

Report on
A study on the consumer behavior of Health Food Drinks
Sachet packs

By

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ID: 17304030

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

BRAC Business School
BRAC University
October 2, 2021

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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.

Student's Full Name & Signature:

Md. Abu Bakar Siddique
Student ID: 17304030

Supervisor's Full Name & Signature:

Md. Shezanur Rahman
Lecturer, BRAC Business School
BRAC University

Letter of Transmittal

Md. Shezanur Rahman
Lecturer,
BRAC Business School,
BRAC University,
66, Mohakhali, Dhaka-1212.

Subject: Submission of Internship report.

Dear Sir,

It is indeed a great pleasure to submit my internship report on “A study on the consumer behavior of Health food drinks sachet packs.” This report is prepared with the details of my assigned task during my internship at Nestlé Bangladesh Limited, where I worked on consumer promotion, brand communication, and other marketing activities at Dairy Team.

I have tried my best to finish the report with the relevant information and analysis, which can provide a significant understanding of the concept of the report.

Therefore, I hope this report will be up to your expectations, and it will be my pleasure to answer any clarifications and suggestions regarding this report.

Sincerely yours,

Md. Abu Bakar Siddique

ID: 17304030

BRAC Business School

BRAC University

Date: October 2, 2021

Non-Disclosure Agreement

This agreement is made and entered into by and between Nestlé Bangladesh Limited and the undersigned student at BRAC University

Acknowledgement

I want to start with the most profound appreciation to my parents, who are no longer with me but always believed in my ability and motivated for my success.

Next, a special gratitude to my academic supervisor, "Md. Shezanur Rahman" sir, for all the support, instructions, and continuous feedback during my internship. Moreover, I would like to thank my internship supervisor "Syed Ahsan Pervez Iftakhar," without whom I could not complete all my tasks. Indeed, he is a great mentor, and I am always indebted to him.

I am also very much thankful to the dairy team member of Nestlé Bangladesh Limited, who supported me in every task with mentorship.

Finally, I would like to express my gratitude to all the people who supported me in completing this report.

I apologize to all other people I could not mention but helped in various ways to complete this report.

Executive Summary

Nestlé is the world's largest food and beverage company, and Nestlé Bangladesh Limited is a fully owned organization of Nestlé S.A. Having a business presence in over 191 countries globally, Nestlé is continuously working to support sustainable Development Goals with innovation while fulfilling nutrition demand. Nestlé has its own manufacturing factory in Bangladesh and operating business with a strong distribution network.

The marketing department of Nestlé is very proficient and manages all the brand portfolios effectively. As a Marketing intern, I learned a lot about branding and brand management from highly skilled professionals. I was assigned to multiple projects to get the best outcome as an intern.

Health Food Drinks (HFD) have great demand in the current market, and the project part mainly focused on the HFD sachet packs consumer behavior. A research has been conducted on this topic. By the end of the report, an elaborated discussion and analysis will show the potential market of Health Food Drinks sachet packs in Bangladesh.

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List of Acronyms

NBL	Nestlé Bangladesh Limited
HFD	Health Food Drinks
MT	Modern Trade
DC	Distribution Center
SKU	Stock Keeping Unit
DSR	Direct Sales Representative

Glossary

Grey Market Grey market is an unofficial market where a third party sells products and an official supplier does not authorize those products.

Activation Activation is event or campaign that mainly focuses on consumer engagements and generates brand awareness.

Chapter 1: Overview of the Internship

1.1 Student Information

Name: Md. Abu Bakar Siddique

Student ID: 17304030

Program: Bachelor of Business Administration (BBA)

Major: Marketing

1.2 Internship Information

1.2.1 Company: Nestlé Bangladesh Limited

Department: Marketing (Dairy Brands)

Internship Duration: 12 months

Address: Ninakabbo Level 4, 227/A Tejgaon-Gulshan Link Road,
Tejgaon Industrial Area, Dhaka 1208, Bangladesh.

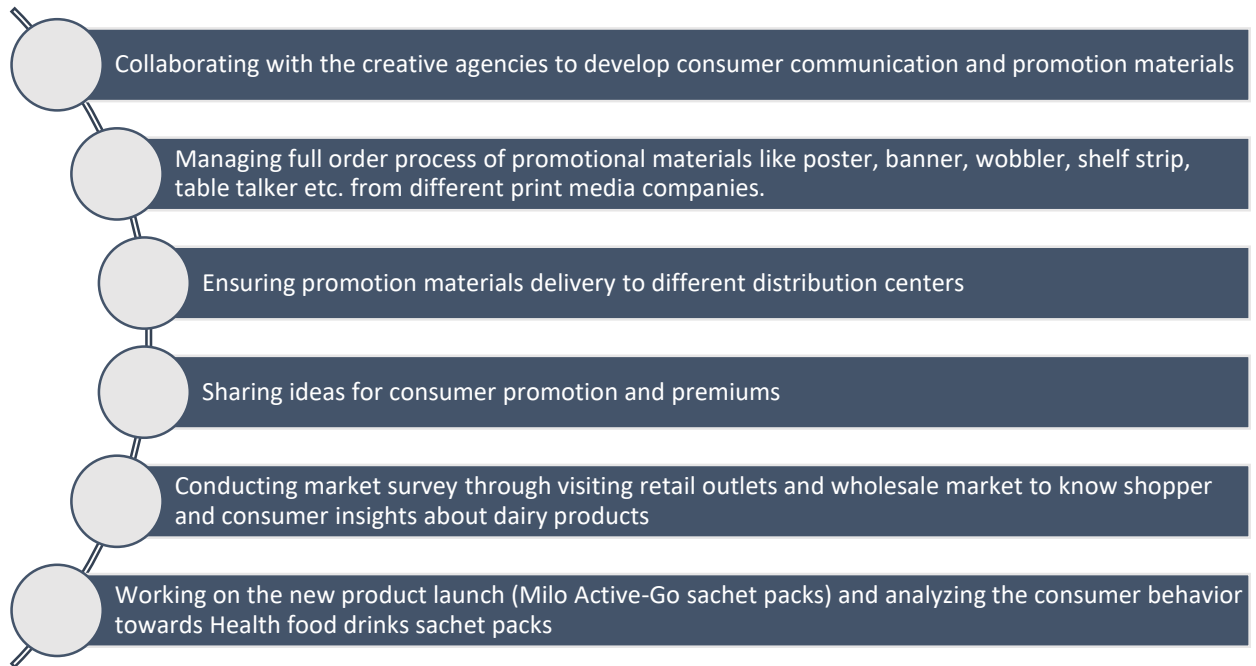
1.2.2 Nestlé Supervisor's Information

Name: Syed Ahsan Pervez Iftakhar

Position: Sr. Brand Officer (Dairy)

1.2.3 Job Responsibilities

I started my internship at Nestlé Bangladesh Limited as a Marketing Intern. As mentioned before, my line manager was Syed Ahsan Pervez Iftakhar, who was the Sr. Brand Officer of dairy brands at NBL. I was in the dairy team under his excellent supervision. From the very first day, I was treated like a permanent employee. Every member treated me as a team member, and not for once; I felt like I was an intern here. During my internship, I worked with different brands managers, Territory Officers, and people from other departments. The work environment is outstanding, and they all are connected strongly while working as a team. My job responsibilities are mainly as follows:



Job Responsibilities of a marketing intern at NBL

1.3 Internship Outcomes

1.3.1 Contribution to Nestlé Bangladesh Limited

As a marketing intern, I learned a lot about different brand management activities. Besides, I got the opportunity to work in the sales team to learn about the activities of a Territory Officer. Nestlé offered me this great opportunity to learn and utilize my theoretical knowledge, so I wanted to contribute to the company. I always thought of different brand promotion ideas while doing my marketing courses. So, I gave many ideas to my line manager and category business manager for branding activities. During my internship, I gave them the idea of Health Food Drinks sachet packs, which I have chosen for my internship project. I am glad that my managers liked the idea and helped me through different ways for my survey. They wanted the survey report and were positive to launch new sachet packs of Milo if the feedback came positive. Besides, the dairy category manager also praised me for the idea of the cricket bat as the premium of Milo. I hope my idea of the Milo sachet pack will be an outstanding contribution to Nestlé Bangladesh Limited.

1.3.2 Benefits to the Student

- ✓ Nestlé Bangladesh produces great leaders, and the interns get the opportunities to work under or with them. The learning outcome is significant for the students.
- ✓ Organizational culture is amicable and healthy. One can have a unique employee experience here.
- ✓ Everyone work as a team and the students become team-oriented and gather experiences of a real business environment.
- ✓ Students also get the research experience through market surveys where they get access to many places, which is difficult during academic surveys.
- ✓ Interns can create a great professional network here.
- ✓ The mentorship from the seniors is also unforgettable for the future career.
- ✓ The valuable experience is an excellent addition to the resume of the student.

1.3.3 Difficulties during the Internship period

The internship at Nestlé has mentioned a “work from home” internship due to the impact of Covid-19. However, as a marketing intern, I had to get practical experiences in both branding and sales. The pandemic impact was huge, but I always wanted to complete my internship at the office and territory. Thanks to my supervisor, he allowed me to work from home, office, and territory. However, lockdown during the internship caused difficulties when I could not conduct my trade market survey within that period. Another difficulty I have faced is too much information in the first days. However, all the employees were accessible and supportive, and I absorbed every piece of information with their help. Other than this, I did not face many difficulties because of my previous part-time job experiences.

1.3.4 Recommendations for Nestlé Bangladesh Limited

Nestlé Bangladesh is one of the best multinational companies in Bangladesh. They have a well-structured way of recruiting and training procedures. Students are eager to join them for their high learning outcomes and professional network. In my opinion, NBL is one of the best organizations in Bangladesh where interns can grow their skills and make

themselves ready for the industry. However, there are some recommendations for NBL from my side.

- ❖ Nestlé Bangladesh is very confidential in terms of data and other business operations. Every employee and intern is provided with Nestlé authorized laptop for communication and functional purpose. Unfortunately, I think the laptops of the intern are very low configured and old. Whereas interns also had to do similar types of activities like permanent employees at some points. So, In my opinion, interns should be provided with laptops having better configurations.
- ❖ Nestlé hires significantly fewer interns than other top-level organizations in Bangladesh. Though it depends on their needs and requirements, I think Nestlé should hire more interns to contribute more leaders in the industry. It will be great for both students and the organization as well.

Chapter 2: Organization Part

2.1 Overview of the Company

2.1.1 Nestlé S.A

Nestlé S.A is the world's largest Food and Beverage Company in the world, headquartered in Vevey, Switzerland. Nestlé was founded by Henri Nestlé (1814-1890) back in 1866. Nestlé has more than 2000 brands, and the business presence of Nestlé is available in 191 countries. Moreover, Nestlé has 376 factories in 81 countries. Nestlé is continuously working to support Sustainable Development Goals with innovation.



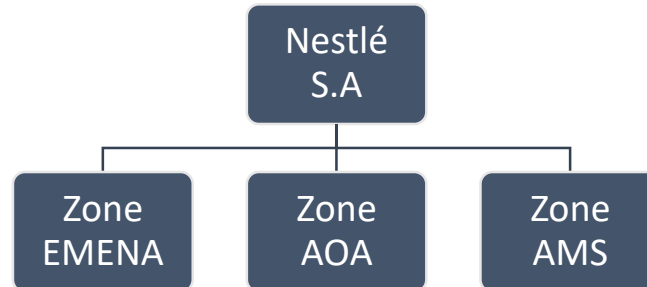
Henri Nestlé (August 10, 1814 – July 7, 1890)



The Nest

Based on operation, general organization of Nestlé S.A is divided into 3 zones.

- Zone EMENA: Europe, Middle East, North Africa
- Zone AOA: Asia, Oceania and Sub-Saharan Africa
- Zone AMS: Americas



2.1.2 History of Nestlé

1866-1904: The “Anglo-Swiss Condensed Milk Company” came into existence in 1866 by two brothers- Charles and George Page. They were based in Switzerland. Anglo-Swiss was the first-ever company in Europe to establish a condensed milk production facility.

In another region of Switzerland, Vevey, Henri Nestlé launched his first-ever product, “farine lacte,” a combination of cow’s milk, sugar, flour, and wheat. The primary consumers of this product were infants who could not be breastfed. Farine lacte showed its result by reducing the infant mortality rate. Moreover, just around this time, Henri Nestlé started using the iconic nest logo on his products.

Nestlé introduced chocolates in their product line by that time and took over several companies as their subsidiaries.

1905-1913: In 1905, Anglo-Swiss and Nestlé eventually completed the merger. Nestlé had over 20 factories and started using their overseas subsidiary companies to hold a market share in Africa, Australia, Latin America, and Asia.

In the 1910s, as the First World War was approaching, Nestlé found its way to expand even more in the global market because of the increased demand for nutritious food. The era of the 1910s is called “The Belle Epoque” for Nestlé, which means, “The beautiful Age.”

1914-1922: Though the war paved the way for Nestlé to expand globally, there were some issues. Because of the outbreak of the war, there was a shortage of raw materials and a limitation in cross-border trading. To overcome this problem, Nestlé acquired several new production facilities in the U.S. and Australia.

In 1929, Nestlé bought the largest chocolate manufacturing company in Switzerland. Later they launched the malted chocolate drink “Milo” for the first time in Australia. Moreover, the Iconic brand Nescafe was first introduced in 1938 as a powdered extract of pure coffee. The process of making Nescafe was very easy- add some water and drink. It was an instant hit in the market.

1942-1945: As the Second World War approached, Nestlé once again had a boom in the global market. They started producing products for both the civilians and the military.

After the war ended, Nestlé did another merger with the Swiss company “Alimentana” for their Maggi Soups and seasonings and later named them “Nestlé Alimentana.”

1948-1980: This post-war era was the blooming time of Nestlé. They introduced many brands in this time and saw tremendous success. After the war, Nestlé launched Nestea and Nesquik under their brand Nestlé Alimenata. Both of them were very easily soluble in water and became top sellers very soon.

Cerelac, Fondor, canned ravioli, Frisco, Findus, Vittel, Chambourcy are some of the brands Nestlé introduced right after the war.

1981-2005: In this period, Nestlé decided to concentrate more on the consumers’ health and, therefore, their new tagline, “Nutrition, Health, and Wellness.” They started getting rid of the unprofitable brands as time marched.

During this period, Nestlé bought some major companies like Rowntree Mackintosh, with products like KitKat and Smarties; leading pet food supplier Ralston Purina, later named “Nestlé Purina.”

2006-Present: In 2011, Nestlé established the Nestlé Institute of Health Science to study science-based nutritional foods.

Subsequently, Nestlé acquired Kraft Foods, Wyeth Nutrition, Pamlab to secure their position in infant nutrition.

Until now, Nestlé is continuously improving its products following the “Nutrition, Health and Wellness.” They are investing more in their healthcare portfolio too.

2.1.3 Nestlé Bangladesh Limited

Bangladesh is one of the 191 countries where Nestlé has enhanced their business. Nestlé started its business operation here in 1992 as a joint venture of Transcom Beverage Limited, and Nestlé S.A. NBL started their business operations in 1994. The only factory of Nestlé Bangladesh Limited is situated at Sreepur, Gazipur. It is 55km north of Dhaka.

Initially, the joint venture comprised 60% share capital by Nestlé S.A and 40% by Transcom Beverages Ltd. However, in 1998, Nestlé S.A. acquired the remaining 40% share, and Nestlé Bangladesh became a 100% owned subsidiary of Nestlé S.A. The Head Office of Nestlé Bangladesh is located in Tejgaon, Dhaka.

2.1.4 The Spirit of Nestlé

The mission and vision of Nestlé Bangladesh are the same as Nestlé S.A. Nestlé Bangladesh Limited is incorporating the global mission and vision locally here in Bangladesh.

- **Mission:** Driving Nestlé to the world's leading nutrition, health and wellness company. Our mission of "Good Food, Good Life" is to provide consumers with the best tasting, most nutritious choices in a wide range of food and beverage categories and eating occasions, from morning to night.”
- **Vision:** “To be a leading, competitive, Nutrition, Health and Wellness Company delivering improved shareholder value by being a preferred corporate citizen, preferred employer, preferred supplier selling preferred products.”

2.1.5 Nestlé Bangladesh Timeline

<i>Year</i>	<i>Event</i>
1992	Nestlé Bangladesh started its commercial Operations.
1994	Started manufacturing sweetened condensed milk and started repacking Milk Powders, Infant Nutrition and Infant Cereal.
1997	Commenced first Noodle line.
1998	Nestlé Bangladesh became 100% owned subsidiary of Nestlé SA. Started manufacturing Breakfast Cereal. Inaugurated the Distribution Centre.
2002	Started manufacturing Local Infant Cereal.
2004	Discontinued manufacturing of Breakfast Cereal. Switched from local repacking of Infant Nutrition to imported FG.
2007	Expanded Distribution Centre, and attained ISO 14001 & OHSAS 18001 Certification.
2008	Attained NQMS, ISO 22000 Certification.
2009	Commissioned second Noodle line.
2010	Initiated Nestlé Healthy Kids (NHK) Programme.
2012	Commissioned third Noodle line. Transitioned to Mechanized Distribution Centre. Awarded Standard Chartered-Financial Express CSR award 2010-11.
2013	Commenced confectionery production. Digitalized Warehouse Monitoring System (WMS). Initiated pilot knowledge-sharing programme.
2014	Partnered with 2030 Water Resource Group (WRG).
2016	Commenced Dairy manufacturing and Tea Enhancer bulk repacking.
2017	Introduced Fruit Drinks and Nectars in the market.

Source: Nestlé Bangladesh Website

2.1.6 Brands of Nestlé Bangladesh Limited

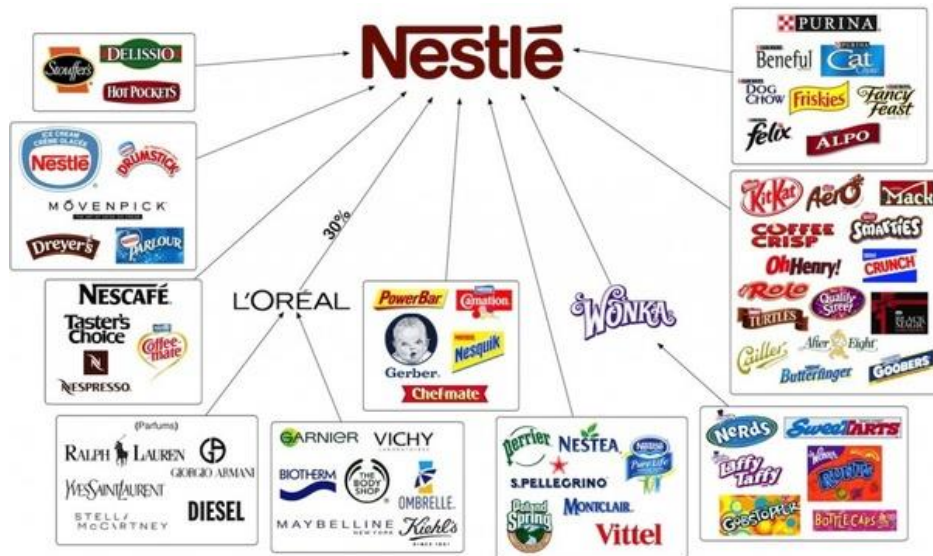
Being a company of over 150 years globally and almost 27 years in Bangladesh, Nestlé offers multiple brands fulfilling the nutrition needs of millions of lives across the world. The current product portfolio shows that Nestlé Bangladesh Limited is operating a business with six categories of brands. These are Dairy, Foods, Baby Foods, Beverages, Breakfast Cereals, and Nestlé Professional.



Product Portfolio:

Category	Brands
Dairy	Nido FortiGrow, Milo Active-Go, Nestlé EveryDay
Foods	Maggi 2-min Noodles, Maggi Healthy Soups, Maggi Seasoning
Baby Foods	Nestlé Ceregrow, Nestlé Cerelac, Nestlé Lactogen, Nan Optipro
Beverages	Nescafe Classic, Coffee mate, Nescafe 3 in 1, Creamy Latte
Breakfast Cereals	Nestlé Gold Cornflakes, Milo Cereal, Kokokrunch Duo
Confectionary	Kitkat, Milkybar, Smarties
Ice Cream	Dreyer's, Movenpick, Nestlé Extreme
Pet Care	Purina One, Purina Pro Plan, Purina Bakers, Friskies, Gourmet





These are mostly available brands of Nestlé Bangladesh Limited. There are many brands available out there but currently NBL does not supply those brands in the local market.




Nestlé Professional

Nestlé Professional offers solutions to out-of-home food and beverage. People changed their habit of eating and drinking where they tend to go outside the home a lot more than before. In this stance, businesses like restaurants, caterings, hotels, and vending solutions are growing significantly. Being the global market leader in the food and beverage industry, Nestlé introduced Nestlé Professional to build an intimate partnership with the customers and providing the best experience to grow and succeed.

Beverages:

<p>Spectra 2.0</p> <p>Your Everyday Delightful Cup</p>  <ul style="list-style-type: none"> Two Beverage Options Premix based Coffee: Milk Tea/Lemon Tea Easy to Operate Economically Efficient 	<p>Spectra 3.0</p> <p>Café Style Premium Beverage at your fingertips</p>  <ul style="list-style-type: none"> Multiple Beverage Options Premium Coffee Options Quality & Consistency Hot Enabled Machine 	<p>Cold Option Machine</p> <p>A Refreshingly Cool Menu</p>  <ul style="list-style-type: none"> Refreshing & Indulgent Cold Coffee & Iced Tea Solutions Easy to Operate Economically Efficient 	<p>Kiosk & Experience Zone</p> <p>A branded Hotspot for quick Beverage & Snack Solution</p>  <ul style="list-style-type: none"> Wide Range of Beverage & Snack Solution Partnering opportunity with NBL
Spectra 2.0	Spectra 3.0	Cold Option Machine	Experience Zone

Products used for Nestlé Professional Beverages:

		
NESCAFÉ 3in1 Vending (Premix)	NESTEA Lemon Tea (Premix)	NESTEA Milk Tea (Premix)

Foods:

			
Maggi Coconut Milk Powder	Maggi Chicken Stock Powder	Maggi Soya Sauce	Maggi Oyster Sauce

2.2 Management Practices

2.2.1 Leadership Style of Nestlé Bangladesh Limited

Nestlé Bangladesh Limited adopts the “**Democratic**” leadership style.

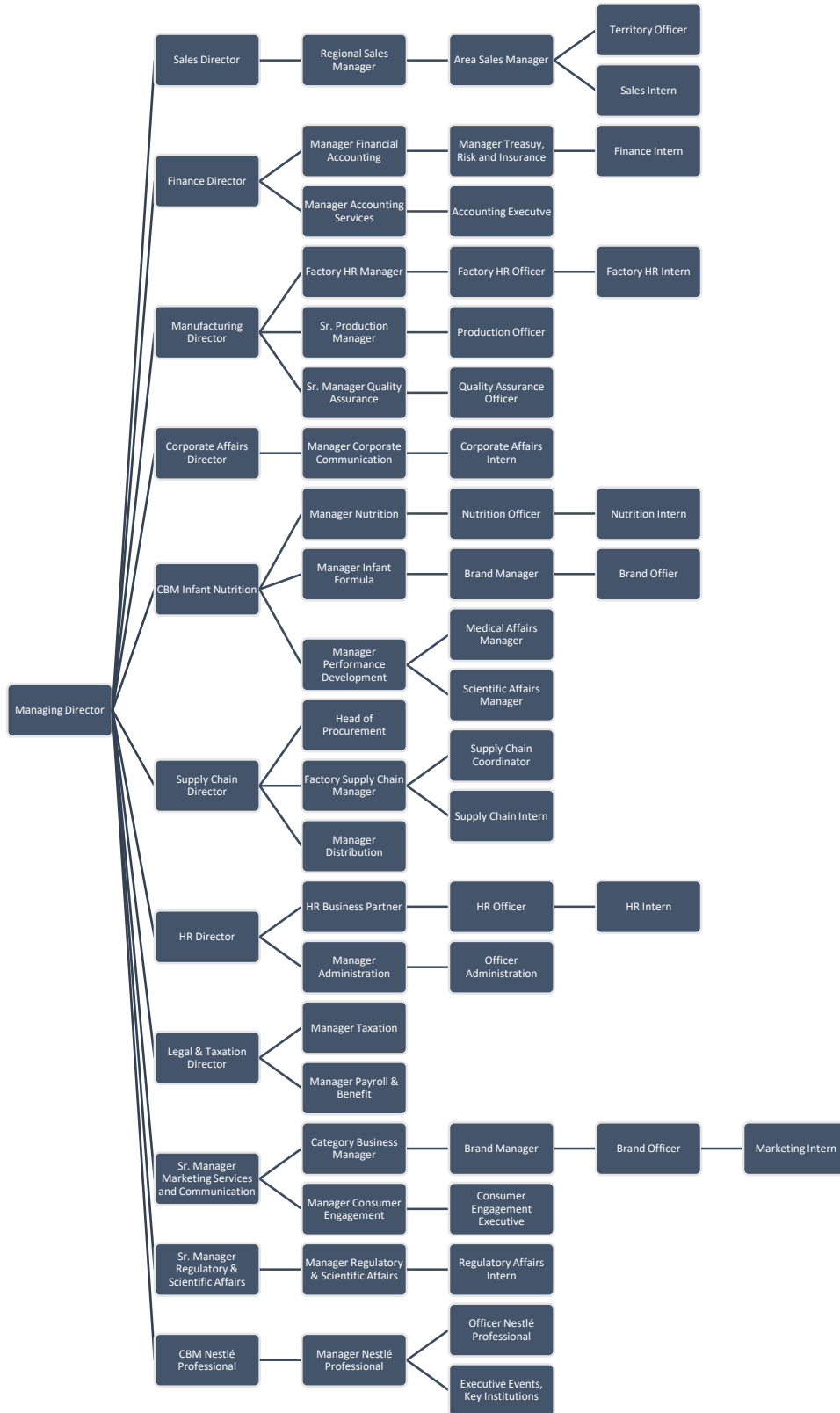
At Nestlé, management leaders decide, but the issue or topic is being discussed with the employees before finalizing the decision. Every suggestion from employees is valued, and a cooperative decision is taken. For example, in my dairy team, the category business manager takes the final decision about any tasks on dairy products. However, he values every opinion given by me and my supervisor, the dairy brand executive. In this process, the leaders have a good relationship with the employees of other management levels. The decision becomes more concrete and helps in the long-term success of Nestlé’s management.

2.2.2 Functional Departments of Nestlé Bangladesh Limited

Currently, there are total 10 functional departments at Nestlé Bangladesh Limited. These departments have subsections, which makes the operations smooth for NBL.

- General Management
- Corporate Affairs
- Human Resources
- Finance & Control
- Marketing
- Sales
- Nutrition
- Supply Chain
- Manufacturing
- Nestlé Professional

2.2.3 Organizational Structure of Nestlé Bangladesh Limited



2.2.4 Human Resource of Nestlé

Nestlé believes that its workers are the ones who can assist the company in achieving ultimate success and that their involvement is critical. Managers and leaders inspire and guide their workers continuously, assisting them in adding value to the business. This demands a high degree of dedication on each employee, as well as a consistent results-oriented attitude. As a result,

- People at Nestlé are not only engaged in developing their professional skills; regardless of their origin, race, nationality, religion, or sexual orientation, they are constantly adapting to the organization's culture and principles, which are regarded as critical factors in the organization's success. It is the primary responsibility of all line managers to create and maintain an atmosphere in which employees acquire a feeling of commitment and perform at a high level to contribute to the company's success.
- The management believes in succession planning. The management feels that involvement at all levels of the organization is critical. Human resource management is structured in such a way that it enables all of them together in defining business requirements while also considering requirements.
- The management and the whole team's goal are to offer professional advice to all levels of workers in order for them to deliver outcomes while also fostering an atmosphere conducive to performance. According to conventional wisdom, if a business wishes to thrive in the long term, it must recruit, retain, and develop workers to ensure sustainable development.
- At Nestlé, managers promote workers who possess professional abilities and exhibit personal characteristics that allow them to have a special connection with the business. The company is committed to hiring individuals with appropriate skills and expertise who adhere to Nestlé's values. Nationality, ethnicity, religion, gender, handicap, or origin of a candidate are never considered.
- Nestlé pledges to offer a healthy and secure work environment and employment flexibility that enables workers to maintain a work-life balance and position the company as a global leader in nutrition, health, and wellness. Flexible working circumstances are given

whenever and wherever feasible, allowing all workers to participate in extracurricular activities such as community engagement.

- Line managers are always accountable for the health and safety of their assigned regions. Nestlé is concerned about all workers, irrespective as to whether they work on- or off-site, whether they are contractually obligated, or if they are service providers. It is guaranteed that all employees have a good working environment. The business strives to develop a culture of trust and respect among its workers. The business has a zero-tolerance policy for harassment or discrimination of any sort. The human resources staff ensures that the relevant authorities hear workers' voices. Nestlé has created a work atmosphere based on trust, mutual understanding, and respect since its foundation.
- All workers worldwide are continuously working to improve collective relations, which has become an integral element of their job role. The business protects all workers' right to free expression and facilitates collective bargaining.
- Negotiations between labor and employers have historically been remarkably calm, which has had little effect on the workplace's direction. The business is committed to continual development in the areas of two-way communication. It encourages everyone to share knowledge and values, promote health and safety, and practice environmental stewardship. All workers are required to make a concerted effort to overcome any differences that may impede working interactions.
- Nestlé accepts responsibility for establishing flat and flexible structures with few management levels and wide control spans that facilitate employee growth, improve efficiency, and facilitate the execution of the "Nestlé Management Leadership Principles."

As a consequence of the less hierarchical structure, there is still an emphasis on interpersonal relationships among workers. This results in a more flexible work environment. This is also how the company maintains competitive advantage. These principles motivate them to create a workplace that places a premium on individual accountability and autonomy. The varied work environment encourages individuals to think creatively and innovatively. Here, risks are regarded favorably. Errors are regarded favorably, but there is always the opportunity for growth. The company's brand is blended with innovation and understanding of the local business community.

Thus, individuals may influence the organization's daily operations and develop a feeling of ownership over them. To achieve these goals, Human Resources performs various tasks that adhere to the company's rules and plans.

2.2.5 Training and Development

The company's culture is one of continuous learning. Employees are allowed to explore ways to improve their knowledge and abilities on a systematic basis. The company establishes training and growth priorities and takes responsibility for transforming them into excellent professionals. Employees, line managers, and Human Resources collaborate on activities. Experience and on-the-job learning are the primary means of acquiring knowledge. Managers are held accountable for advising and coaching workers to ensure their continued success in their current roles. Employees of Nestlé recognize the value of continual development and the significance of sharing information and exchanging thoughts openly with others. Practices such as professional development, expansion of responsibilities, and cross-functional groups are urged to learn new skills and broaden their perspectives. Increase job content and accountability. Additionally, Nestlé provides a thorough training program. Activities and methods to aid in the learning and development of everyone. Participating in a program should never be seen as a prize but as an integral part of ongoing development. Additionally, corporate leadership development programs assist us in developing and retaining management that is the most qualified. Leaders have the option of attending one of two international Courses that foster an integrated business knowledge and help consolidate and deepen Nestlé values and ethics and programs run by strategic learning partners.

The company's culture is one of continuous learning. Employees are encouraged to pursue ways to improve their knowledge and abilities on a systematic basis. The company establishes training and development initiatives. Employees, line managers, and Human Resources are all responsible for translating these into actions. The primary source of learning is via experience and on-the-job training. Managers are accountable for mentoring and coaching their direct reports to ensure their success in their current roles. Employees at Nestlé appreciate the value of continual development and the significance of openly exchanging information and ideas. To gain new skills, enhance

work content, and broaden accountability, methods including sideways professional growth, responsibility extension, and cross-functional teams are promoted.

Additionally, Nestlé provides a wide variety of training activities and methods to assist everyone in learning and development. Attending a program should never be seen as a reward but rather as a necessary component of further growth. Additionally, corporate leadership development and retention programs assist us in developing and retaining the most competent management. Leaders may choose between worldwide training courses that foster an integrated business knowledge and help consolidate and reinforce Nestlé principles and values or programs delivered by its strategic learning partners.

The majority of training is conducted internally, although some are conducted outside. Some of the most prevalent training are as follows:

- The Nestlé Leadership Framework Overview is designed to help workers better understand Leadership Behaviors. Let us talk about these behaviors, provide some instances, and encourage others to share their own experiences.
- A nutrition knowledge training program to improve the company's nutritional understanding and reputation and its capacity to provide added value to customers' lives.
- Gain an understanding of all NBL product categories and the NBL product range, target market, product description, pricing, compliance with the law, benefits, features, communications, competitions, and so forth. After taking this course, students will understand all NBL product categories, including what products are best for whom, the fundamental components, and the target market.
- "Unleashing 100 percent People Potential" is at the heart of Nestlé's mission: "Building a Deep Feeling of Pride at Nestlé."

2.3 Marketing Practices (Dairy Brands)

2.3.1 STP Strategy

Segmentation: Segmentation of any product is different from another. For NBL products of dairy brands, segmentation of -

- **Nido FortiGrow:** Age- School-going children from 5+ of age (Nido 1+, 3+ are segmented on age 1-3 and 4-5), Geographic- Urban 60% and 40% of Semi-urban and Rural people, Economic- upper and middle-class people.
- **Milo Active-Go:** Age- future champions of 3+ years old, Geographic- Urban 80% and semi-urban 20% people (Mostly divisional cities), and Economic- upper and middle-class people. **Future champions are students, athletes, sportsmen and consumers with similar active lifestyles.
- **EveryDay:** Age- People from 5 to 60 years of age, but specially made for tea consumption of different age, Geographic- Urban 80% and semi-urban 20% people, Economic- Upper and middle-class people.

Targeting: Target customer for -

- **Nido FortiGrow and other Nido products:** Mothers as customers and children as end consumers.
- **Milo Active-Go:** Parents as customers and children as end consumers
- **EveryDay:** Adult Tea lovers from 18 to 40 years of age

Positioning: For Nido, the positioning is substitute of milk with fortified food nutrients. For Milo, the positioning is nutritional product with health benefits for growing and active children. For EveryDay, Nestlé created the positioning as smooth taste to consumers tea.

The positioning strategy for NBL is the **Product Differentiation** Strategy.

Nestlé constantly invest in their Research and development for innovation. It is a people-inspired company, and the main concern is the quality of the products to fulfil the nutrition needs.

With premium quality products, Nestlé also uses **Image differentiation** through their unique “Nestlé Logo”. In addition, Nestlé makes all the products easily available to consumers through **channel differentiation**.

2.3.2 Product Development

The integrated product development process of Nestlé is completed through different steps.

- **Consolidation of consumer data:** Through internal data mining, the sensory attributes are analyzed. As a result, the preferences of consumers are identified for specific segments.
- **Suitable nutritional targets:** Nestlé always focuses on the nutritional benefits of any product. Therefore, in this step, Nestlé analyzes the right nutritional targets for specific segments of consumers. Every product fulfills nutritional needs for specific segments.
- **Product and process mastership:** In this step, Nestlé's strong Research and Development team screen the potential ingredients; design the recipe and the manufacturing processes. Then the manufacturing and production team develops the product for consumer trial.
- **Consumer trial:** An optimal number of products are produced for consumer trial to match the expected sensory data with the real one. The feedbacks are collected for further product development process.
- **Preference mapping:** The preferences of the product by different segments of consumers are analyzed. The reason for like or dislike is explored, and Nestlé experts analyze the consumers' feedback and effects of the products in the trial.
- **Validation test:** Validation test is done through numerous internal methods. Nutritional Foundation and taste preferences are shared among other test methods. The validation test in Nutritional Foundation is positive if the product meets all the nutritional targets for a specific consumer segment. In addition, for taste preferences, a blind test between competitors and Nestlé products is conducted. If Nestlé's product gets at least 60% preferences, it is considered positive for the validation test.

- **Environmental sustainability evaluation:** Finally, the impact of the product on environmental sustainability is checked. Nestlé strictly maintains all possible ways to keep the environment sustainable through their products.

Nestlé always focuses on fulfilling nutritional needs, leading to healthier lives while offering tastier and healthier choices for different products.

2.3.3 Branding and Consumer Promotion

For consumer promotion, NBL uses different marketing channels. Advertising through these channels:

Media Advertising:

- ✓ TV
- ✓ Online and Offline Newspaper
- ✓ Magazines

Media advertising is mainly done through TVC and Print Ads. Generally, TVCs are aired during popular drama, shows or sports matches when the traffic is more in the media. Print Ads are used in the popular daily newspapers like Daily Star, Prothom-Alo and others.

Place Advertising:

- ✓ Billboards
- ✓ Posters
- ✓ Streets

Nestlé is very limited to billboard advertising unless its new product launching or a big event. Generally, billboard advertising is used in the city area to create brand awareness of new products. Posters and street advertising is not seen much due to shifting online channels of advertisements.

Point of Purchase Advertising:

- ✓ Trade Posters
- ✓ Jacket Hangers
- ✓ Stickers
- ✓ Shelf-talkers

Points of purchase advertising is very important and multiple campaigns are run throughout the year for this advertising. Being the market leader, Nestlé can easily convince retail shoppers to have specific space in the shop named “Nestlé House”. This part is designed with Nestlé stickers and posters. Shelf-talkers are designed with products color, logo and tagline. Moreover, jacket hangers are uniquely designed and placed in the most visible area of the retail shop.

Online Advertising:

- ✓ Facebook
- ✓ Instagram
- ✓ YouTube
- ✓ Websites

Online advertising is the most popular and effective way of advertising in recent years. Facebook, Instagram posts are very common and can reach potential customer more efficiently than traditional media. YouTube also shows the online commercial from Facebook and Instagram. Websites show digital ads and billboards of Nestlé products while browsing.

Consumer Promotion:

- ✓ Premiums

Consumer promotion is mostly given with premiums. As Nestlé target kids, they offer premium according to their choices and trends while keeping association with the brand themes. For

example, Nido gives color pencil or mug with the products, which attracts the kids to buy the products.

Trade Promotion:

- ✓ Trade Contests
- ✓ Cash Discounts
- ✓ Complimentary Gifts
- ✓ Sales discounts

Trade promotion is mainly sales-based promotion. Retailers are awarded through trade contests where they get points for sales, outlet design and other activities. Sales and cash discounts are also given for a certain amount of sales from the retailers. Complimentary gifts are offered to motivate the retailers and keep good relationships.

Event Marketing and Sponsorships:

- ✓ Club events Sponsors
- ✓ Partners in the events

Nestlé offers sponsorships to different events like science fairs, Language fairs, Business competitions and other events. Moreover, Nestlé mostly stands as Beverage Partner in many events.

Activation Programs:

Activations are currently one of the most effective methods of advertising where customers directly engage with the products. Nestlé arranged the Maggi Shad-e-Magic activation program, which was a door-to-door sale program. Consumers had the option to taste the product first, and then if he or she finds the product tasty, can purchase the product.

2.3.4 Competitors Activities (Competitors of Nido FortiGrow)

				
<p>DANO from Arla offered a mug with their 350g VitaKids pack.</p>	<p>Danish milk powder added one glass or bowl with their 500g pack.</p>	<p>Pran milk powder also had similar approach and offered a glass or bowl with their 400g pack.</p>	<p>Fresh Milk powder offered 135g Fresh noodles with their 1 kg pack.</p>	<p>Marks offers a big glass with their 2.5 kg tin.</p>

Competitors are continuously pushing through various consumer promotions. Consumers sometimes get confused when they see a similar type of premium from different brands. Despite the right segmentation and strong positioning, Nestlé loses its sales to the competitors due to rigorous promotion and advertisements.

2.3.5 Critical Marketing Issues

Nestlé Bangladesh Limited is leading the food and beverage industry in Bangladesh. However, there are many competitors in the market currently. One of the most critical issues is the rigorous marketing and advertising of competitors. From my observation, I have found that Nestlé focuses on the brands one at a time for consumer promotion. It varies from category to category. In my dairy category, during my internship, I have seen one Consumer promotion (CP) in one month for a specific brand in that category. Others brands are somewhat overlooked. I have found in August, they entirely focused on Nido CP, whereas, in September, it focused on Milo CP. A minimal amount of focus is given to other brands where similar products from competitors are advertised rigorously, and it causes marketing issues and results to lower sales amounts.

2.4 Accounting Practices

To audit the company's quarterly, half-yearly and yearly financial proclamations alongside the executive delegates, zeroing in especially on any significant changes to bookkeeping arrangements and practices previously accommodation to the Board for endorsement. Specific center is given on:

- Any significant changes to bookkeeping approaches and rehearses;
- Significant changes emerging from the reviews;
- Compliance with pertinent Financial Reporting
- Principles and other legitimate and administrative prerequisites; and
- The going concern presumption

Related Party Transactions

To audit any connected party exchanges and conflict of interest circumstances that might emerge inside the Company, counting any exchange, methodology or course of lead that might bring up issues of the board trustworthiness.

Review Reports

- To set up the yearly Audit Committee report and submit to the Board which incorporates rundown of its exercises and audit the Board's assertions on consistency with the BSEC Codes of Corporate Administration for consideration in the Annual Report;
- To survey the inner Audit Committee Charter and make vital corrections for the year. The panel ought to establish that all obligations illustrated in the contract have been completed. Furthermore, the contract is inspected, and proposed refreshes are introduced to the Board for endorsement.

Core Accounting Principles: The arrangement of fiscal summaries expects the board to practice judgment and make appraisals and suspicions that influences the detailed measures of income, costs, resources and liabilities. These evaluations and suspicions depend on verifiable experience and different components that are accepted to be sensible in light of the current situation. Genuine outcomes might contrast from these assessments. These assessments and fundamental suspicions

are inspected on an occasional premise. Modifications to bookkeeping gauges are perceived in the period where the outcomes are known/appear. The regions including huge assessments and judgment incorporate assurance of valuable existence of property, plant and hardware, estimation of characterized advantage commitments, acknowledgment and estimation of arrangements and possibilities and acknowledgment of conceded charge resources/liabilities.

Accounting Cycle: Nestlé Restricted Stock Unit (RSU) Plan/Performance Share Unit (PSU) Plan of Nestlé S.A., whereby select representatives of the Company are allowed non-tradable units with the option to get Nestlé S.A. offers or money same, is a Cash-Settled Share based installment according to the necessity of Shared based Payment. Risk under the arrangement is at first estimated at the reasonable worth and charged to proclamation of benefit and misfortune over the vesting time frame. The Company remeasures the exceptional units at each monetary record date at their reasonable qualities considering the Nestlé S.A. share cost and conversion standard as at the monetary record date. The resultant addition/(misfortune) on re-measurement is perceived in the assertion of benefit and misfortune over the vesting time frame. Items of property, plant and hardware are expressed at cost less amassed deterioration and collected impedance misfortunes, assuming any. Cost is comprehensive of cargo, obligations, assessments or tolls (net of recoverable charges) and any straightforwardly inferable expense of carrying the resources for their functioning condition for planned use.

Depreciation Method: Compelling first January, 2015, the Company has investigated and reevaluated helpful existences of fixed resources at 2013. In like manner, devaluation has been figured on reconsidered valuable lives dependent on specialized assessment of significant class of resources including parts thereof. Depreciation is given according to the straight-line strategy figured premise helpful existences of fixed resources as follows: Buildings: 25 - 40 years Plant and Machinery: 5 - 25 years Office Equipment: 5 years Furniture and installations: 5 years Vehicles: 5 years Leasehold land and related upgrades: Lease period Information innovation hardware: 3 - 5 years Intangible fixed resources: Over their assessed valuable life.

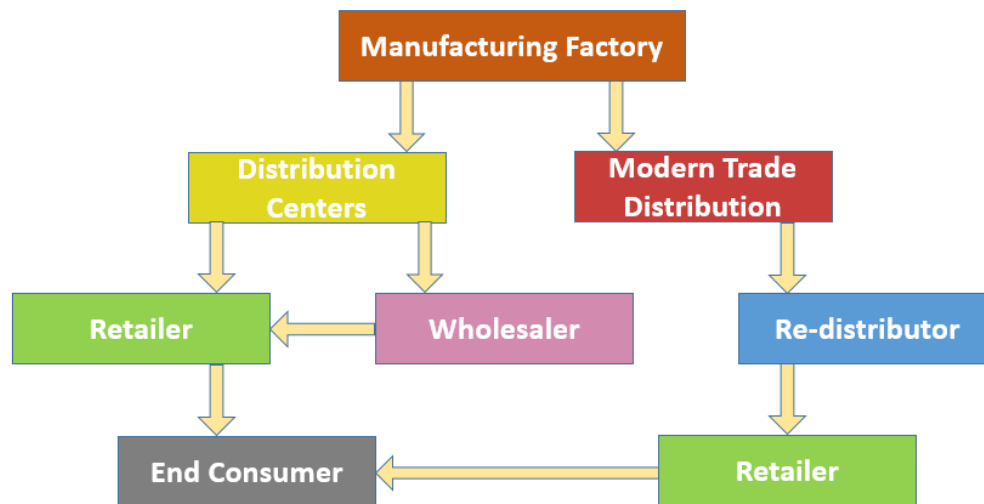
2.5 Operations Management and Information System Practices

The operations of NBL are divided into six regions.

- Dhaka North
- Dhaka South
- Bogra
- Khulna
- Sylhet
- Chattogram

The regions are divided into different areas and territories. The territories are consist of single or multiple distribution centers for the product distribution of NBL across the country.

- The Distribution channel for Nestlé products in Bangladesh follows the mentioned process.



Distribution Channel of NBL

Through this process, products are delivered to the distribution channel from the manufacturing factory of Sreepur, Gazipur. At present, there are 110 distribution centers and two modern trade distribution agents of NBL. Direct Sales Representatives (DSR) provides supplies according to the

wholesale and retail orders from the distribution centers. Retailers also can get products from wholesalers in this process. Then the retailers reach the products to end consumers. On the other side, the Modern trade distribution center supplies to other re-distributors and supplies to retailers. Again, the retailers reach the products to the end consumers.

- **The Nest:** The Nest is a highly confidential database and accessible to the employees of Nestlé. From this database, employees can take resources that are required. All kinds of documents, forms are available here for different types of employee applications. Employees can request leave or claim different benefits from “The Nest” database and website. One can raise complain or discussion issues there, and any employee can share their opinion on the platform. The Nest also offers learning and training courses for employees, and Nestlé authority bears all the costs for resources. Most importantly, The Nest platform is restricted for outside users, and employees strictly maintain the rules and regulations of the platform.

2.6 Industry and Competitive Analysis

2.6.1 Porter’s Five Forces Model:

❖ Threat of New Entrants:

In Bangladesh, there are many businesses where new entry is very easy. However, it is not easy to enter the market in the fast-moving consumer goods (FMCG) industry. Having a significant market share in the industry, Nestlé is already a threat to others entering the market. In addition, in this industry, the investment required is enormous. The distribution system for the industry requires a tremendous workforce and efficiency. In addition, matching the quality level with Nestlé is nearly impossible for a new entrant in Bangladesh. Having other giants in the industry, no one would easily enter this market to compete with them. Therefore, the threat of new entrants in Bangladesh for Nestlé can be considered as **Low**.

❖ **Threat of Substitute Goods:**

Every good has substitutes, which can increase the competition in the market. When it comes to the FMCG industry, it is very high. For example, for Nescafe, the substitutes are water, coke, or other drinks. Again, for the milk powder brand of Nestlé, i.e., Nido has substitutes like cow's milk. Consumers can easily shift to substitutes in this industry because the products are common and available. Therefore, the threat of substitute goods is High for Nestlé in Bangladesh. However, Nestlé is continuously working to impact health-conscious consumers who will always prefer Nestlé products beyond substitutes.

❖ **Bargaining Power of Customers:**

The bargaining power of customers is an important factor for any industry. Customers can influence the market with their bargaining power. In terms of Nestlé, the industry has many competitors who offer alternative and substitute goods. Buyers are capable of buying and shifting from one brand to another very easily. Therefore, Nestlé has to understand specific buyer's needs and always work for their satisfaction. Here, buyer's bargaining power is **High**, but Nestlé is concerned about the customer, and through different health and wellness programs, they are acquiring and retaining their customer.

❖ **Bargaining Power of Suppliers:**

Suppliers provide the raw materials and other necessary products for the company. Companies rely on suppliers in many ways. However, if the suppliers have more power, then it is not a good factor for the company. The grey market impact is one of the major issues while considering the bargaining power of suppliers where third-party sellers sell products, and the official supplier does not authorize those products. For Nestlé Bangladesh Limited, it is a threat because many third-party suppliers import products of Nestlé Global and sell those in the local market. For example, NBL imports Nido FortiGrow from New Zealand and officially distributes those products in the local market. However, third-party importer imports Nido FortiGrow from UAE, Netherlands and other countries and distributes in the local market. This causes issues on

demand and supply of NBL official products. To overcome this issue, Nestlé Bangladesh Limited keeps an excellent relationship with suppliers. Being the largest Food and Beverage Company in the world, they have massive influence over any suppliers. Moreover, Nestlé organizes many initiatives to help the suppliers, increasing the suppliers' efficiency and profitability. In this case, we can say that the bargaining power of suppliers is **Low** here.

❖ **Competitive Rivalry within the Industry:**

Competitive rivalry is one of the most crucial factors to be analyzed for future presence in any industry. In Bangladesh, Nestlé owns the highest market share in the food and beverage industry. However, Nestlé has enormous competition in the market. Nestlé's major competitors are Arla, New Zealand Dairy, Pran Dairy, BRAC Dairy and Foods, Akij Food and Beverage Ltd., and others. Continuous marketing activities from competitors made the competition very high, and thus, the competitive rivalry in the food and beverage industry can be considered **High**.

2.6.2 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Nestlé is the world's largest food and beverage company in the world. The brand image and quality products help to dominate the market. • Nestlé has a highly skilled research and development team, and the R&D initiatives constantly increase the growth and performance of the organization. • Nestlé has a robust organizational culture. • Strong distribution channel across the country. 	<ul style="list-style-type: none"> • Having many brands under the same organization makes it challenging to bring the best outcomes from every brand. • While maintaining the quality, some of the products of Nestlé are more expensive than its competitors.
Opportunities	Threats
<ul style="list-style-type: none"> • Consumers are more health-conscious now and prefer healthier food products. • Online shopping is trendy now, and Nestlé can offer online shopping of their products. They have online shopping services in some countries as well. • The demand for ready-to-drink tea and coffee is remarkable in the local market. Nestlé can launch a new product line or extend its product line in this category. 	<ul style="list-style-type: none"> • Competitive rivalry is high in the industry, and rivals are continuously pushing through advertisements and campaigns. • Grey market impact on different products like Nido, Nescafe, etc. • Unethical practices like advertising copy, packaging copy and low quality foods, bribe to retailers, spreading fake news etc. from other competitors in the market.

2.7 Conclusion

Nestlé Bangladesh Limited is continuously growing and leading the market with innovation and highly nutritious foods. The history and strong positioning in consumers' minds play an essential role in having a unique proposition and increasing sales. A strong distribution channel helped reach the whole country's products and make them easily available for consumers. Consumer promotions through different marketing channels are effective tools that create competitive advantages over the other brands. Through highly skilled human resources, NBL is reaching its organizational goal in Bangladesh.

2.8 Recommendations

- ✓ Nestlé Bangladesh Limited should give more focus on newly launched items like Milo, Maggi Fusian seasoning mix.
- ✓ Promotional activities should be increased to pass over the competitors push.
- ✓ Nestlé products pricing should be made more competitive for different products. For example, Nestlé EveryDay is a milk powder priced more than competitors like Dano, Diploma, Marks, etc., while having less demand in the market.
- ✓ Nestlé is one of the finest organizations to work in Bangladesh. However, NBL has fewer employees than other top-level MNCs in Bangladesh. Whereas other organizations have a Brand Manager and Assistant Brand Manager for a single brand, NBL has two or three team members for the whole category of brands. Due to this, the brand managers can not focus on each brand of the category equally. In my opinion, Nestlé should recruit more Brand Managers to make branding functions and operations more effective.
- ✓ NBL should keep good relationship with the traders through trade promotion, gifts or incentives to minimize the grey market impact and convince the traders to take official NBL products.

Chapter 3: Project Part

3.1 Introduction

3.1.1 Literature Review

Consumer behavior is everything about customers' attitudes, interests, intentions, psychology, and decision-making when it comes to consuming or purchasing a product or service. Numerous variables influence customer behavior. In Bangladesh, the health food beverage industry is a consumer-driven oligopoly. Understanding customers' behavior has become a critical element in determining a business's overall success (Kotler & Keller, 2012). According to research performed by Variawa (2011), low-income customers prefer premium packaging since it may well be re-used only after the product is eaten. According to Backhaus et al. (2007), a customer identifies a need, gathers information, and weighs the options before making a choice.

Consumers' purchasing behavior is affected by various variables, including systemic, situational, personal, and environmental. Consumer actions are very variable between situations and are influenced by a variety of factors and ideas. The companies and the Ps have a significant effect on consumer behavior. Successful brand development and loyalty distinguish a brand from its competitors.

However, a healthy market share for an industry relies not only on intensive marketing but also on the customer base and other factors. "Successful marketing requires consumers to be aware of the goods or services on offer, to locate them, and to evaluate the practitioners of the offering positively in terms of price and performance" (Meldrum & McDonald, 2007). Consumer behavior demonstrates a plethora of problems and possibilities when it comes to food products. Azzurra & Paola (2009) stated in a study that "from the consumer perspective, the success of healthy foods is contingent on several interrelated considerations, such as the level of fear about general health and specific health problems, the presumption that one can influence one's health, and knowledge and awareness of types of food that are supposed to be beneficial." Over the years, the food category of Health Food Drinks (HFD) has focused on research. Numerous studies have been conducted in this area, particularly on consumer behavior, emphasizing the Indian Subcontinent. Srivastava & Ghufraan (2013) state that producers of milk-based malted health drinks provide nutritional information on their product labels to assist customers in

making educated choices according to their corporate/marketing strategy. Consumer satisfaction with Health Food Drinks is contingent upon the product's price, quality, quantity, and, most significantly, brand name (Muthu, 2015). According to Motwani and Agarwal (2012), Bournvita and Horlicks are the market leaders in India, and customers prioritize nutrition while making purchasing decisions. In the Indian town of Tiruvarur, Prakash's (2010) research indicates that producers must provide tastier beverages at competitive rates while also ensuring that the grade or standard does not degrade. According to Sekar and Thangavel (2016), there is no significant connection between respondents' monthly income and their purchase of Health Food Drinks. Another research conducted in Trichy City, India, by Tamilselvi & Kirubaharan (2011) discovered that the most significant variables in health food drink purchasing choices are the 'family doctor' and 'family.'

3.1.2 Objectives of the Study

Broad Objective:

- To understand the potential market of Health Food Drinks sachet packs.

Specific Objectives:

- To understand the perception of respondents about the HFD.
- To analyze the reason for their HFD purchase.
- To identify their consumption pattern of HFD.
- To find out the preferred expense and pack size.
- To understand the acceptance rate of sachet packs of HFD in the market.
- Analyzing the profitability through sachet packs launching.

3.1.3 Significance of the Study

In Bangladesh, the FMCG industry is one of the major industries to fulfill consumer needs. Currently, consumers are more health-conscious than before, and the Covid-19 pandemic has a significant influence behind this shift of needs. Therefore, there is a vast market for health food drinks (HFD) in Bangladesh now. However, different pack sizes of health food drinks are available in the market. Consumers are buying them according to their needs, affordability, and availability. As Covid-19 hit the economic loss, many buyers shifted from larger to smaller or even smaller to larger packs of different products. In this aspect, if any HFD brand wants to takeover the potential market of HFD products, they need to know which pack size is the most sought or preferred pack in this geographic location. To this extent, I believe the consumer behavior of HFD sachet packs should be given enough focus and work on new sachet packs launch if the market response is positive.

3.2. Methodology of the Study

3.2.1 Research Design

This research is a primary data based qualitative research, and its main target is to understand the potential market for HFD Sachet packs in Bangladesh. The reason behind the approach is to make a specific prediction and collecting valuable insights for the specific segments of the industry.

- **Pilot Study:** A pilot study has been conducted on 10 respondents to verify the feasibility of the study. Minor changes have been made to the questionnaire after this preliminary survey.
- **Sources of Data:** The survey is conducted with 21 questions, and the questions can bring the answers to identify precise segmentation of the product. Along with the questionnaire for the online survey, personal interviews and observations in the retail outlets also helped me in the study. As it is research for new product pack launching, mentioned primary data are used for the survey. Besides, some data were collected from books, journals and HFD manufacturer's websites to understand the market and questionnaire preparation, which are secondary data in this study.

- **Reasons behind the questions:** The questionnaire was designed both open and close-ended. The questionnaire was structurally organized, and all four types of segmentation (Demographic, Psychographic, Behavioral and Geographic) insights can be interpreted from this set of questions. From the responses, we can analyze the demand for this product and predict the profitability of launching the product in the local market.
- **Interpretation and Analysis:** The findings have been analyzed and interpreted through Microsoft Word and Excel using charts and tables.

3.2.2 Sampling Method

- **The population:** The population size represents the people of Bangladesh, mainly urban and semi-urban areas. Health Food Drinks are not considered as the main foods of consumers. That is why the population for HFD is considered who are above a certain income level and can afford HFD. However, low-income level people can be consumers of sachet packs because of affordability. Therefore, the target population here is the lower middle to upper-class population.
- **Sampling Area:** The sampling is mainly done through online platforms where mostly urban, semi-urban areas were covered. In addition, rural areas were included in a small portion. In this regard, each response represents the insights of the whole family behavior.
- **Sampling size and method:** The sampling method of this study is convenience sampling, where the survey is conducted according to convenience. Due to some limitations mentioned later, the responses were accepted from a limited extent suitable to conduct the survey. Moreover, the sample size was 100 for this study.

3.2.3 Limitation of the Study

- **Financial Limitation:** The research has been conducted without any financial support from the internship provider organization. At this position, the financial limitation is a vital point for the research to be perfect.
- **Lack of Cooperation:** Many respondents were not cooperative and might have given inaccurate data in their responses.

- **Lack of Data:** Many researches have been conducted on both sachet packs and health food drinks. However, no research has been found on HFD sachet packs. For this reason, secondary data was not there, and limited primary data was only used, which was not enough.
- **Limitation of Sample size:** The sample size has been selected, keeping cost and time factors in mind. As a result, the small sample size can affect the validity of this report.
- **Limitation of Time:** This report has been prepared within a short period. Whereas, the population of this study is vast, and the perfect sample would also be much bigger than the used one. It is tough to conduct a perfect survey during this period.

3.3 Analysis of the Project

3.3.1 Data Analysis from the Responses

The starter questions (1-7) show the study's demographic segmentation from the questionnaires. According to the survey report, the gender ratio of the respondents was male 48% and 52% female, where the age group of 21 – 30 years represents a considerable portion which is 35% of the respondents. Other respondents were mainly 31 – 40 years which was 19%, and 41 – 50 years was 26%. The majority of the respondents were service holders and students. Following these, business persons and homemakers are notable as the occupation of the respondents.

The majority of the respondents were from urban areas, and approximately 1/4th of the total respondents were from suburban areas. A limited percentage were from rural areas. Moreover, the income group percentage is highest in the Above Tk. 50000 monthly income, which is 36% and the income group of Tk. 40000 – 50000 consists of 24% of respondents.

Lastly, 32% of respondents have children, and 68% does not have any 5+ aged children in the family. In addition, 61% of respondents have elderly people, and 39% does not have elderly people in the family.

➤ **Perception of respondents about the HFD:**

From the responses, only 47% respondents think that regular meal provides sufficient nutrition to the body. Whereas 22% disagree and 31%, a massive percentage are not sure if they get sufficient nutrition from their regular meal or not.

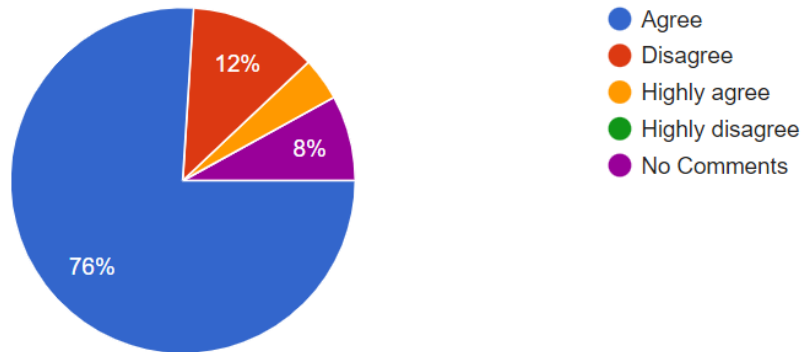


Figure 1: Respondents perception about Regular meal providing sufficient nutrition to the body

However, 76% agree that HFD adds more nutritional value to the body in addition to regular meals. 12% disagree, which is a small percentage, 8% were unwilling to share their opinion on this, and only 2% highly disagreed.

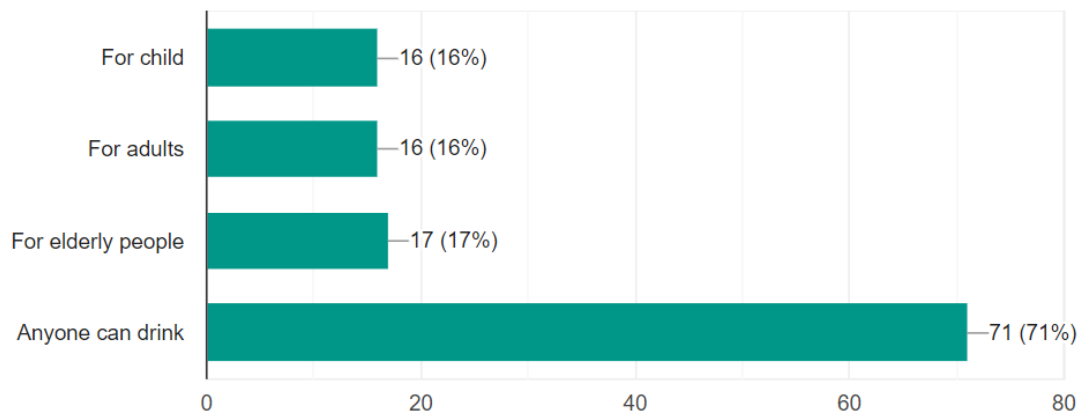


Figure 2: Perception about who can drink HFD

The report shows that 71% of our respondents think that anyone can drink Health Food Drinks, which represents a significant customer segment. However, 16% thinks HFD are for child and adults where remaining 17% have the perception that HFD are for elderly people.

From the above analysis, we can assume that respondents who are our potential customers perceive HFD where people of any age can drink Health Food Drinks and HFD add more nutritional value to body in addition to regular meals.

➤ **Reason for the HFD purchase:**

There are several reasons to purchase Health Food Drinks among the respondents.

Interestingly, the survey shows that the most chosen reason for purchasing Health Food Drinks is “Casual consumption”. After this, nutrition facts and baking or special recipe is chosen as purchasing reason. However, 30% of respondents do not buy HFD.



Figure 3: Reason for HFD Purchase

From the above analysis, we can assume that respondents purchase HFD not only for nutrition facts but also for casual consumption and baking purposes like tea, coffee, cake and other recipes.

➤ **Consumption pattern of HFD:**

The data and information received from the research show that 47% of respondents consume HFD themselves, and 53% does not consume themselves. It shows their personal preferences towards HFD. In addition, only 10% drink HFD regularly, 60% drink sometimes, and 30% do not drink.

The consumption approach of HFD shows that 30% of consumers drink HFD as milk nutrition enhancers, 25% as milk substitutes, 26% as taste enhancers, and 12% as powder.

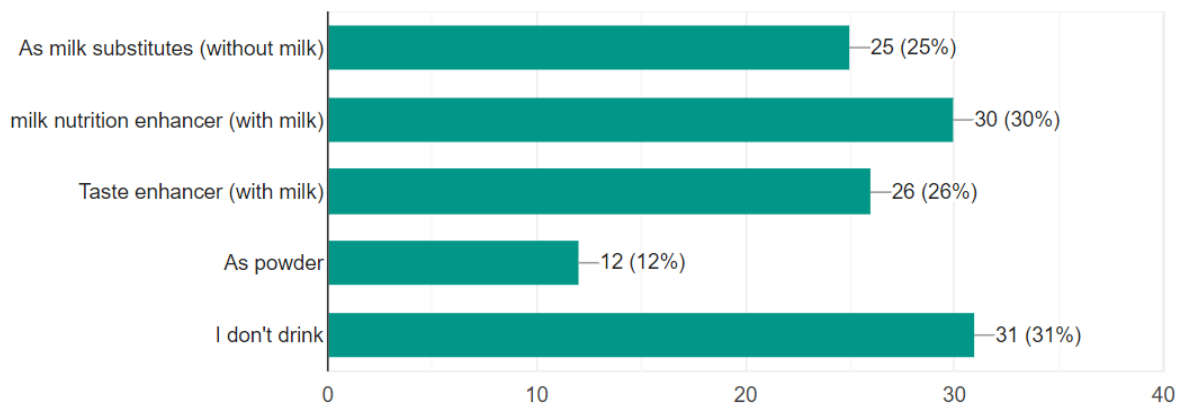


Figure 4: Consumption approach of HFD

From the analysis, we can assume that almost half of the respondents drink HFD, but the consumption pattern is not regular. Consumers' drinks HFD with and without milk where both nutrition and taste are major factors.

➤ **Preferred expense and pack size:**

Among all the available packs out there in the market, people mostly prefer 500g, which is 40% in the survey. However, the second preferred option for HFD packs is sachet packs, which is 27%. A small percent of respondents prefer 300g and 1kg packs, respectively.

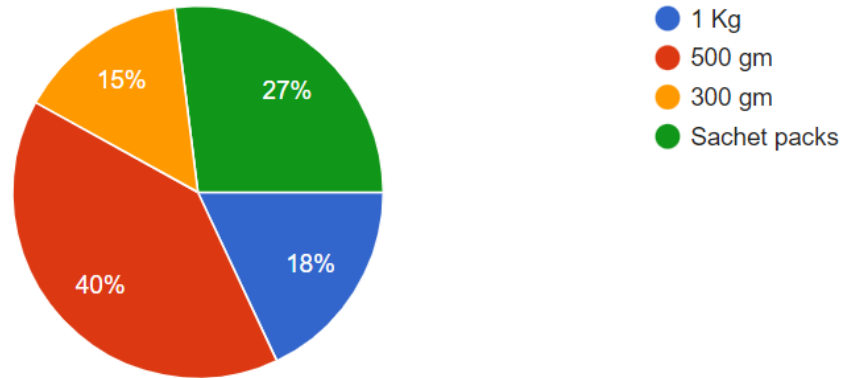


Figure 5: Preferred expenses for HFD monthly

The survey shows that the monthly amount willing to pay for HFD is mostly from Tk. 100 – 300. Similar percent of people willing to pay Tk. 300 – 700 and less than Tk. 100. A small segment is willing to pay more than TK. 700.

Among the respondents, 59% thinks that sachet packs provide more value for money according to their income and expenditure levels. Tk. 10 – 15 is found as the most preferred and convenient price for the HFD sachet packs. A similar portion of respondents prefers less than 10 and Tk. 15 – 20, respectively. Only 5% of respondents prefer sachet packs with Tk. 20 – 25 pricing.

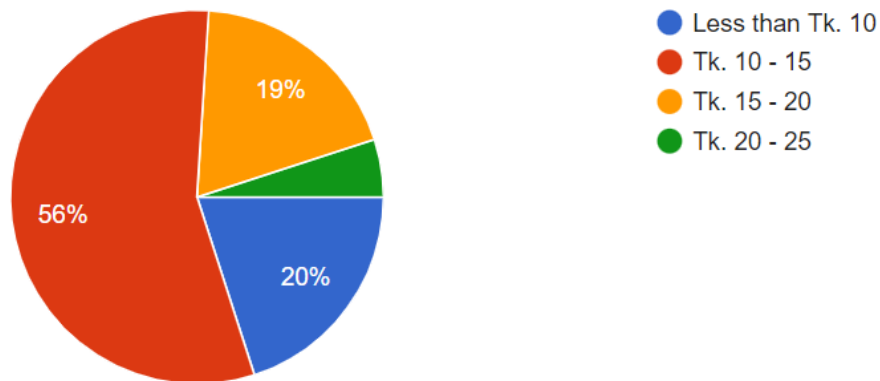


Figure 6: Convenient price for the sachet packs

From the analysis, we can assume that many consumers prefer sachet packs while most are unwilling to pay more than TK. 300 monthly for HFD products. In the case of sachet packs,

respondents believe that they get value for money according to their income and expenditure levels, representing that they will be willing to purchase sachet packs if they are available at the right price. Most importantly, the convenient sachet pack price for most of the potential customers is TK. 10 – 15.

➤ **Acceptance rate of sachet packs of HFD in the market:**

From the previous analysis, we learned that the potential customers believe sachet packs provide value for money to them and showed the acceptable convenient pricing for them. Among the respondents, 38% finds sachet packs very convenient, and 41% convenient. Most of the respondents find sachet packs convenient as a whole.

The main reason for HFD sachet pack purchase is affordability, chosen by 73% of respondents. Availability is another factor, and people purchase sachet packs because they are easy to carry.

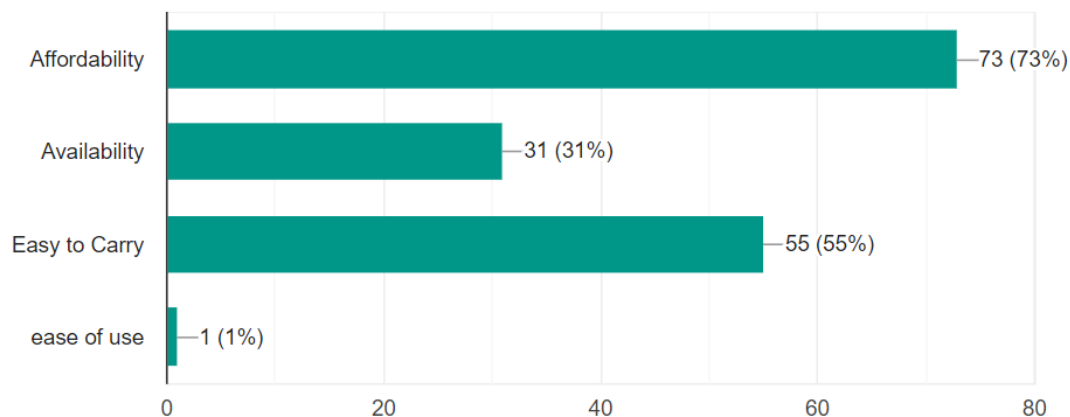


Figure 7: Reason to purchase sachet packs

Respondents have also suggested some of the ways for better offerings. These are mainly -

- Easy to open pack
- Bottle instead of sachet packs with little more price
- Offering various flavors
- Mentioning nutrition chart in the packaging
- Recyclable packaging

From the analysis, we can assume that potential customers will accept sachet packs because of affordability, availability and convenience when it is launched. Convenient prices with flavors and packaging will also trigger the acceptance rate of sachet packs in the market.

➤ **Profitability through sachet packs launching:**

The profitability of a product depends on many factors, from product development to product promotion. This qualitative research shows the pre-stage of product development, where we got to know our potential customers and their consumer behaviors. This research shows the purchasing reason, consumption patterns, preferred pricing and suggestions for greater product acceptance. From the research, we can select our target group of customers. Here, the target group can be anyone who is health-conscious or even want to try drinks for taste. According to the target group's demand, the pricing can be Tk. 15 at maximum, and the sachet packs should be available to nearby shops.

After completing the pre-stage customer research, it shows positive results with the acceptance rate and willingness to buy the sachet packs. However, to make a profit through the pack launching, it will need to develop effective promotion and distribution strategy to attract potential customers.

3.3.2 Findings from the Data Analysis

- Among the respondents, 48% male and 52% female, which made the survey balanced to understand potential customers.
- Respondents are mostly service holders and students.
- Potential customers are from urban and suburban area.
- 47% respondents think that regular meal provide sufficient nutrition but 76% respondents also agree that HFD add nutrition in addition to regular meal.
- 71% of the total respondents think that anyone can drink HFD but having child and elderly people in the family were mostly the consumers of Health Food Drinks.
- 60% of the total respondents consumes HFD occasionally and 34% just consume casually without concerning about health and nutritional benefits.
- Consumers mostly drinks HFD with milk where taste is one of the major factor along with nutrition facts.
- 25% of the total respondents also drinks HFD without milk.
- From the current pack sizes, customers prefer 500g pack but they are willing to buy sachet packs because of affordability, availability, easy to carry and other convenience.
- Upper middle and upper class people mostly willing to pay Tk. 100 – 300 or at max Tk. 700 monthly for HFD purchasing.
- Most preferred sachet pack pricing is Tk. 10 – 15 according to the respondents.
- Sachet packs provide value for money according to their income level and willingness to pay.
- Customers suggests to offer different flavors, attracting sachet pack designs, nutrition chart on the packaging and easy to open features.

3.4 Conclusion

Bangladesh has grown a vast FMCG market where product offerings like Health Food Drinks have huge demand. Consumers are more health-conscious now than before, significantly since the Covid-19 pandemic has shifted consumer behavior a lot. Previously, HFD was consumed mainly by children and elderly people, but now the perception has changed. HFD has the positioning in the consumers' minds that anyone can drink HFD. Where about the sachet packs, it is very common for other products. However, HFD sachet packs are relatively new for consumers. Moreover, if someone is highly concerned about health, he tends to purchase and consume HFD regularly. For the current situation, the demand has increased, and people of different ages started to consume HFD casually for mouthwatering flavors and tastes.

3.5 Recommendations

- The purchasing power of consumers has improved, and they are willing to pay more for health and fitness. Health Food Drinks should be more available in the market.
- People are now busier and have to move a lot for work or other purposes. Sachet packs are an excellent addition to provide energy while available nearby and easy to carry as well.
- Sachet packs must have competitive and affordable pricing to grab more market share.
- As many consumers consume HFD casually, it should be focused. Besides nutritional value, tastes and flavors will attract a large portion of the potential market.
- Packaging should be attractive to have a strong image positioning in consumers' minds.
- As many consumers concerns about recyclable packs, they can be used.
- As people are willing to buy more sachet packs than larger packs thinking more value for money, launching sachet packs will benefit both consumers and marketers.
- Due to enormous acceptability, the right segmentation, pricing, packaging, tastes, quality and promotion, HFD sachet packs can be a profitable project.

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Appendix – A

Survey Questionnaires

1. Gender –

- Male
- Female
- Prefer not to say
- Others

2. Age –

- 15-20 years
- 21-30 years
- 31-40 years
- 41-50 years
- Above 50 years

3. Occupation –

- Homemaker
- Business person
- Doctor
- Service holder
- Other:

4. Your residence area –

- Urban
- Suburban
- Rural

5. Monthly household income-

- Tk. 0-10000
- Tk. 10000-20000
- Tk. 20000-30000
- Tk. 30000-40000
- Tk. 40000-50000
- Above Tk. 50000
-

6. Do you have any children (aged 5+) in your family?
- Yes
 - No
7. Do you have any elderly people in your family? (Aged 60+)
- Yes
 - No
8. Do you think that your regular meal provides you sufficient nutrition?
- Yes
 - No
 - Not sure
9. Health Food Drinks can add more nutrition to your body in addition to your regular meal.
-
- Agree
 - Disagree
 - Highly agree
 - Highly disagree
 - No comments
10. What is your perception about Health Food drinks (HFD)? The drink is –
- For child
 - For adults
 - For elderly people
 - For anyone who is health conscious (Anyone can drink)
11. Do you consume Health Food drinks (HFD) yourself?
- Yes
 - No

12. How often do you/your family members consume Health Food drinks?

- Regularly
- Sometimes
- Not at all

13. Why do you purchase health food drinks?

- For nutrition facts
- Casual consumption
- For special recipe (tea, coffee or baked foods etc.)
- I don't purchase

14. How do you drink HFD?

- As milk substitutes (without milk)
- Milk nutrition enhancer (with milk)
- Taste enhancer (with milk)
- As powder

15. Which pack size of HFD products do you prefer?

- 1kg
- 500gm
- 300gm
- Sachet packs

16. How much are you willing to pay for Health food drinks monthly?

- Less than Tk. 100
- Tk. 100-300
- Tk. 300-700
- Tk. 700-1000
- More than Tk. 1000

17. What do you think of sachet packs of HFD products?

- Very convenient
- Convenient
- Somewhat convenient
- not convenient at all

18. If you have to consider sachet packs, then what might be your possible reasons?

- Affordability
- Availability
- Easy to carry
- Others:

19. What is the convenient price of sachet pack for you?

- Less than Tk. 10
- Tk. 10-15
- Tk. 15-20
- Tk. 20-25

20. Which pack size of HFD offers more value for money in your opinion?

- Sachet packs
- Larger packs

21. If you had the chance to change, any feature of sachet pack, like packaging, price or pack size etc. what would you change to make the offerings better.

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