

**Report On**  
**Consumer acceptance of culinary products with the aid of sales promotion**

**By**

**Omar Farhan Fuad**  
**17304174**

**An internship report submitted to the BRAC Business School in partial fulfillment of the  
requirements for the degree of  
Bachelors of Business Administration**

**BRAC Business School**  
**Brac University**  
**September 2021**

**© 2021. Brac University**  
**All rights reserved.**

## **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.

**Student's Full Name & Signature:**

**Omar Farhan Fuad**

---

**Student Full Name**

Student ID

**Supervisor's Full Name & Signature:**

**Tanzin Khan**

---

**Supervisor Full Name: Tanzin Khan**

Lecturer

BRAC Business School

# Letter of Transmittal

---

September 16, 2021

Ms. Tanzin Khan

Lecturer

BRAC Business School

## **Subject: Internship report submission**

Dear Ma'am

It is a great pleasure to hand my internship report to you based on my knowledge and work experience as a Sales Intern at Nestle Bangladesh Ltd.

The experience has provided me to work with a prominent multinational company such as Nestle Bangladesh Ltd., which helped me gain in-depth knowledge and hands-on experience. It created an opportunity for me to be exposed to the competitive business field.

I am very grateful to you for supervising me and being cooperative by answering all my questions and concerns. With your guidance, I have completed my internship report despite some limitations. I pray and hope that you would be kind enough to assess my internship report and oblige me thereby. I am more than willing to provide any clarification needed on any relevant matter.

Sincerely

**Omar Farhan Fuad**

ID: 17304174

BRAC Business School

BRAC University

## **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 Nestlé Bangladesh Ltd. and Omar Farhan Fuad the undersigned student at BRAC University to undertake the internship project described in this report based on the assurance of avoiding the unapproved disclosure of any confidential data of the organization.

# Acknowledgment

I am very appreciative of life for keeping me in good condition to complete my internship report which will lead to my successful completion of undergraduate life.

It would have been impossible to complete and strive to do my internship without some kind-hearted people.

I want to convey my heartiest appreciation to my Company Supervisor **Mr. Moniruzzaman Bahar** for his continuous guidance and lifting me to much greater standards. As he is my first supervisor in the corporate world, he will always remain a source of inspiration. I want to thank my immediate colleagues, namely **Maisha Mumtahana** and **Joy Dam**, for helping me gain different perspectives and making this journey more memorable and fun.

I am thankful to my educational institution, BRAC University, and my academic supervisors for guiding me through excellent undergraduate learning.

Finally, I would like to be grateful to my beloved parents for their graceful upbringing, without whom I could not have been the person I am at present.

## Executive Summary

---

In this report, we will ask some questions like whether consumers try out new culinary products without any incentive given to them, and if not so will sales promotion influence the purchasing behavior of consumers.

After effective survey taking, we concluded that sales discount and offer strategy (Sales Promotion) positively impact shoppers' purchasing behavior. For companies, it is essential to know which one of the marketing strategies is effective for their particular industry. As the culinary industry is quite competitive in Bangladesh, companies continuously need to bring new products to satisfy market trends and demand. To uplift the awareness of their product, companies need to invest heavily in marketing expenditures. After a successful campaign of uplifting awareness, companies need to thrive in sales to make consumers try the new product.

For the culinary industry, a sales promotion strategy is one of the practical options to promote a product that ultimately drives sales. We also took two different options: influencer marketing and free sampling of the product along with sales promotion to test which option will thrive in the food industry. After taking a successful survey from a sample of the population, we saw a positive attitude of consumers towards sales promotion compared to the other two options mentioned above. We also found out that consumers like incentives given to them, which will ultimately spark interest in trying out the new product.

The analysis from this report will particularly help companies with a conservative approach in marketing expenditures, narrowing down the focus to a particular strategy. Moreover, big corporations can also find out their perfect marketing mix for promoting their product from the results of this report.

# Table of Contents

---

<i>Title</i>	<i>Page no</i>
<b>Letter of Transmittal .....</b>	<b>2</b>
<b>Acknowledgement .....</b>	<b>3</b>
<b>Executive Summary .....</b>	<b>4</b>
<b>Chapter 1: Overview of Internship</b>	
1.1 Student information .....	7
1.2 Internship information .....	7
1.3 Internship outcomes .....	8
<b>Chapter 2: Organization part</b>	
2.1 Introduction .....	11
2.2 Company Overview .....	11
2.3 Functions of Nestle Bangladesh Ltd .....	12
2.3.1 Human Resources Practices .....	13
2.3.2 General Management Practices .....	13
2.3.3 Marketing Practices .....	13
2.3.4 Financial Practices .....	14
2.3.5 Sales Practices .....	14
2.3.6 Nestle Professional Practices .....	14
2.3.7 Supply Chain & Procurement Practices .....	15
2.3.8 Nutrition Practices .....	15
2.4 Industry and Competitive Analysis .....	16
2.4.1 SWOT Analysis .....	16
2.4.2 Porter's Five Forces Analysis .....	17

2.5 Conclusion .....	20
2.6 Recommendation .....	20

### **Chapter 3: Project part**

3.1 Introduction.....	22
3.1.1 Background.....	22
3.1.2 Problem Statement.....	22
3.1.3 Objectives .....	23
3.1.4 Research Questions.....	23
3.1.5 Literature Review.....	24
3.1.6 Conceptual Model.....	25
3.1.7 Hypothesis .....	26
3.1.8 Significance.....	27
3.2 Methodology .....	27
3.3 Findings and Analysis .....	28
3.3.1 Analysis .....	28
3.3.2 Major Findings.....	35
3.3.3 Limitations.....	36
3.4 Summary .....	36
3.5 Recommendations .....	37
References.....	38
Appendix.....	39



## **Chapter 1: Overview of Internship**

---

Having a good degree is no longer enough to land that all-important graduate job offer in today's competitive job environment. When developing a successful career, relevant work experience is just as necessary as our degree and exam scores. As a result, internships have become a crucial tool for candidates looking to differentiate themselves.

An internship is a formal program Nestle offers to assist students and recent graduates with training and job experience. I am fortunate to work as a Sales Intern at Nestle Bangladesh Ltd. Below, I am mentioning some key aspects and a basic overview of my internship role.

### **1.1 Student Information:**

<b>Name:</b>	Omar Farhan Fuad
<b>ID:</b>	17304174
<b>Program:</b>	BBA
<b>Major:</b>	Finance
<b>Minor:</b>	E-business

## 1.2 Internship Information:

### 1.2.1 Period, Company Name, Department/Division, Address

<b>Period:</b>	1 June, 2021- 15 September, 2021
<b>Company:</b>	Nestle Bangladesh Ltd.
<b>Department:</b>	Sales
<b>Address:</b>	NINAKABBO Level 4, 227/A Tejgaon- Gulshan Link Road, Tejgaon Industrial Area, Dhaka 1208.

### 1.2.2 Internship Company Supervisor's Information: Name and Position

<b>Name:</b>	Md. Moniruzzaman Bahar
<b>Position:</b>	Channel Sr. Officer- Minimart at Nestlé

### 1.2.3 Job Scope – Job Description/Duties/Responsibilities

- Undertaking projects overseeing different channels to drive sales: Supervisors design various projects based on the company's needs and assign the interns to undertake the project. After testing the feasibility, we make sure the project becomes a success.
- Coordinating with supervisor and other internal stakeholders: Demonstrating strong communication skills by interacting with key internal stakeholders relevant to the project, keeping them informed with essential activities during the project timeline.
- Creating Questionnaires for online and on-site surveys: Includes rigorous brainstorming of products, market trends, a gap in the market, understanding the right

balance between demand and supply, how to bridge the gap if there is no balance—after a thorough understanding of all the activities mentioned above, creating questionnaires for online and on-site surveys collaborating directly with supervisor and colleagues.

- Market visit and fieldwork to assess demand and supply of products: Covering different channels and visiting all the outlets in the market, talking with traders and shoppers is vital in this job role.
- Making presentations and other visuals on critical insights: After getting all the data from questionnaires/ insights from market visits, we make formal presentations to convey clear messages of the various trend, critical studies on the market.
- Study and analyze consumer and shopper's perception, and implement critical strategic decisions based on the analysis

## **1.3 Internship Outcomes:**

### **1.3.1 Student's contribution to the company**

- Regular market visits overseeing the fundamental trends in the market
- Provided interesting insights to company supervisor while talking with shoppers and traders in different channels during a market visit
- Created questionnaires and conducted online as well as on-site surveys for different products of the company
- Weekly data entry of relevant information of the market
- Made presentations and other visuals for the key insights to convey easily to the company

### **1.3.2 Benefits to the Student**

- Competitive remuneration for internship positions
- Involve in a solid professional network
- Opportunity to gain a competitive edge
- The opportunity of building up relevant soft skills
- Daily allowance for a market visit
- Mobile bill allowance
- Photocopy and print expense allowance
- Career advise and mentorship by a company supervisor
- Generous leave policy

### **1.3.3 Problems/Difficulties (faced during the internship period)**

- The transition from work from home to fieldwork and other on-site work
- Safety concerns while doing market visit
- Lack of networking opportunities due to physical office closure
- Failure to provide quality work at some point due to lack of available data and data confidentiality.

### **1.3.4 Recommendations (to the company on future internships)**

- Preparing work email addresses, ID cards for interns beforehand undertaking any projects
- Maintaining communication with cross-department teams to build cohesiveness
- Improve growth opportunities for interns

## **Chapter 2: Organization Part**

---

## 2.1 Introduction

Henri Nestlé (August 10, 1814 – July 7, 1890) founded Nestlé S.A., a Swiss international food and beverage corporation headquartered in Vevey, Switzerland. Nestlé's business procedures have been guided by integrity, honesty, fair dealing, and full compliance with all applicable laws since its inception. Since then, Nestlé employees worldwide have upheld and lived this dedication in their daily responsibilities, and Nestlé's reputation has remained one of the company's most valuable assets.

Nestlé is essential nutrition, health, and wellness firm globally, not just in terms of sales but also product diversity and geographic reach. Infant formula, baby food, milk products, ice cream, chocolate and confectionery, instant coffee, culinary products, frozen ready-made meals, mineral water, and so on are all covered by Nestlé. Nestlé is also a significant pet food manufacturer. Nestlé is the market leader or a strong second in most of these product groupings and markets. Nestlé is a highly specialized company, with food and beverage sales accounting for more than 94 percent of total revenue.

Nestlé employs over 280,000 people worldwide, across all continents, in over 87 countries, with 481 factories and appointed sales representatives in at least 70 countries.

KitKat, Nescafe, Nido, Maggi, Milo, and Koko Krunch are just a few of their well-known brands. Some of the items have set records: every second, 3,000 cups of Nescafe are consumed. With 418 Kit-Kat fingers consumed every second worldwide, Kit Kat was awarded the world's best-selling chocolate bar, which is enlisted in the Guinness Book of World Records. Nestlé was named the most profitable company in the world by Fortune Global 500 in 2011. Nestlé has placed No. 9 in the FT Global 500 2013 with US\$233 billion market capitalization. The market cap for this prominent company for the year 2020 was US\$349.72 billion.

## 2.2 Overview of the Company

Popular Nestlé products began to permeate this portion of the subcontinent during the British administration, and the trend continued during Bangladesh's pre-independence years. Nestlé World Trade Corporation, the trading arm of Nestlé South Asia, sent regular shipments of Nestlé brands to Bangladesh through a network of indentures and agents after the country's independence in 1971, and some of the brands which are LACTOGEN, CERELAC, and BLUE CROSS, became household names. In 1994, Nestlé Bangladesh Limited began commercial

operations in Bangladesh. The company's lone factory in Bangladesh is located in Sreepur, 55 kilometers north of Dhaka. The plant makes Maggi noodles, Munch, cereals, and repackaging milk, soups, drinks, and infant nutrition products. Mr. Latifur Rahman, one of the country's top industrialists, has been the company's chairman since the company's inception in Bangladesh, and his firm Transcom used to import Nestlé products. His company, Transcom, is still active in various industries, including beverage, pharmaceuticals, electronics, newspapers, tea export, fast food franchising, and so on. Despite his group's success, he continues to serve as honorary chairman of the corporation. Transcom does not currently own any shares because Nestlé S.A. owns the entire firm.

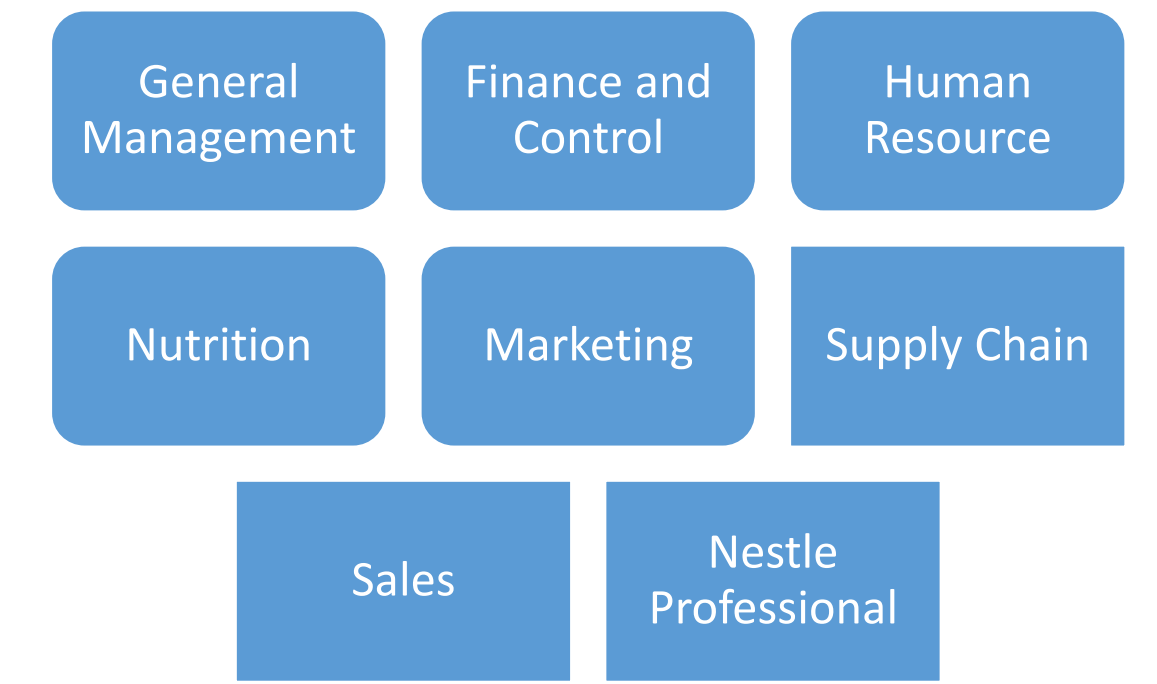
Nestlé Bangladesh caters to people from all walks of life. They offer a variety of brands in various sizes for people of various social classes and income levels. A rickshaw driver, for example, makes a pittance every day. He can drink Nido Fortified 26 gm for TK20, and if he wants coffee, he can drink Nescafe Classic 1.5 gm for TK5 with Coffee-Mate 5 gm. Another example is that a service holder can purchase NIDO Fortified 2.5kg for TK2290, Nescafe 200gm for TK 495, and Coffee-Mate 400 gm Jar for TK 250. Nestle Bangladesh is present in every part of the country, so there is high accessibility of their products.

**Mission:** Nestle's mission statement is "Good Food, Good Life." They pledge to give consumers the best-tasting, healthiest options across various food and beverage categories and dining situations, from breakfast to dinner.

**Vision:** In Bangladesh, the vision of Nestlé is to establish Nestle as Bangladesh's most trusted and respected food, beverage, nutrition, health, and wellness company which ensures long-term, profitable growth. The company is mainly focused on making sure that the vision is carried out in every way possible.



## 2.3 Functions of Nestle Bangladesh



### **2.3.1 Human Resource Practices**

The Human Resources function of Nestle Bangladesh Ltd. is responsible for hiring, retaining, managing, and training employees up to their true potential. So far, for the internship hiring process, the candidates have to go through a two-step recruitment process, which may vary from time to time. The compensation system is designed so that interns of Nestle Bangladesh Ltd. working for the company for one whole year will be entitled to receive increments in their salary after every three months. The human resource department engages their HR interns to work closely with all interns of other departments, which adds to a substantial learning curve for the interns in the human resource department. In a word, this team is responsible for attracting and training employees, looking over the compensation system, analyzing and offering more ways to make the workplace more engaging, and making sure the company moves cohesively.

### **2.3.2 General Management Practices**

The General management oversees the overall operations of Nestle Bangladesh Ltd. They pool all the resources, reports, data, and other analyses from different departments of Nestle Bangladesh Ltd. and discuss them with all the management people and take crucial decisions for the long-term betterment of the company. The organization's leadership style is generally democratic; employees under managers are well equipped with all the tools and knowledge to make their decision without any external pressure from the top. The respective supervisors assign interns from all the departments to different projects. After assigning, they have to work

independently with other interns to make the project a success. All these demonstrate a robust democratic leadership style that is present in Nestle Bangladesh Ltd.

### **2.3.3 Marketing Practices**

The Marketing function overlooks the existing brands, market share of the specific product, and product development of existing or new products. They also oversee all the laws and policies before advertising or marketing any product, as all category products cannot be marketed in the same way. For instance, baby food cannot be marketed openly; it can only be marketed through doctors more subtly.

The strength of Nestle's brand portfolio and variety of brand activities, which includes worldwide icons like Nescafé, KitKat, and Maggi and local and regional favorites, make Marketing with Nestlé a rewarding, exciting, and challenging career opportunity.

Indeed, "Brand Building the Nestlé Way" is a unique method that distinguishes the marketing function in the industry – both commercially and professionally. With direct or indirect responsibility for brand communication, innovation, product, and package design, and consumer insight, the Marketing position incorporates all areas of brand management. Because of their focus on creating appealing and rewarding brand experiences for customers, we collaborate within Marketing and other departments such as Sales and eBusiness, R&D, Technical Applications, and agency partners.

### **2.3.4 Financial Practices**

Finance and control handle financial transactions and, more crucially, use control mechanisms to keep the organization financially and procedurally compliant. Because the IS/IT17 department is part of the Finance department, they are also responsible for day-to-day technicalities.

The finance team is responsible for driving our growth platforms, supporting our operational pillars, maximizing our competitive advantage, and ensuring that we always deliver. They assist in making solid business decisions and planning for innovation. They also aid in the optimization of our growth, cash flow, and return to shareholders. They are actual change agents, trying to create long-term benefits.

From business partners to manufacturing controllers, there are a variety of responsibilities to fill. Tax, Pensions, Risk Management, Treasury, Audit, Acquisitions & Business Development, and Internal Controls are all areas where the function has experts. There's even a department dedicated to assisting corporations with management reporting.

### **2.3.5 Sales Practices**

The sales function of Nestle Bangladesh Ltd. overlooks the revenue-generating portion of the company. This department works hand in hand with other departments, maintaining cross-functional synergy. They provide exciting insights assessing the demand and supply of the product in the market, and with those insights, the marketing department designs promotional activities for that specific product.

They are in charge of client connections, route to market plans, field sales operations, and our customer-facing supply chains. These sectors are concerned with pleasing customers and ensuring that their products are available wherever and whenever they desire.

They also concentrate on defining category strategies and initiatives, producing fact-based selling propositions, managing distribution networks, and increasing field sales. A member can then advance to general management or specialize.

### **2.3.6 Nestle Professional Practices**

Alongside the Sales function, Nestle Professionals are also responsible for the revenue-generating role for the company. However, as sales go for the retail distributors, Nestle professional looks after the institutional sales.

They are also responsible for taking relevant and new projects that will help not only the company but also the society they are operating in.

### **2.3.7 Supply Chain & Procurement Practices**

The Supply Chain function ensures the supply of the end product throughout the chain after getting all the insights into market trends and demand. Nestlé's supply chain employees are responsible for ensuring the quality of products that reach customers and consumers. To do so, they work with commercial teams to establish demand forecasts and suppliers all across the world to guarantee materials are responsibly acquired. They balance inventory levels in coordination with operations to ensure the proper supply of our products. After our items are manufactured, the supply chain is in charge of safely keeping and distributing them to meet our clients' and consumers' needs in full and on schedule.

The procurement team assists the organization in achieving longterm growth as a strategic partner. Nestlé's procurement professionals guarantee that supplies are procured responsibly and that value is created. The division, which has hubs in Switzerland, Panama, and Malaysia, offers various services, including procurement management for specialized raw materials, packaging, indirect materials, and other services. Markets can also benefit from the hubs' assistance in monitoring local spending.

### **2.3.8 Nutrition Practices**

Nestlé is the world's leading nutrition company; thus, the relevance of nutrition goods is much greater than it is for other food companies. As a result, they formed a different team to handle CERELAC and LACTOGEN. The team also works closely with health care professionals.

They are a reliable source of information for infant nutrition and infant feeding practices, and they are responsible for adhering to the policy manual on the marketing of breast milk substitutes. This team is a crucial and integral part of Nestle Bangladesh Ltd.

## **2.4 Overview of the brand MAGGI:**

Instant soups, stocks, bouillon cubes, ketchup, sauces, seasonings, and instant noodles are all sold under the MAGGI brand by Nestlé. Father's mill was taken over by Julius MAGGI in Switzerland in 1872 and founded the first company. It immediately rose to prominence as a forerunner in industrial food manufacturing to boost the nutritious diet of working-class households. The introduction of a high-protein legume meal was done first by the company. In 1947, MAGGI's holding company joined with the Nestlé Company to become NestléAlimentana S.A., today known as Nestlé S.A. MAGGI in Bangladesh, following many changes in ownership and corporate structure.

## 2.5 Industry and Competitive Analysis

### **2.5.1 SWOT Analysis:**

#### Strengths:

1. MAGGI is the market leader since it has more devoted customers than its competitors. It provides MAGGI with a competitive advantage
2. Wide distribution channel and dedicated sales team: MAGGI noodles are now available in many trades thanks to a wide distribution channel and committed sales team. The sales team estimates demand correctly, while the D&SP team ensures steady supply to the distribution end.
3. One hundred years of business experience: MAGGI has a significant advantage over its local competitors due to its more than 100 years of company experience and knowledge. The knowledge gained from various markets is used to develop a plan and create long-term profit.
4. Large-scale product sampling: MAGGI is known for its large-scale product sampling, which helps it stay on track. The majority of the samples are taken from school-aged children, the most important demographic for purchasing noodles.

#### Weaknesses:

1. Price: Given the proportion, the price of MAGGI noodles is higher than that of any stick noodles SKU. As a result, it is only popular among wealthy or middle-income families. However, quite a good portion of our country's people live in poverty.
2. The lower profit margin for merchants: MAGGI noodles provide retailers and wholesalers a lower profit margin. On the other hand, its competitors offer traders a significantly more significant margin. As a result, traders seek to keep their products on the shelf for longer.
3. Shorter shelf life: MAGGI has a seven-month shelf life due to the taste maker's limited lifespan. Stick noodles, on the other hand, have a longer shelf life than MAGGI.

### Opportunities:

1. Rising consumer purchasing power and a desire for a higher standard of living: Rising per capita income encourages households to spend more on a higher standard of living. This would allow MAGGI to reach out to more homes that were previously looking for low-cost options.
2. Competitors' incompetence: current competitors are incompetent to give MAGGI a tough time. Either they lack originality, taste, or quality, or they lack a viable distribution outlet. For example, FU-WANG & MAMA produce high-quality goods, but their distribution network is ineffective. PRAN & COCOLA, on the other side, has a solid distribution channel, but their products are not up to par.
3. Untapped rural market: MAGGI is only able to access solvent families due to its relatively higher pricing. Because the urban population has more purchasing power than the rural population, distribution is more concentrated in metropolitan areas. As a result, MAGGI still has a chance to break into that market and boost volume.
4. Changes in consumer food consumption: Consumers purchase more noodles than before due to their shifting dietary habits. It provides MAGGI the opportunity to grow.

### Threats:

1. Presence of many competitors in the instant noodles category; there are ten to twelve players in the Bangladesh market. They are almost all charging the same amount.
2. Competitors provide larger profit margins: PRAN and MAMA offer merchants higher profit margins than MAGGI. As a result, dealers are more interested in keeping their products than MAGGI.
3. Competitor's higher promotional campaign: competitors are always pursuing various promotions, such as price-off promotions.
4. Competitors spend more money on commercials: competitors spend much money on press ads or TV commercials. This activity helps them raise product awareness.

## 2.5.2 Porter's Five Forces Analysis:

We will use the "Porter's Five Forces" approach to understand the Bangladesh noodles market better. Porter's five forces model is a successful way to assess the level of rivalry in any industry, as well as its attractiveness and current situation. This model would undoubtedly be beneficial for concisely representing Bangladesh's total noodles industry. These five forces are:

- Threat of new entrants
  - Threat of replacement products or services
  - Customer bargaining power
  - Supplier bargaining power
  - Competitive rivalry intensity
- **The threat of new entrants:** We know that a profitable market generates significant returns for investors, appealing to potential investors. It means that the easier it is to break into a new industry, the less appealing it is. The segment with the highest entry barriers and lowest exit barriers is the most appealing. Few new businesses can enter, and non-performing businesses can readily go. Therefore, with the influx of new entrants, all enterprises' profitability will suffer. The Bangladesh government also has no strict policies. The government is continuously attempting to attract new investors. Whoever is interested in starting a business in the noodles industry should follow the Ministry of Industry, Environment, and BSTI requirements.

To start a firm in the industry, investors will need substantial money to set up the plant. The fixed cost is enormous, and economies of scale are pretty essential. On the contrary, it would be tough to stay in business for many years. Firms that prosper must be able to stay in business for an extended period. Because of the large number of rivals, obtaining economies of scale is now complex.

**Product distinction:** In such a competitive market, survival would be impossible in the long run without differentiation. Most instant noodles manufacturers aim to set themselves apart from the competition

**Access to distribution:** A robust distribution channel is required to make the product available against all the competitors in the market. In Bangladesh, MAGGI, PRAN, and COCOLA have a very robust distribution channel.

Customer loyalty towards well-known brands: In noodles, customer loyalty is not extremely crucial. When a new product is introduced, people have a natural desire to sample it. For example, when Mama appeared in Bangladesh, many consumers tested the product, resulting in a significant increase in their market share.

- **The threat of alternative products or services:** In the noodle sector, pasta may be a substitute. KOLSON Macaroni is Bangladesh's only domestic pasta manufacturer. The company's remaining products are imported from other countries. The pricing and limited distribution capability of the Grey Channel are the fundamental weaknesses of this replacement. Spaghetti is another variant that will act as a threat in the market.
- **Bargaining power of customers (buyers):** Consumer bargaining power is extreme in Bangladesh's noodle business. Consumers can easily switch brands due to the abundance of competitors on the market.

Dependency on the product: Noodles are served as evening snacks and in Tiffin. As a result, while the product is becoming increasingly popular, it is not a need. However, as Bangladesh's population is eating habits change, noodles are becoming increasingly popular.

Costs of switching: Consumers paid no money to switch to a different brand of noodles. In the immediate category, all of the competitors are charging the same amount. Consumers face a significant issue when it comes to product taste.

Buyer price sensitivity: While most purchasers are price sensitive, the price of noodles has remained relatively stable for several years. Competitors, on the other hand, benefit from incremental sales when they provide promotional discounts.

- **Bargaining power of suppliers:** The supplier's bargaining leverage in Bangladesh is quite limited. The fact that there are many suppliers compared to the number of firms making noodles weakens their bargaining strength. Companies can easily switch to a different provider. The expense of switching suppliers is low. Because there are many suppliers, a company can always choose the cheapest choice.
- **Competitive rivalry intensity:** The ferocity with which competitors compete for The intensity of competitive rivalry is a significant factor of industrial competitiveness in most industries. The rivalry in the Bangladesh noodles sector is fierce. As previously said, Bangladesh's entire noodle sector is separated into two categories: Stick noodles



and instant noodles are two different types of noodles. Noodles that stick together: Stick noodles account for half of the total noodles market. Cocola, ACI, meridian, Shajeeb bar-b-q noodles, and other brands compete in the stick noodles market. 22 Noodles in a flash: Instant noodles account for the remaining 50% of the market. This category has grown in popularity due to its ease of preparation, unique flavor, and variety of flavors. Its appeal stems from its low cost and wide availability. Maggi, PRAN Mr. Noodles, fu-wang, Mama, Ifad, Bashundhara, and others are significant participants in the immediate category.

## **2.8 Conclusion**

After doing the SWOT analysis, we can say that the brand Maggi should stick to its strengths, capitalize its resources and time on various opportunities and gaps in the market, and focus on internal weaknesses and external threats.

The threat of entry for this culinary industry and alternative products is relatively low until any disruption happens shortly. Consumers' bargaining power is relatively high as there are various options in the market at low switching costs. On the other side, the bargaining power of suppliers is relatively low as there is a presence of many suppliers in the market. The rivalry in this particular industry is relatively intense, which means consumers are the ultimate winners while having the perfect product price and quality mix.

## **2.9 Recommendation**

Brand Maggi should continuously diversify their product offerings to strive in this ever-changing market of tastes and preferences. They can leverage their brand image, which will lead to more trustworthiness of their product. The product's quality that is continuously offered in the market should be up to par to serve the market taste and demand. This will lead to more conversions of consumers from other brands and remain the strong market leader despite tremendous competition. The brand should find the perfect balance while investing in different marketing activities while promoting their products while emphasizing the fact that the commercials should be memorable

## **Chapter 3: Project Part**

---

## **3.1 Introduction**

### **3.1.1 Background**

One of the parts of the promotional mix is sales promotion. Advertising, personal selling, direct marketing, and publicity/public relations are the main components of the promotional mix. To boost customer demand, stimulate market demand, or improve product availability, sales promotion employs both media and non-media marketing communications for a pre-determined, limited time. Contests, discounts, freebies, loss leads, point-of-purchase displays, premiums, prizes, product samples, and rebates are just a few examples.

In this report, we want to conduct a study on whether sales promotion influences shoppers' purchasing behavior, and if so, which sales promotion strategy is the best fit for companies to adapt with their expenditures.

There are many studies where it is proved that promotional strategy does influence the purchasing behavior of shoppers. However, there was less explanation on the topic of how promotional strategy influence purchasing behavior and in what ways. Furthermore, there is no study of finding out the best sales promotional strategy or marketing mix for effectively promoting a new product.

After finding out the desired outcome from the report, the analysis will help companies in understanding consumer behavior and perceptions towards sales promotions strategies when they are about to try out a new product. After a thorough understanding of the topic, the companies can evaluate their budget and narrow their focus on a critical promotional mix that will drive their sales of the new product.

Based on the type of study that will be conducted in this report, the proposed statement of the study is *Consumer acceptance of culinary products with the aid of sales promotion*. We will prove this hypothesis true by considering two more variables in the form of a public figure (influencer) marketing and free sampling of products and ask the general population whether these types of incentive attract them to try out a new culinary product.

### **3.1.2 Problem Statement:**

Companies always need to innovate and develop new products to sustain themselves among all other competitors. With the launch of a new product, the company needs to figure out how to convey the new product into the targeted consumer's lifestyle, try and adapt to the product, and hold and retain consumers with that new product. If any of the planning processes do not work out, the company will face issues that might lead to no further investment into the product, not making necessary changes in the planning process regarding the new product, which will ultimately hamper the company's reputation. In order to make the new product work out, companies need to know the best strategies to integrate the new products into the consumer's lifestyle. For this, the companies need to know which factors influence shopper's buying and consumption of a new product. Acknowledging those factors, the company can formulate a strategy, i.e., an action plan like a successful marketing, sales & promotion plan to drive up the new product demand and successfully reach the targeted consumer. The main question arises: which strategy to follow or narrow down to effectively market the new product? This concern grows when a company has an insufficient budget or has a conservative marketing and sales approach and wants to effectively implement an action plan with that small or conservative budget. This project research will determine which marketing and sales strategy should be prioritized to effectively reach and sell the products. Three sales promotion variables are considered for this research: Sales discount and offer strategy, influencer marketing strategy, and free sampling strategy. The definition of the problem requires two questions on marketing research problem and management decision problem to be answered considering the topic of research "Finding the best sales promotion strategy for influencing the purchase of new culinary products by shoppers." We will unveil whether promotional strategy incentivize consumers in purchasing new culinary product and if so which strategy is the best which will act according to the companies budget. Ultimately we will unveil the problem by asking questions in two different perspective.

**Marketing research problem:** Do sales discount and offer strategy, influencer marketing strategy, and free sampling influence buying new culinary products?

**Management decision problem:** Should any of the strategies mentioned above be implemented to influence buying new culinary products?

### 3.1.3 Objective(s)

**General Objective:** Find out whether consumers try out new culinary products on their own. (Without any incentives)

**Specific Objective:** Find out whether sales discount and offer strategy, influencer marketing strategy, and free sampling strategy influence the decision-making of purchasing a new culinary product or not.

### 3.1.4 Research Questions:

1. Do consumers try out new culinary products without any incentive given to them?
2. Does sales discount and offer strategy, influencer marketing strategy, and free sampling influence buy new culinary products? (Marketing research problem)
3. Should any of the strategies mentioned above be implemented to influence buying of new culinary products? (Management decision problem)

### 3.1.5 Literature Review:

According to an article published in The Association For Consumer Research, the promotion significantly impacts consumer purchase behavior. The procedure through which consumers respond to these offers is unclear. Understanding this process is critical for creating effective advertising and ensuring that other communication aspects' possible harmful consequences are minimized.

We will find out whether consumers try out new culinary products without any incentive given to them, and if so, which of the following strategies: sales promotion, free sampling of products, and influencer marketing strategy has the most impact on customers purchasing a new culinary product. After finding out the best promotional strategy or a perfect mix of promotional

strategies, it is a matter of whether the company wants to implement it to influence the purchasing behavior for culinary products.

In this regard, we will talk in detail about the significance of this study by highlighting some of the literature on relevant matters

**Innovation leads to new product development:** Companies constantly need to innovate and sustain themselves to compete with their product. Without innovation, companies will struggle to gain market share, increase their net profit, and ultimately get demolished by competitors' new products introduced in the market. Innovation helps companies to differentiate themselves from all their competitors. Otherwise, they will be unable to generate demand which will ultimately hamper their sales. An article written in North Eastern University's blog includes a line: "Innovation allows a company to set itself and its products distinctly apart from the competitors, which is especially useful in a crowded industry or market." (Hanzala, 2021). By interpreting this line, we can connect that the culinary food market is oversaturated, and companies need to innovate and create a new product to increase and create better consumer options. Constant urge to embrace innovation, ultimately creating a new product and finally selling it should be the main focus of prominent companies. This research proposal focuses on a particular part: how to sell those new products successfully to penetrate the market.

**Shopping for new products by consumers:** People worldwide buy new products now and then to experience something new and significant. Consumers buying new culinary products expect the product to be better than the previous offerings coming from the same company, which may mean the product to be much cheaper, attractive, flavourful, less frustrating, and easier to prepare. There is demand for innovation in the culinary sector, and the ability to make that innovation thrive in the market to meet that demand, companies need to innovate constantly.

**Relevance of applying a promotional strategy for a new product:** The report's analysis will consider sales promotion's hedonic and utilitarian benefits. There are various benefits of introducing a promotional strategy for a company's new product; differentiation, word of mouth, increasing revenue are just a few. Promotional strategy completely aligns and goes hand in hand with innovation. This project proposal focuses on the three main promotional strategies acceptable for a new culinary product: sales offers and promotion, influencer marketing, and free sampling. Moreover, this proposal also stresses the importance of conducting a promotional strategy for a new product coming into the market.

**How the findings will be found out:** Based on an online survey which will be conducted among a sample of the population, the sample will be asked whether sales promotion is practical when considering buying a new product and which promotional activity will be the

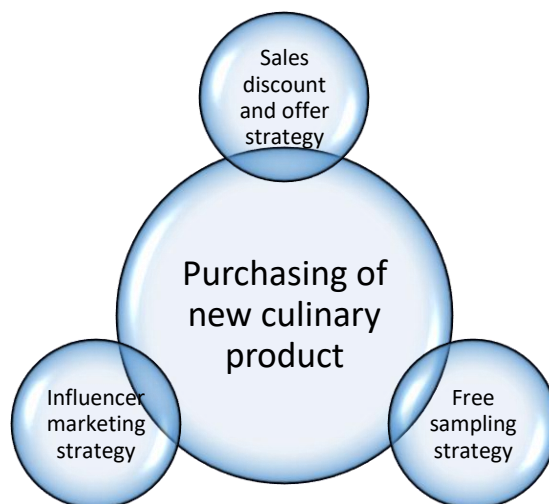
best to make buying the new product lucrative. Based on the answers of the sample, we will find out which promotional activity among the three mentioned before would be effective when consumers want to buy a new culinary product.

**How the findings will help companies and contribute to further research studies:** The findings from the study will help companies with a conservative marketing approach in determining which are the perfect mix of promotional strategies to influence consumers' purchasing behavior. The findings will help small to medium-sized companies and large corporations determine whether their marketing budget is acting according to plan in total efficiency. The findings from this research will also contribute to further research studies, like how sales promotional activity influences shoppers' purchasing behavior. In this report, we will try to prove that incentive does influence shoppers' buying behavior, but it does not explain the science behind the phenomenon.

### 3.1.6 Conceptual model:

The conceptual model is formulated by keeping the new culinary product purchasing as a dependent variable, and sales discount and offer strategy, influencer marketing strategy, and free sampling strategy are propagated to be Independent Variable (IV).

Here is a demonstration of the conceptual model in a figure:



### 3.1.7 Hypothesis:

Key Independent variables	Hypothesis
---------------------------	------------

Sales offers and promotion	<p>1. Ho: Sales offers and promotion does not impact the purchasing behavior of new culinary products</p> <p>H1: Sales offers and promotion positively impact the purchasing behavior of new culinary products, among other alternatives</p>
Influencer marketing	<p>2. Ho: Influencer marketing does not impact the purchasing behavior of new culinary products</p> <p>H1: Influencer marketing positively impact the purchasing behavior of new culinary products, among other alternatives</p>
Free sampling	<p>3. Ho: Free sampling does not impact the purchasing behavior of new culinary products</p> <p>H1: Free sampling positively impact the purchasing behavior of new culinary products, among other alternatives</p>



### 3.1.8 Significance

**Selection of the topic:** This topic is significant, impacting the businesses of new companies and big and prominent companies.

**Learnings after conducting the report:** After the successful completion of the report, I would know which strategy is desirable among the final users, and this information will be valuable for the rest of my career and the company I am pursuing a career with Nestle Bangladesh Ltd.

**New perspective by this report:** Companies in the culinary industry with conservative marketing and sales promotion budget will face fewer difficulties focusing on a single promotional activity to boost sales of the new product. The report's analysis will help companies with limited budgets on marketing and help other companies with sufficient budget and bank balance by knowing what to invest in effectively and setting aside the budget for other fields of the business.

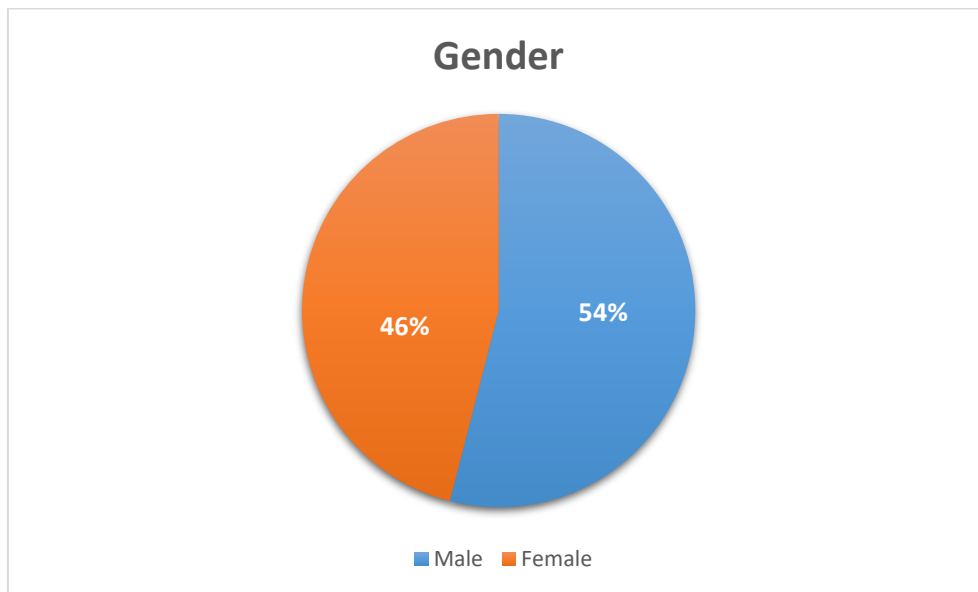
## 3.2 Methodology

A survey-based questionnaire on these three variables will be conducted, with which companies would know where to put their money at first and acquire more new customers and retain old ones. The results from the survey will help companies narrow down the focus on a variable at first and then gradually focus on other variables.

- The report will be based on Quantitative research.
- The questionnaires would be asked online through a google form.
- For the questionnaire, the measure of a five-point Likert scale will be developed from (1= "Strongly disagree"; 5=" Strongly agree").
- There would be questionnaires in the format of Scale ranking questions and Multiple-choice questions.
- The desired number of people that would answer the questionnaires would be 50.

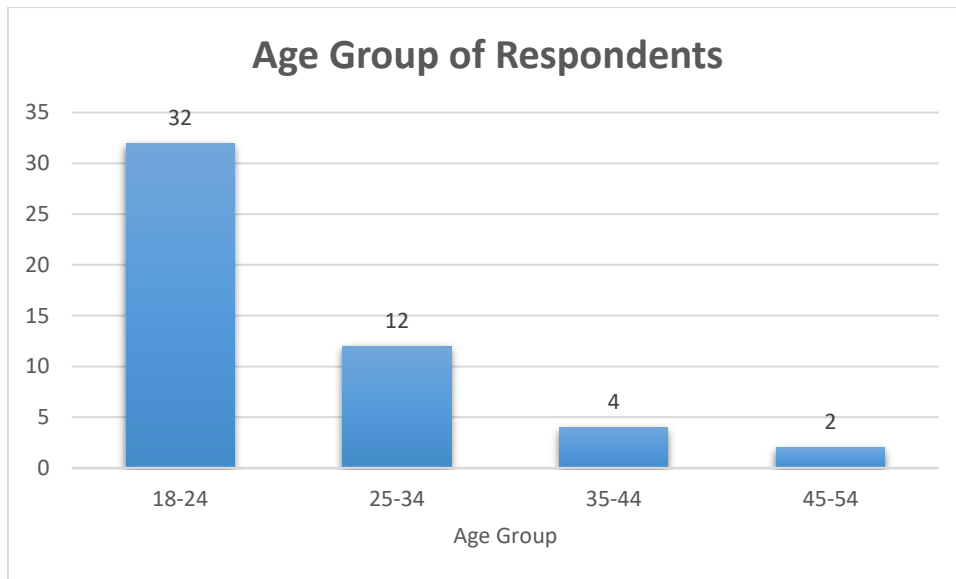
### 3.3 Findings and Analysis

#### 3.3.1 Analysis:



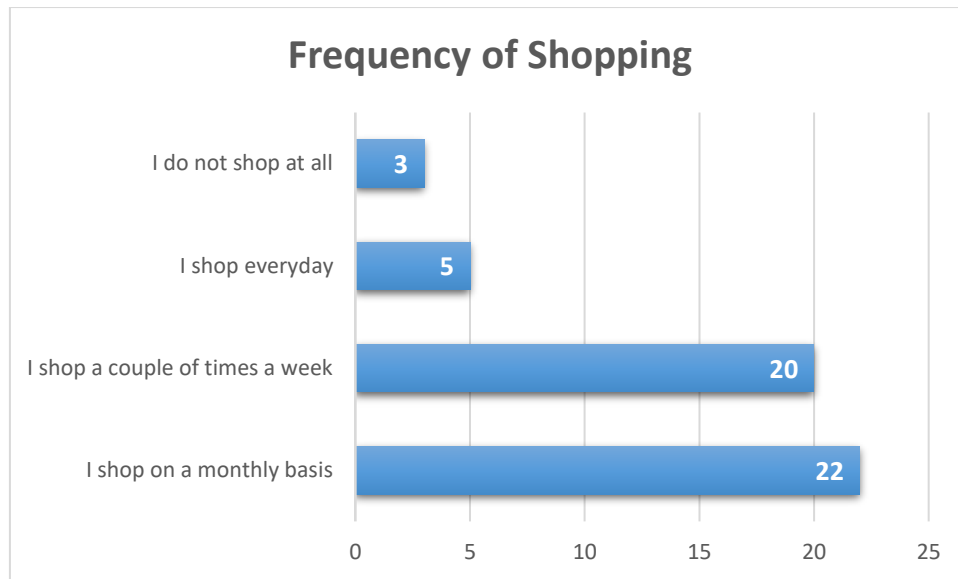
**Figure 1: Gender**

**Interpretation:** Among 50 respondents, 54% were Male, and 46% were female. The proportion of the two genders is balanced, which makes this survey non-biased based on both gender perspectives.



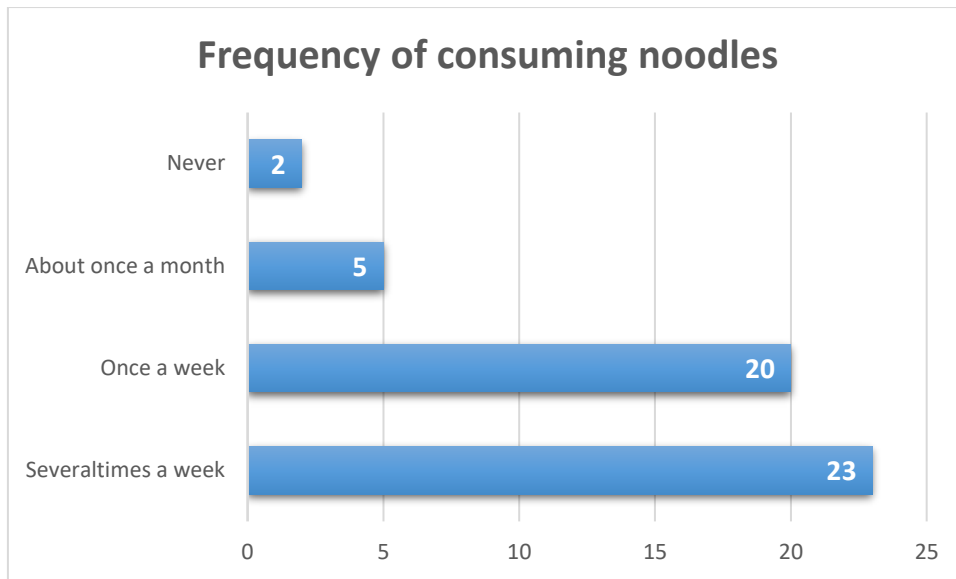
**Figure 2: Age group**

**Interpretation:** Among the 50 respondents, 32 were from 18-24, which is the majority. Thus, the answers coming from this survey questionnaire are from comparatively younger generations having fresh and concise views.



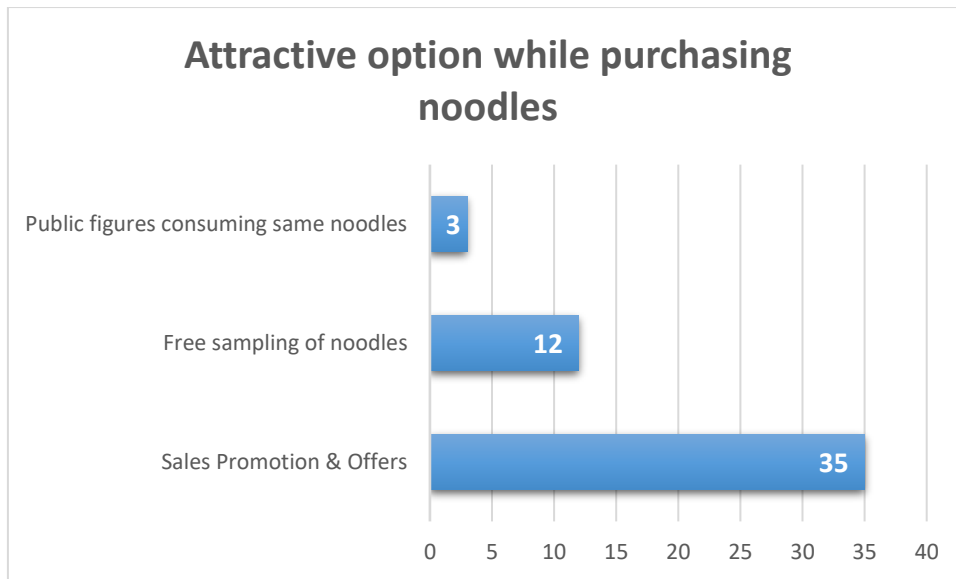
**Figure 3: Frequency of shopping**

**Interpretation:** Among 50 respondents, 22 said they shop once a month, and 20 said they shop a couple of times in a week which is the majority of the sample size. From this answer, we can analyze that most of the respondents do shopping monthly, which is bulk shopping. Moreover, a maximum of the respondent shops in a physical store or e-commerce, which exposes them to the external marketing campaigns and activities done by companies on various channels.



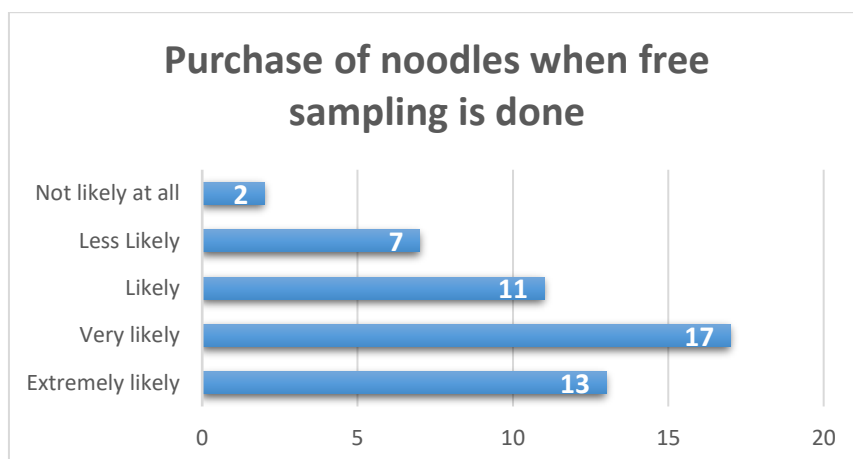
**Figure 4: Frequency of consuming noodles**

**Interpretation:** Among the 50 respondents, 23 said they consume noodles several times a week, 20 said they consume noodles once a week, and five said they eat noodles once a month. From this proportion, we can conclude that noodles are being eaten on special occasions or as a substitute snack item by observing our culture of food consumption.



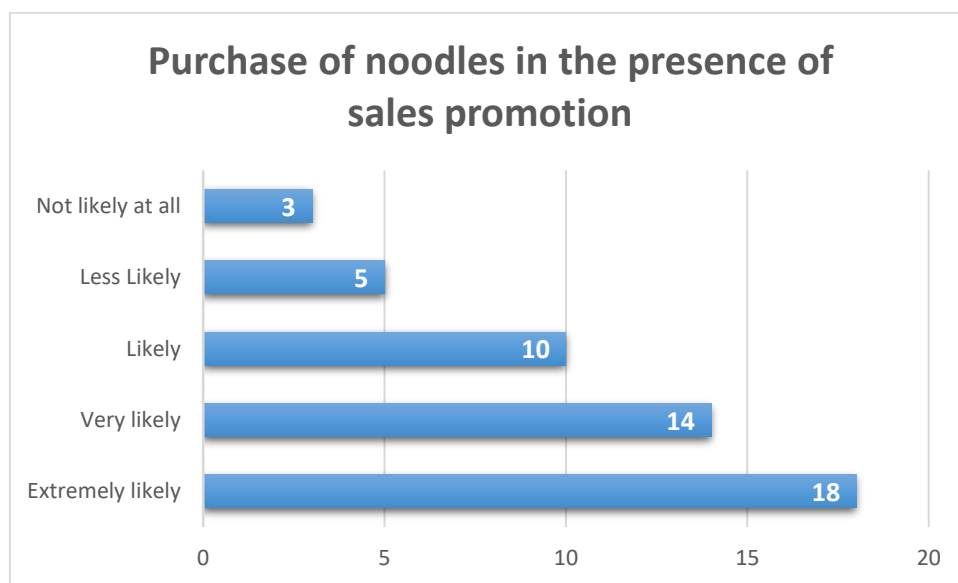
**Figure 5: Attractive promotional strategy**

**Interpretation:** From the 50 respondents, the majority of the people chose Sales Promotion and offered to be a more effective medium while generating interest when purchasing a new noodle product compared to the other two options. However, twelve people said free sampling of noodles would create a spark for generating interest while purchasing new noodle products. Three said public figures consuming the noodle product would do the trick of influencing regular shoppers in purchasing the noodle product.



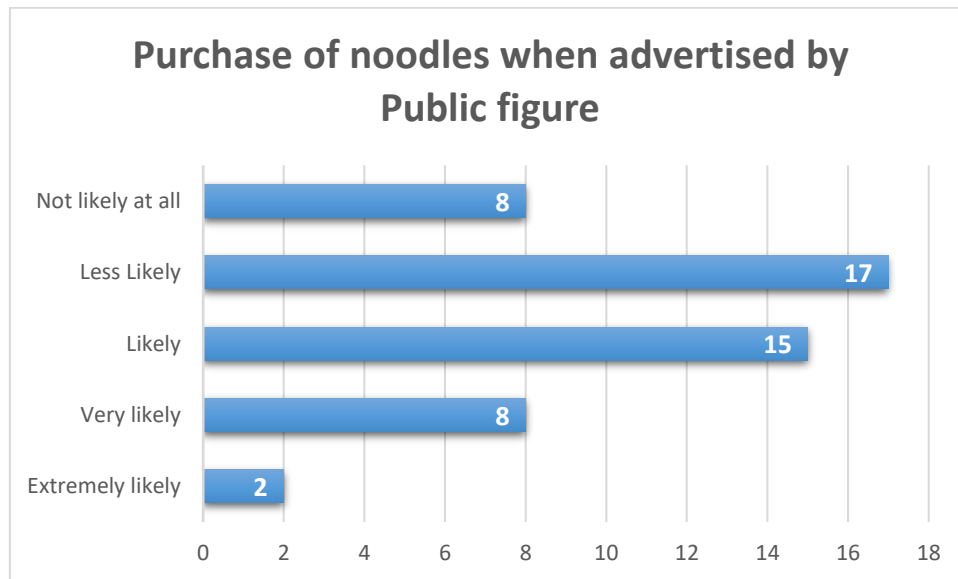
**Figure 6: Impact of free sampling**

**Interpretation:** Here, we take the scale of 1 to 5, resembling a Likert chart, while analyzing the answer to this question. The scale ranging from 1 being Extremely likely, 2 being very likely, 3 being likely, 4 being less likely, and the last scale 5 being Not likely at all. The majority of the respondents, Seventeen people, said they would very likely buy noodles when they get to test the product from free sampling. Thirteen people said they would extremely likely, and eleven people said they would likely purchase when they get to try free samples. This analysis resembles the positive attitude of the majority of the respondents regarding free sampling campaigns.



**Figure 7: Impact of sales promotion**

**Interpretation:** Here, we take the scale of 1 to 5, resembling a Likert chart, while analyzing the answer to this question. The scale ranging from 1 being Extremely likely, 2 being very likely, 3 being likely, 4 being less likely, and the last scale 5 being Not likely at all. The majority of the respondents, eighteen people, said they would extremely likely buy noodles when there is a sales promotion on the product. Fourteen people said they would be very likely, and ten people said they would likely purchase when there is a sales promotion on the product. This analysis also resembles the positive attitude of the majority of the respondents regarding sales promotion and other offers.



**Figure 8: Impact of public figure promotion**

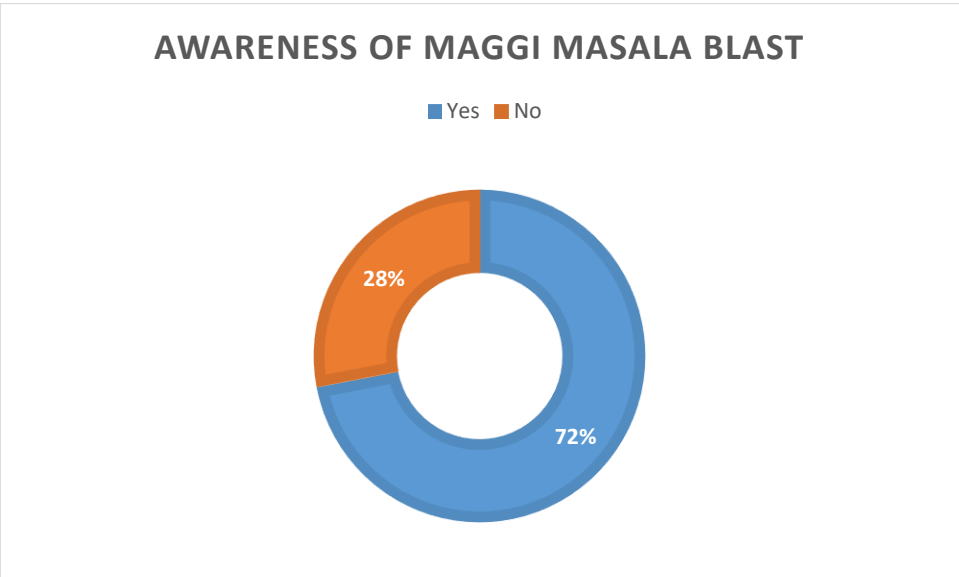
**Interpretation:** Here, we take the scale of 1 to 5, resembling a Likert chart, while analyzing the answer to this question. The scale ranging from 1 being Extremely likely, 2 being very likely, 3 being likely, 4 being less likely, and the last scale 5 being Not likely at all. The majority of the respondents, ten people, said they would likely buy noodles when they get to test the product from free sampling. Seventeen people said they would less likely, and fifteen people said they would likely purchase when they get to try free samples. This analysis resembles the negative attitude of the majority of the respondents regarding public figures consuming or supporting the product brand as compared to the other two options of promotional activity.





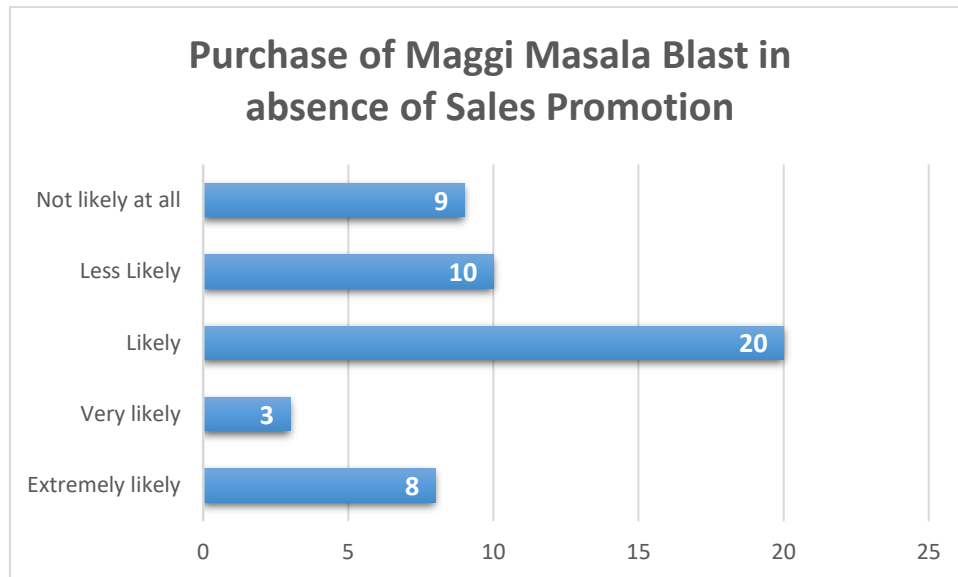
**Figure 9: Awareness of MAGGI**

**Interpretation:** From the 50 respondents of the survey, all know about the brand Maggi, which implies that the awareness of the brand Maggi is 100%.



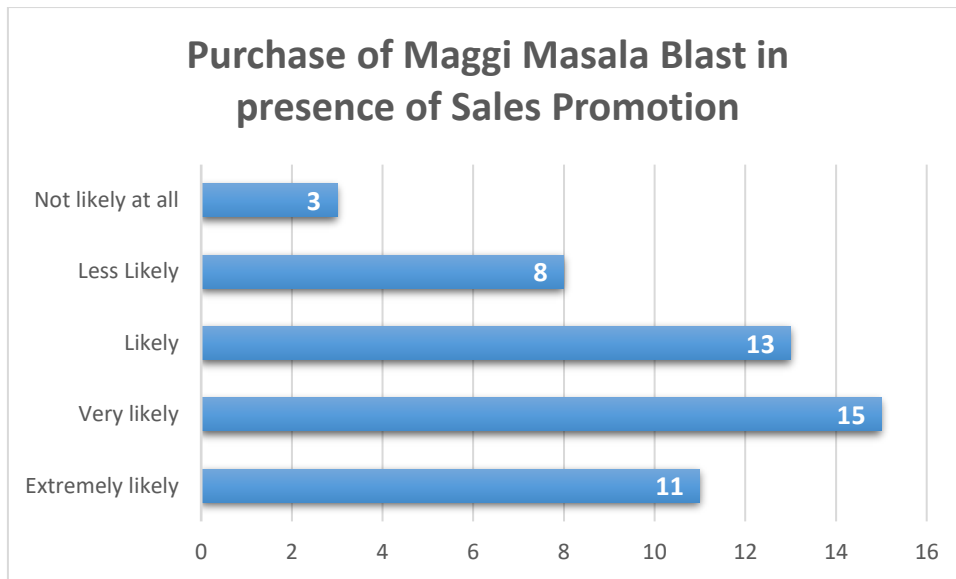
**Figure 10: Awareness of MAGGI Masala blast**

**Interpretation:** We have considered a comparatively new product of the brand Maggi which is Maggi Masala Blast. We wanted to test whether this product is known to the sample of a general population. It turns out that 72% of the sample of 50 respondents said they heard about Maggi Masala Blast while the rest, 28%, said they never heard of the product. Therefore there is a gap in the awareness of the product that it even exists.



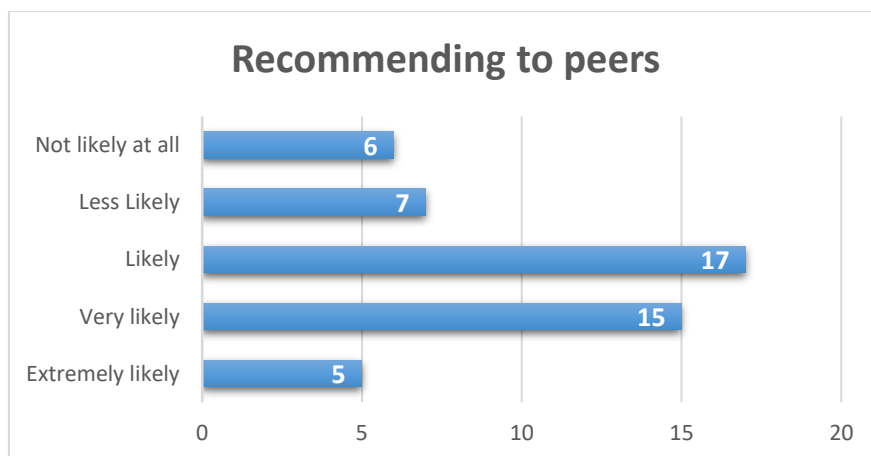
**Figure 11: Trial of Maggi Masala Blast in absence of sales promotion**

**Interpretation:** With this question, we wanted to test whether the sample population would like to purchase the product even if there were no promotional offers. It turns out that 20 of the sample said they would likely buy the product without any promotional offer, and 10 said they would less likely buy the product. This analysis resembles a negative trend of interest in purchasing noodle products in case of no promotional offer.



**Figure 12: Trial of Maggi Masala Blast in the presence of sales promotion**

**Interpretation:** With this question, we wanted to test whether the sample population would like to purchase the product if there were promotional offers on the product. It turns out that 15 of the sample said they would very likely buy the product with promotional offers. From the analysis, the proportion of the sample saying they would extremely likely buy the product is 11 people and the proportion saying they would likely buy the product with a promotional offer is 13 people. This analysis resembles a positive trend of interest in purchasing noodle products with promotional offers.



**Figure 13: Recommendation to peers**

**Interpretation:** With this question, we wanted to test whether the sample of the population answering the question would like the product after trial and recommend it to their friends, family, or colleagues. From this question, we found out that the proportion of the sample saying they would very likely recommend the product is 15 people, and the proportion of the sample saying they would just likely recommend the product to a friend, family, or colleague is about 17 people. From this analysis, we can say there is a positive trend towards the likeability of the product, which leads the sample population in recommending to their peers.

### 3.3.2 Major Findings:

- **Influencing purchasing behavior by incentive:** After analyzing and interpreting figures 11 and 12 we concluded that consumers like incentives and would try out a new culinary product. The general population sample will be less likely or likely to purchase a new culinary product when no incentive is given to them. We concluded by illustrating a new noodle product of a prominent brand MAGGI which is Maggi Masala Blast.
- **The segment that gets attracted by incentives:** From the results of the analysis of questionnaires, we concluded that the young generation falling in the age group of 18-25 are more attracted to incentives like sales promotional strategy which will lead them to try out a new noodle product even if the awareness is low for the product. Moreover, the segment of the population attracted to consumer sales promotion does shopping a couple of times a month or on a monthly basis (bulk shopping).
- **The best option for promotional strategy:** We found in figure 5 that the majority of the sample population chose sales promotion and offer like sales discounts and other gifts over brand promotion by public figures and free sampling of noodles. We can say that Sales offers and promotions positively impact the purchasing behavior of new culinary products, among other alternatives, which proves the hypothesis (H1, Sales offers & promotion) valid.
- **The perfect mix of sales promotional strategies:** From the result of the analysis of the questionnaires, we found out that sales promotion and free sampling of products are better ways of promoting a product than the option of public figure promotion in the food industry. This is illustrated in Figures 6, 7, and 8.

### **3.3.3 Limitations:**

- I had many issues preparing the report. Occasionally, rules and regulations compel me to collect all relevant data. NBL has strict norms and regulations in place regarding the disclosure of confidential information. I did not have access to all of the data I required.
- The report had to be completed in a minimal amount of time. I only had a single weekend to devote to the report. I have to work on several projects in the company at the same time while collecting data. Employees were highly busy, making it difficult to get an appointment or schedule a meeting.
- Some of the respondents were uncooperative; gathering information from them was also problematic. In a word, we got responses from a few respondents compared to the original plan.
- Moreover, most of my internship was spent working from home, which hampered me from many networking and other opportunities, which led to less information for this report.

## **3.4 Conclusion**

From getting all the answers from the questionnaires, we can observe that the majority of the questionnaire respondents were young. This population segment said that sales promotion was more attractive as a promotional activity than public figure advertisement and free sampling of noodles. The acceptance of free sampling of noodles was also quite good. However, public figure advertisement regarding the product did not seem to be a lucrative option for the company.

We also observed from the questionnaire's answers regarding Maggi Masala Blast that the acceptance of that product with sales promotion was even more with no sales promotional offer. The likeability of the product was also more which led the sample population in a recommendation to their peers.

### 3.5 Recommendations

- **Introducing an incentive to try out a new noodle product:** Incentives should be given to consumers when companies want them to try out their new product. If no incentive is given, consumers tend to feel less interest in buying the product unless the brand loyalty is extreme. As in the food industry, the product noodles are consumed by consumers, not regularly; brand loyalty does not come into play for the particular category. Thus introducing a promotional offer is a must if companies want consumers to try out their product.
- **The best promotional strategy:** A firm recommendation for companies to invest more on sales promotion rather than a free sampling of culinary products or public figure advertisement.
- **The best mix of promotional strategies:** Another way can be to invest in sales promotion and free sampling of the culinary product as both positively impact the consumer's interest in purchasing a new culinary product. As most of the respondents are shoppers and it is their vote that sales promotion would be the best option, it is wise to listen to their saying. Even if there is a gap in the awareness of a new product, sales promotion can aid in purchasing that product. Thus companies having a conservative approach to marketing expenses can follow the findings of this report.

### References:

- Gardner, M. P., & Strang, R. A. (1984). Consumer Response to Promotions: Some New Perspectives. *ACR North American Advances, NA-11*.  
<https://www.acrwebsite.org/volumes/6288/volumes/v11/NA-11>
- Hanzala. (2021, February 11). *Why Companies Should be Innovative*. Medium.  
<https://hanzasardar.medium.com/why-companies-should-be-innovative-6e3a89f26e2>
- Purcell, W. (2019, October 31). *The Importance of Innovation in Business*. Northeastern University Graduate Programs.  
<https://www.northeastern.edu/graduate/blog/importance-of-innovation/>
- *Significance of Innovations*. (2020, June 5). Indiafreenotes.  
<https://indiafreenotes.com/significance-of-innovations/>

## Appendix

### **3.2.1 Questionnaires:**

1. Mention your gender

- a) Male
- b) Female

2. Which age group do you fall into?

- a) 18-24
- b) 25-34
- c) 35-44
- d) 45-54

3. How frequently do you shop from a physical store or e-commerce?

- a) I shop every day
- b) I shop a couple of times in a week
- c) I shop on a monthly basis
- d) I do not shop at all

4. How often do you consume Noodles?

- a) Everyday
- b) Several times a week
- c) Once a week
- d) About once a month
- e) Never



5. Which option of the following will spark interest in you when purchasing noodles?

- a) Sales Promotion & Offers (Example: Buy three and get one free offer or any other discounts)
- b) Other Public figures consuming the same noodles
- c) Free sampling of the noodles

6. How likely would you buy noodles when you get to test the product from free sampling campaigns done by companies?

Extremely Likely	Very likely	Likely	Less likely	Not likely at all
1	2	3	4	5

7. How likely would you buy noodles when there is a sales promotion or any other offers?

Extremely Likely	Very likely	Likely	Less likely	Not likely at all
1	2	3	4	5

8. How likely would you buy noodles when a public figure is consuming the same noodles?

Extremely Likely	Very likely	Likely	Less likely	Not likely at all
1	2	3	4	5

9. Have you heard about the brand Maggi?

- a) Yes
- b) No

10. Have you heard of Maggi Masala Blast?

- a) Yes
- b) No

11. How likely would you buy the product if Maggi Masala Blast were available today with no promotional offers?

Extremely Likely	Very likely	Likely	Less likely	Not likely at all
1	2	3	4	5

12. If Maggi Masala Blast were available today with promotional offers (If you buy 2 eight packs, you get 1 eight pack absolutely for free), how likely would you buy the product?

Extremely Likely	Very likely	Likely	Less likely	Not likely at all
1	2	3	4	5

13. If you already tried Maggi Masala Blast, how likely is it that you would recommend this product to a friend, family, or colleague?

Extremely Likely	Very likely	Likely	Less likely	Not likely at all
---------------------	-------------	--------	-------------	-------------------

1	2	3	4	5
---	---	---	---	---