing comes in. Effective and valuable production of company goods is ensured by strategic marketing management.

2.1.3 Integrating process

Integration is an essential element within supply chain management itself, as supply chain has to handle a lot of department simultaneously. On the other hand, integration for marketing work as a way to increase customer value and product development according to the needs of customers.

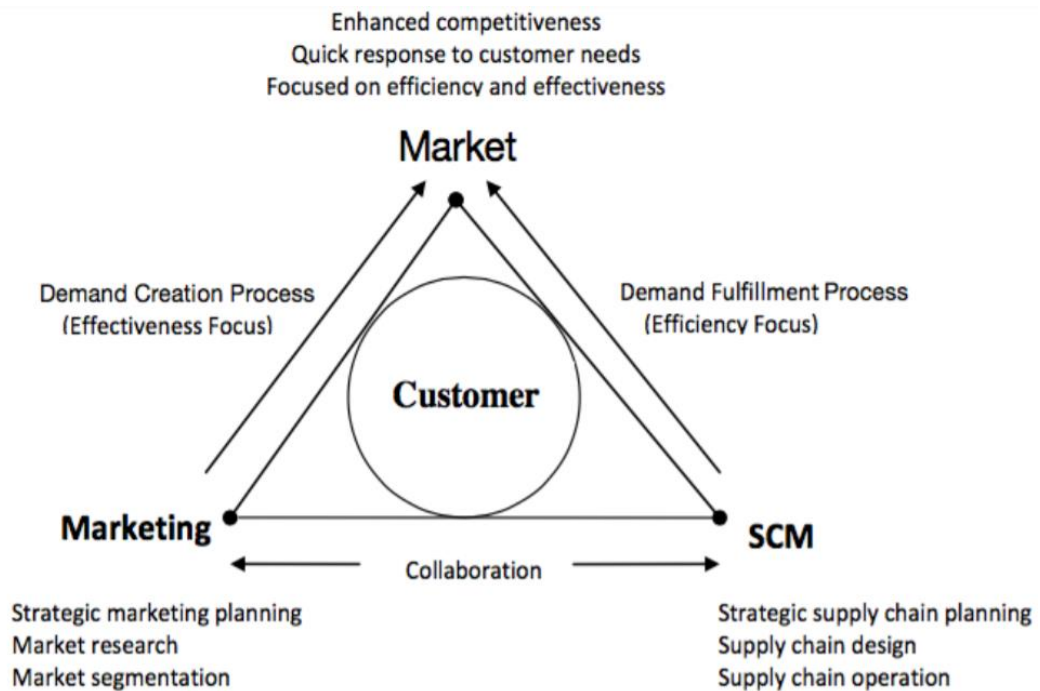


Fig: A framework of integration process between SCM and Marketing

(Source: Esper, Elinger & Stank 2010)

Demand creation process focuses on the revenue and deal with the generation of money for the company or organization. It also points out what is valuable for the customers and which products are diminishing their value in the market. Demand creation process initiates with the understanding of the needs and wants of the customers then developing the needed strategy to successfully handle that needs via the products sold by the company. Market segmentation, strategic marketing etc all are strategic planning that focuses on the needs of the customers.

Demand Fulfillment process concentrates on fulfilling the demands generated by the customers, which is directly connected with the SCM side of the business. Demand fulfillment process focuses on the buy side of the company. The whole process is effectively covered through supply chain strategic planning and SC designs & operations. Thus, this side of the framework is made effective through the total supply chain process.

Now aligning this two major demand and fulfillment process to incorporate steady flow of business to understand the needs and provide the needs is the integration process of supply chain and marketing. Collaboration takes place only when the individuals collectively accomplish their objectives for marketing and SCM so that total process becomes lean and very effective. Integration of SCM and marketing choices ought to be a prime concern for firms. Supply chain activities, ought to continuously be adjusted with the business strategy of the firm and incorporate upstream (i.e., arrange preparing) and downstream (i.e., demand management and customer benefit) exercises in arrange to encourage the integration of the supply chain. Integration framework highlights the interplay between marketing and SCM as an enabler of customer-value creation. The ultimate goal of integration framework is to gain competitive advantages by differentiating not only the products, but also the delivery process and to exploit the linkages between marketing and SCM.

2.2 Case Company Overview

2.2.1 Nestle Overview

Nestle is one of the world's biggest nourishment and beverage company, based in the Swiss town of Vevey where it was established more than 150 a long time back. Nestle is established in 189 nations around the world, and its 328,000 representatives committed to the reason of upgrading quality of life and contributing to a healthier future. Nestle aims to continuously work for the purpose of delivering healthy food for a healthier world. Nestle moreover needs

to rouse individuals to live more beneficial lives. Nestle has more than 2000 brands extending from worldwide icons, like Nescafé or Maggi to nearby favorites like Milo or Nido, as Nestle

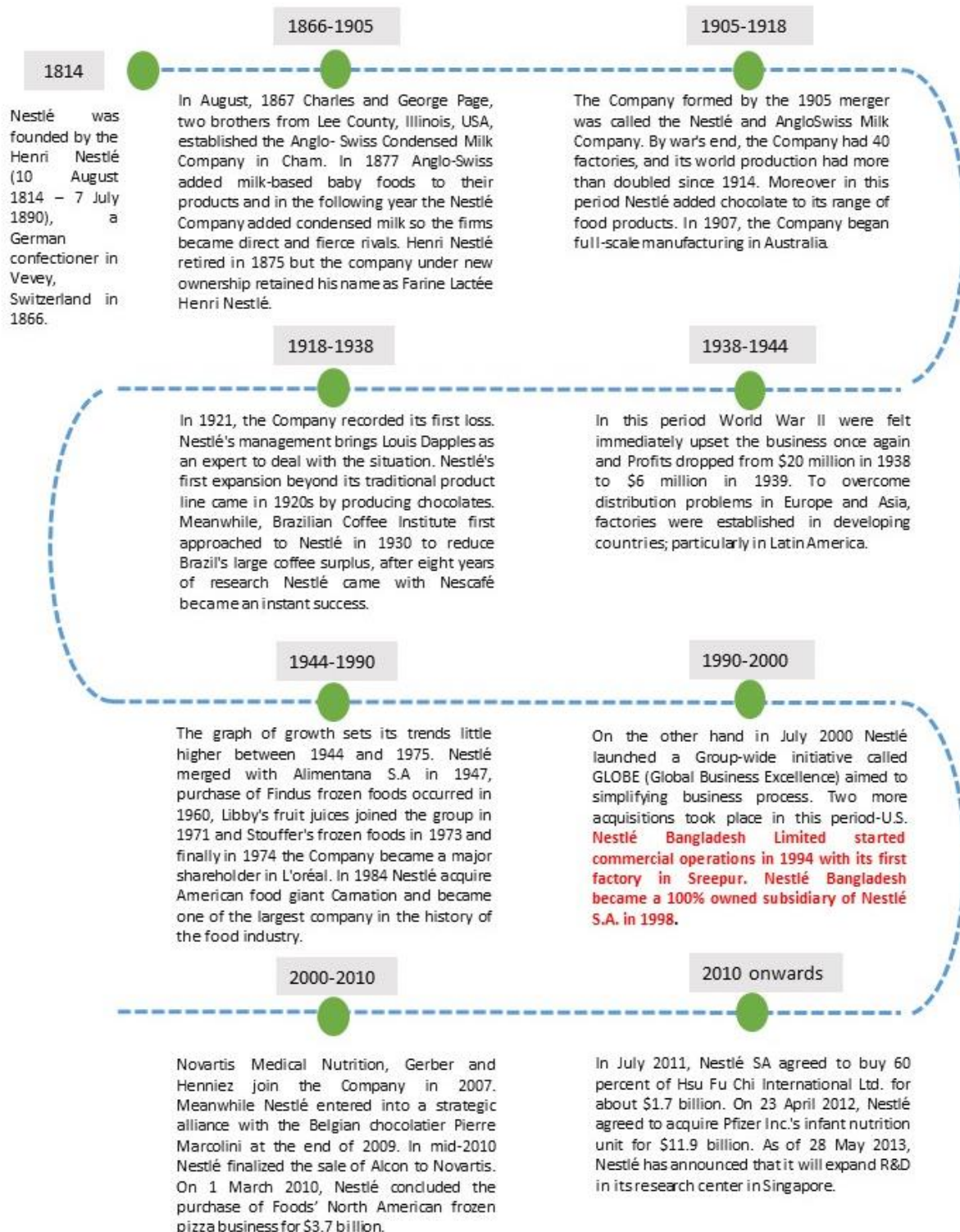


Fig: Journey of Nestle from 1814-2010

offers a wide portfolio of items and services for individuals and their pets all through their lives. Nestle’s execution is driven by Nourishment, Wellbeing and Wellness strategy. Let us walk down the history of Nestle as few of the major events of nestle is mentioned in the below

2.2.2 Nestle Bangladesh

Nestle begun its operation in 1994 in Bangladesh and its only production line is presently arranged in Sreepur, Gazipur. Nestle contributed Tk. 110 center so distant since 1994. Unfathomably sold products in Bangladesh are Nido, Nescafe, Maggi noodles and soup, Maggi Shad-e-Magic, breakfast cereals such as Corn Flakes and Koko Crunch, Coffee-Mate, Crunch Rolls and numerous more. Nestle Bangladesh’s vision is to construct Nestlé as the regarded and reliable leading Food, Refreshment, Nourishment, Wellbeing and Wellness Company in Bangladesh guaranteeing long term economical and productive development. The company is exceptionally much centered to ensure that the vision is executed in each viewpoint. The products of Nestle Bangladesh at present are mentioned below.

Confectionary	<ul style="list-style-type: none"> ✓ Nestle Kitkat (1F, 2F, 3F, 4F) ✓ Nestle Bar One ✓ Nestle Truffle ✓ Nestle Munch ✓ Nestle Munch rolls
Culinary	<ul style="list-style-type: none"> ✓ Maggi Noodles ✓ Maggi Soup ✓ Maggi Shad E Magic
Dairy	<ul style="list-style-type: none"> ✓ Nido Fortified ✓ Nido

	✓ Everyday
Breakfast cereals	✓ Nestle Koko crunch ✓ Nestle Corn Flakes (Different Flavors Available) ✓ Nestle Milo
Beverages	✓ Nescafe Coffee ✓ Nescafe Coffeemate ✓ NesTea (Exclusively available) ✓ NesFrappe (Exclusively available)
Baby cereals	✓ Lactogen ✓ NAN ✓ Cerelac

2.2.3 Nestle Bangladesh Purpose and Value

Nestlé purpose and values brings all the employees across the globe together as one company, across all our businesses, markets and geographies. Nestle counts on their wonderfully



Fig: Nestle Bangladesh Purpose and value outline

(Taken from Nestle Bangladesh Office Website)

decorated employees to help bring their purpose and values to life in a real and meaningful way. The purpose and value of Nestle is mentioned below

2.3 Nestle Bangladesh Supply chain & Marketing

2.3.1 Nestle Bangladesh Supply chain

Nestle Bangladesh is well known for its well processed and effective supply chain department. As the country leaders in supply chain are heading the Nestle Bangladesh supply chain. There are three departments in Nestle Bangladesh Supply Chain.

- Demand and Supply Planning
- Procurement
- Customer service and distribution

The Nestle Bangladesh supply chain network depends on their huge supply chain network. The supply chain network works as follow, Suppliers> SKUs> TEUs> Distributors. Over 500 suppliers, more than 50 SKUs, twenty-two thousands TEUs and over 100 distributors. The exact number are not mentioned due to company privacy matters. Stage has mentioned Nestle Bangladesh supply chain as a Capable and Committed Supply Chain Team. Supply chain performance KPI's are set accordingly to achieve ultimate success. Some of their success stories are mentioned below;

- Nestle Security have scaled 2500 days of Mishap Free Supply chain & Distribution operations, which illustrate our commitment to security & care for the Individuals & Products. Nestle DC Group might guarantee Full Supplies to the commerce even with troublesome scenarios and extended targets.

- Nestle Distribution Cost has been contained at 1.9% levels over final 4 year through Logistics Excellence Review (LER) activities like making strides Stack capacity, optimizing Transport courses, coordinating shipment, palletized invoicing and long term contract with transporters.
- Nestle Service levels to clients have been reliably tall with Client Benefit Levels of plus 99.5% in final 3 years. Presently, Benefit KPI has been changed to COF (Customer order fulfillment) which focuses on Client center with Supply driven disappointments.
- Nestle is persistently keeping up Negative Working Capital in F&B with the clear aim on Inventory covers of Materials / Finished products and Payables.

2.3.2 Nestle Bangladesh Marketing

There are 5 departments in Nestle Marketing sector. These departments are mentioned below:

- Beverage
- Dairy
- Food
- Nestle professional
- Breakfast cereal

Nestle Marketing team do not only focus on the customer needs but applies a lot of technique to make sure that the brand image of Nestle products always stays on the top. It is very difficult for any FMCG company to divide its attention to all the products available on the shelf. However, the man management of Nestle Marketing team is exemplary. It shows how precise and accurate man management and man effectiveness can achieve through a dedicated group of people. Setting up priorities and effective strategies is the key for Nestles Marketing team. There are many key drivers and key strategies that Nestle Marketing team follows. Essential brand building tools for nestle are mentioned below:

1. BBNW: (Brand x My consumer's x My brand idea activated =Results) Brand Building
the Nestlé Way (BBNW) is our proprietary approach for helping markets and businesses achieve great brand building results, through applying a set of Winning Actions.
2. Digital Marketing: There are three pillars for digital marketing of Nestle.
 - ✓ Engagement: When and where consumers are most receptive to brand contacts. Every consumer contact is an attractive and rewarding brand experience
 - ✓ Innovation: Broadening and pushing boundaries for Nestlé to create opportunities and strive for cutting edge innovation there are two separate teams to generate innovation. There are two separate teams for innovation in Nestle Bangladesh. Digital Acceleration Team & Silicon Valley Innovation Outpost (DAT & SVIO)
 - ✓ Media: Nestle Bangladesh has multiple medias across the country to get themselves engaged with the consumers and communication. Media and outlets cannot be shared due to privacy issue
3. Analytics: Nestle Bangladesh tracks their social media engagement mainly through two Medias.
 - ✓ Google Analytics A consistent digital analytics platform across Nestlé allowing access to relevant market level reports for comparison across websites and brands.
 - ✓ Social bakers Monitor, track, compare and improve social performance with monitoring dashboards and key statistics.
4. Marketing and consumer communication:

The digital asset management and workflow tool used for Nestle Bangladesh is mention below:

- ✓ Content: Sharing Brand Essence and Communication Standards of Global Brands and eContent (it is owned by the SBUs);

- ✓ Files: Repository for all digital assets i.e. logos, images, photographs, videos, pack shots, etc. critical for social media and e-commerce, and allows easy uploading, sharing, and IP protection of your digital assets;
- ✓ Workflow: Packaging and POP materials creation workflow.
- ✓ Web to Print: Empowering brand builders to dynamically customize and localize creative content materials, granting quality, consistency, driving faster time-to-market and

Apart from the key strategies and essential brand building tools, all the personals present in the Nestle Marketing team are highly qualified and market leaders in their work field. Most of the personals have wide experience of working and have gone through different crisis handling situation which allows them to take lead if any circumstances arrive. Moreover, the communication of the whole marketing team with the company distributors, customers, suppliers, retailers, agents, agencies simultaneously through dedicated team members allows the Nestle Marketing team to remain updated with the current market needs that the customers are demanding. With numerous previous data and collection of new data I believe Nestle Marketing team is one of the most efficient working department in Bangladesh.

Chapter 3

Methodology

3.1 Research Methodology

Understanding how to create a bridge between the theories gathered and apply and using them to approach a research study so that the research objective can be met is essential to make a research study fruitful. Gathering knowledge and applying the knowledge in the right direction

with proper scientific way is always difficult. As a result, this research is a qualitative research which is deduced through building the effective connection of theories and qualitative data from work field and previous researches. The author for this research has worked for over 3 months within the organization on which the case study is based on. Before approaching the research, collecting insights and gathering valuable qualitative data while working was the prior aim for the author. Understanding the work culture and also understanding the work environment so that the proper process for developing this research can be understood. Qualitative research is utilized to understand the working organization since helps in achieving the proper understanding so that an individual can analyze, process and complete the proper goals of the research subject. As a result, to fully understand the integration process of SCM and marketing management under the work environment of Nestle Bangladesh the authors has used Qualitative research approach. Moreover, case study research method is used for the in-depth analysis of the research subject.

3.2 Case Study

Case study is considered the most viable option to understand the what, why and how of research subject. It provides the right information and helps others to relate through practical examples rather solely focusing on the theoretical topics. For this research, the case company is Nestle Bangladesh. The information and research subject is based on the process followed in the case company. This research also created a standard for companies working in the similar industry. The case study is based on the Fast moving consumer goods. A case study is research method that includes an up-close, in-depth and nitty gritty examination of a subject of consider and its related relevant position. They can be delivered taking after a form of research. A case consider makes a difference in bringing the understanding of a complex issue or question. It can expand involvement or include quality to the existing information through past research. Their relevant examination spins around a restricted number of occasions or conditions and

how they relate. As a result, case study with qualitative approach has been used so that the research objectives can be met and proper findings can be understood through the research.

3.3 Data Collection

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes. (Kabir, 2016). Data collected can be qualitative data or quantitative data. As it is already mentioned the researched is approached in a qualitative way so the research data is qualitative. Data collection can be divided in terms of the source. On the basis of source data collection is of two types Primary data and Secondary data. On this research both primary data and secondary data have been used to full understand the merit of the findings. Primary data helps to provide correct information on the specific subject. More data can be acquired from primary during study period. There can less doubts and the data can be assured by the investigators. Secondary information can be less substantial but its significance is still there. Sometimes it is troublesome to get essential information; in these cases, getting data from secondary sources is simpler and possible. Now and then essential information does not exist in such circumstance one has to confine the investigate on secondary information. Some of the time essential information is show but the respondents are not willing to uncover it in such case as well secondary information can suffice. For all such reasons the research is based on both primary data and secondary data

3.3.1 Primary Data (Interview)

For primary data two separate one on one interview were hosted inside Nestle Bangladesh. Both the interviewees closely work in the integration process in SCM and marketing. For maintaining reliability and validity one interviewee is from Supply Chain department and another from Marketing department of Nestle Bangladesh. The Interview was held for a very

long time for both the interviewee. The objective of the interview was to gather as much as data on how the integration process between SCM and marketing happens can be understood while keeping the research objectives in mind. Preset question before the interview was arranged. However, many on spot question were also asked in order to gather more details. To maintain the reliability and validity both the interviews was taken on different time separately. Furthermore, both the interview sessions were very meaningful for the research subject. Thus, the semi-structured interview sessions were the main source of the primary data of this research. Various types of communication ideas were used in the interview sessions so that the interview can bring the most fruitful insights. The selection of the interview time was the most difficult for the author. As most of the employees in Nestle remains busy and hardly have free time for such long interviews. As a result, hunt for the interview session started for a long time. Matching the time schedule of the employees so that they can provide more details for each questions. Each of the interview sessions timings were catered according to the needs of the employee. Furthermore, the selection of the interviewers also was properly planned. Both the employees handle day to day information exchange between SCM and marketing team in Nestle Bangladesh. Both the employees handle multiple departments in the organization and have worked for more than 5 years in the organization. One of the interviewee is Mr. Hasan Habib (Intermarket Supply Coordinator Supply chain, Nestle) and another is interviewee is Md. Hasan Sajib (Brand Manager – Maggi, Nestle). Both the interview sessions were for over 40 minutes and all the questions asked were semi structured.

3.3.2 Secondary Data

Data collected from a source that has already been published in any form is called as secondary data. The review of literature in any research is based on secondary data. It is collected by someone else for some other purpose (but being utilized by the investigator for another purpose) (Kabir, 2016). For this research multiple secondary data were used to gather the most

effective information. For the purpose of gather in-depth understanding of the research subject multiple theories were collected from different books and journals. The important information about the case company were gathered from the company website and other websites as well. Different published reports were used to gather essential data. Moreover, different online websites were used to gather other valuable information to bring out the best understanding of the topic.

3.4 Validity and Reliability

Since the research design affects the validity and reliability of the study and the overall quality of the research, it is important that a researcher carefully designs the study prior to its commencement. The analytical framework developed to address the research question that reflects the theoretical priorities has been the basis for the development of interview guides. [Ekanayake, 2014]. Validity is when the data set is correctly aligned with the study topic and research objectives of the research. As a result, to increase the validity of the research all the interview questions were semi structured. Most of the questions were pre-arranged and developed according to benefit the research objective. Moreover, the interviewees were selected on the basis how much knowledgeable they are. Furthermore, the interviews have over 5 years of experience in working for the case company Nestle Bangladesh. All the questions presented in the interview sessions were aimed for gather the highest information possible to meet the goals of understanding the whole integration process used in Nestle Bangladesh. To increase the validity, the author also did a pre-analysis of the whole integration process used inside Nestle Bangladesh and other different companies so that the questions prepared before the interview session can be fruitful and properly structured. The research should be consistent, accurate and precise to be reliable. For this reason, the two interview sessions were held in order to test out the consistency of the data gathered. Similar questions were included in the interview questions so that the data can be cross checked. Moreover, two interview sessions

were over 40 minutes in order to capture the accurate data and the precise data for the reliability of the research. Finally, the whole research design is aimed to fully complete the research objective and also use the theoretical knowledge and applying them in the data collected from the primary data.

Chapter 4

Empirical Findings and Results

4.1 Integration Process Framework for Nestle Bangladesh

As Marketing and Supply chain of Nestle Bangladesh work in a collaborative way to achieve highest efficiency in the company, they try to collaborate their works and goals. Collaboration made between two departments is depended on the understanding of the key integrated works, building good relationship, development of proper communication, working according to an efficient model, developing strategic key roles and understanding the advantages.



Fig: Integrate process framework Nestle Bangladesh

(Extracted from Primary Data)

For a quick response to the customer needs, an enhanced competitiveness in the market and to be very effective and efficient the collaboration system between SCM and Marketing for Nestle Bangladesh depends on some key fundamentals. The integrated work units heavily depend on each other, the responsibilities are inter-dependable, the constant focus on developing relationship, focusing on the key roles working as an integrated system and finally development of proper communication between the two departments are the key fundamentals for Nestle Bangladesh to have an enhanced collaboration for market growth.

4.2 Aligned Departments of Nestle Bangladesh

For the collaboration between the SCM and marketing different department puts their work. At first after receiving the necessary insights from the market the Brand department informs the necessary required products or changes in the business. At first the Finance and CCSD team needs to give a go ahead in order for the work behind the background start. After checking that there are no financial or legal problems in the necessary creative solution produced by the marketing team the Finance department and CCSD team gives Brand team the go ahead. After that the work behind the background starts. In the background scene the whole show is run by the Demand and supply planning team. Adjusting the whole plan according to the idea and readjusting if any changes are made. The demand and supply planning team keeps constant communication with the Procurement team of Nestle Bangladesh who keeps on tabs with the Factory of Nestle Bangladesh. They ensure that the products from the factory successfully reach the various distribution center of Nestle Bangladesh. Finally the Demand and supply planning team keeps tab with the distribution center to understand the situation of the stock. Finally, the demand and supply planning team gets back to the Brand team of Nestle Bangladesh to give the go ahead with the necessary products available in the background to pull of the initial plan or objective lined up by the Brand team of Nestle Bangladesh. Here is a model of how Nestle aligns all the departments working together.

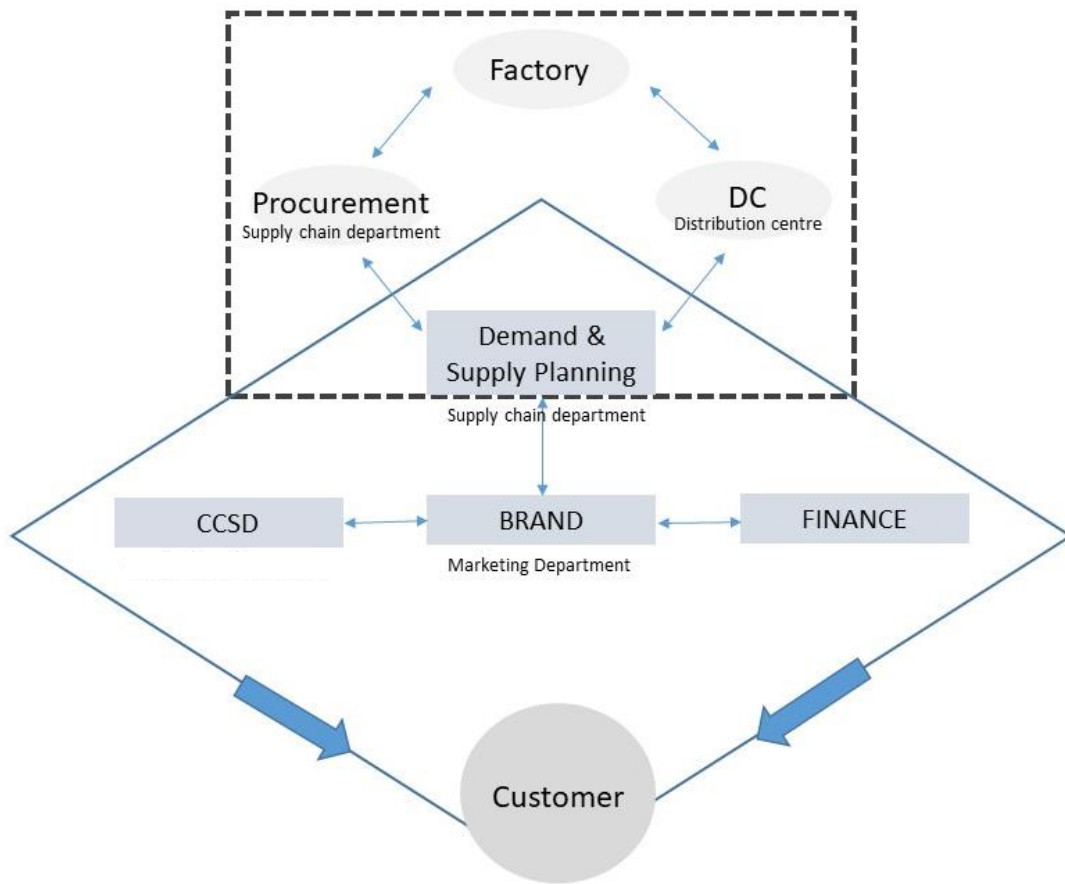


Fig: Model for aligning integrated department in Nestle Bangladesh.

(Extracted from Primary Data)

4.3 Integrated Work between SCM and Marketing



Fig: Division of Integrated Work

(Extracted from Primary Data)

The main integrated tasks between SCM and marketing are divided into two sections. One is the regular integrated work, which requires to be dealt with on a regular basis from time to time. Various type of works falls under the regular integrated work. On the other hand, the INR section of the integrated work deals with any innovational changes or SKU's changes. In the regular integrated work, CP design and procurement is one of the most essential and key work. CP design and procurements are required almost weekly due to Nestle huge product line up and huge range of promotion going through the whole country. Understanding the needs of the CP designs and procuring them on proper time is very difficult. As a result, collaborating this work with two department makes it easy and efficient. Moreover, packaging change of individual SKU's required extensive collaboration in order to change the packaging according to the consumers need, promotion and quality. Event Plan is another regular integrated work, any event organized by Nestle Bangladesh required many supplies and also using those supplies in the proper way. That is where both marketing and SCM team plays a vital role. Finally, Recipe change is a very sensitive work under the regular integrated work. Small raw materials require numerous legal and health checks before they can be used in the main product. There are many market changes which needs to be highlighted due to the single recipe change. Thus, Nestle Bangladesh handles this critical work through effective integration between SCM and Marketing.

Finally, the INR works require setting new parameters, new financial cost, distribution plans, Marketing strategies, detailed forecasting, Multiple meetings, PO issues, Letter of credit issue etc. The SCM and Marketing team are simultaneously involved throughout the whole process.

4.4 Relationship Framework for Integrated Process

The relationship between SCM and Marketing works a driver and engine framework. Marketing team being the drivers and SCM being the engine working behind the background.

These relationships effectively help Nestle Bangladesh to develop a competitive edge on other companies. The marketing team understands in which direction the company should focus and go towards. On the other hand, the SCM team executes all the work behind the scene required for the company to achieve that distance and reach the destination they are aiming for. Thus, the Marketing team of Nestle Bangladesh are the Idea generators and the SCM team are the executors for Nestle Bangladesh.

4.5 Key Roles for the Integration Process

For the Supply chain department, the demand and supply planning team mostly handles the integrated communication with the Marketing team and for the Marketing department the Brand team constantly support the SCM team in the integrated system. There are many roles who play a vital role in maintaining effective communication and smooth flow of integration activities in the organization. The key roles in SCM department are category planner, CCSD planner. For the marketing department the Brand manager and the Sales manager are the key roles for the integration activities. Each category planner is assigned with each brand manager. Thus, both the brand manager and category planners play a vital role in maintain the coordination between the two departments in order to achieve the integrated objectives.

4.6 Communication System for the Integration Process

To build a strong relationship and efficient working environment strong communication is required within any organization. For integrated working departments without strong communication the whole system might collapse. As a result, Nestle Bangladesh has ensured strong communication system among the two departments in SCM and Marketing. Throughout the whole month various meetings are arranged between two departments in order to clearly elaborately understand the whole planning the work done till date. Understanding each other's responsibilities and building new strategies in each meeting are the key aims for the meeting.

Each meeting has their own purpose and agendas with having the overall work plan in mind.

The name of the meetings are mentioned below:

MBP Meeting (Summary of all the meetings)	Monthly Business Planning
MSR Meeting	Monthly Sales Review
MGR Meeting	Monthly Gap Review
MFR Meeting	Monthly Forecasting Review
MAR Meeting	Monthly Availability Review
MPR Meeting	Monthly Production Review

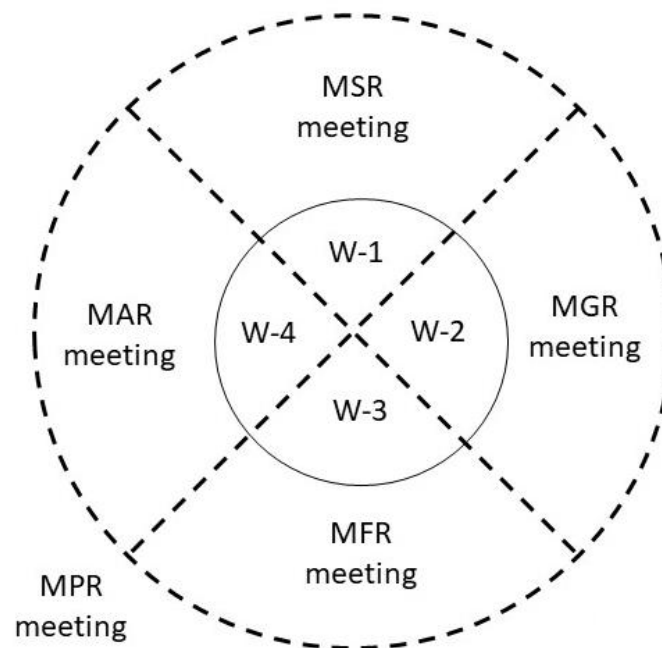


Figure: Monthly Schedule of the Meetings between SCM and Marketing Departments (Extracted from Primary Data)

All of these meetings are scheduled throughout the month. Nestle Bangladesh follows a certain planned schedule for the meetings in order to achieve highest efficiency.

4.7 Results of an Effective Integration Process

Due to having such a planned and excellent integration process build in the working culture, Nestle Bangladesh has been growing at a very fast rate. Many of the products in the shelf are playing a monopoly compared to their competitors. This includes Nescafe coffee and Child products. Most of the market for healthy products are captured by Nestle. They have been increasing the number of SKU's special after 2010 aiming to become a very successful brand within Bangladesh. Nestle Bangladesh has recently started introducing Kitkat to the market and planning to add several brands in the product list for Bangladesh. Apart from the excellent growth showcased by Nestle Bangladesh there are many advantages that Nestle Bangladesh are gaining from this integrated working system. For instant, Execution accuracy, Nestle Bangladesh is well known for their supply chain achievements and dedicated marketing individuals. The execution accuracy for Nestle Bangladesh has been touching the ceiling for quite some time. The main reason behind such admirable success is the integration between the two departments. Moreover, Nestle Bangladesh can gain multiple market insight as different departments keep on tabs with the distributors and retailers. Understanding what is happening with the products that are distributed and also understanding the demands shown in the shelf Nestle Bangladesh is fully utilizing their human resource due to efficient use of integration process within their SCM and marketing department.

Chapter 5

Conclusion, Contribution and Implication

5.1 Conclusion

This research solely focuses on the integration process between SCM and Marketing departments of Nestle Bangladesh. The research shows that integration between the two department can help capture the important leakage of the demand fulfillment process and demand creation process within SCM and Marketing. In order to gain competitive advantage among other companies, organization have to use the optimal integration between SCM and Marketing in order to enhanced almost all the activities within the organization. Collaboration between SCM and Marketing is the key to connect the DFP and DCP and gain the most effective and efficient presence in the market. Nestle Bangladesh has successfully created good collaboration between SCM and Marketing though different strategies and fundamentals. Understanding all the strategies and fundamentals were the key research objective for the case research. Moreover, each of the elements used for maintaining effective collaboration between SCM and Marketing were also the key research objective for the research study.

The ultimate objective for the integration process is to be different from the competition and providing higher customer value in the market. Furthermore, gaining more market share can be unlocked through the proper integration process.

Each of the elements in the collaboration technique use in Nestle Bangladesh has been elaborated in this research. Moreover, each element of the collaboration technique successfully satisfies with the research objective of understanding the integrated works, aligned

departments, relationship, communication and the advantages of the integration process between SC and Marketing.

5.2 Contribution

The research study contributes to the whole FMCG industry on showing different advantages of the total integration process between the SCM and Marketing department of the case company and also on how to properly execute on a national level. Based on the results, the FMCG industry should focus on the integration and communication building process which can stop the leakage between the DFP and DCP. Marketing team and Supply chain department can collaboratively work by maintaining excellent relationship. Moreover, this research can provide essential information on how to manage the integration process between the two departments. Executing will not suffice enough to enhance the competitive advantage in the market. Sustainable integration process is the key to gaining better market share, developing extra competitive advantages, work with both efficiency and effectiveness. When the marketing team conducts their work and collect insightful information for the company the SCM team should also understand the key insights of the market so that they can clearly plan the whole engine of the company to work smoothly. The Marketing team should understand how fuel the engine of the company with timely and proper details of the market needs and event plans to avoid any kind of crisis situation. This study will also provide valuable details to the companies working abroad as well as building a beautiful connection between the SCM and Marketing team. Implication of this Study can be utilized on an individual level as well. The managers of different companies can try to build integrated work among their subordinates to increase work productivity and also enhance work performance. The managers of big organization can try to implement integration process within different departments as well. Optimum level of integration between SCM and Marketing team of Nestle Bangladesh have

helped Nestle to achieve new heights. Thus, this research is significant for all the companies working in the FMCG industry.

5.3 Suggestions for Further Study

This study was on Nestle Bangladesh which is a company for FMCG industry. Researchers can try to analyze similar topic on different industry and try to understand the collaboration process used in different companies of different industries. Nestle Bangladesh is a multinational company. Researchers can study on local companies and their integration work process for further study. The study solely focuses on the company end and business perspective. It will be very interesting for the researchers to make a further study on the customer's perspective of integration process. This research is based on a single company. Future researchers can compare and analyze multiple companies in order to understand the comparative analysis of different integration process.

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