

# Report On

Finding the best promotional strategy for influencing the purchase of instant coffee by shoppers, A case study on Nestle Bangladesh Limited.

By

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17104024

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  
4th February 2022

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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 that 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:**

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17104024

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

Md. Shamim Ahmed

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**Supervisors Full Name:** Md. Shamim Ahmed

Lecturer, Bracu Business School

Brac University

# Letter of Transmittal

February 4, 2022

Mr. Shamim Ahmed

Lecturer BRAC Business School

Subject: Internship report submission

Dear Sir,

It is with great pleasure that I present you with my internship report, which is based on my knowledge and experience as a Sales Intern at Nestle Bangladesh Ltd. I was able to work for a well-known multinational company, Nestle Bangladesh Ltd., as a result of the experience, which allowed me to get in-depth information and practical expertise. It provided me with the opportunity to get experience in a competitive business environment.

I appreciate your supervision and cooperation in responding to all of my questions and concerns. Despite certain limitations, I was able to complete my internship report with your help.

I wish and hope that you will be kind enough to review my internship report and so assist me. I am more than prepared to provide any necessary clarity on the relevant matter.

Sincerely,

Nafiz Akter Arafath

ID: 17104024

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 Nafiz Akter Arafath 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 grateful to the almighty for keeping me in good enough shape to finish my internship report, which will lead to my graduation from undergraduate school.

Without the help of some wonderful people, I would not have been able to finish and strive to complete my internship.

I'd like to thank Mr. Moniruzzaman Bahar, my Company Supervisor, for his continual mentoring and for pushing me to greater levels. As he was my first manager in the corporate world, he will always be an inspiration to me. I'd want to thank Omar Farhan Fuad, a close colleague, for supporting me in introducing fresh ideas and making this journey more memorable and enjoyable.

I owe my gratitude to BRAC University and my academic supervisors for helping me through a great undergraduate education.

Finally, I'd like to express my gratitude to my loving parents for their gentle upbringing, without which I would not be the person I am today.

## **Executive Summary**

In this research, I will ask whether consumers purchase instant coffee without receiving any incentives, and if not, how sales promotions influence consumer purchasing behaviour.

After conducting a thorough survey, we discovered that sales offer strategies (Sales Promotion) have a beneficial impact on shoppers' purchase decisions. It is critical for businesses to understand which marketing methods are most effective in their industry. Because the instant coffee industry in Bangladesh is so competitive, businesses must constantly introduce new ways to market their products to keep up with market trends and demand. Companies must invest considerably in marketing expenditures to increase product awareness. Companies must prosper in sales after a successful campaign of raising awareness in order to persuade consumers to buy the product.

A sales promotion or offer plan is one of the practical choices for promoting a product that eventually drives sales in the instant coffee sector. I also tested two other strategies: influencer marketing and a product sale discount combined with a sales promotion or offer strategy to see which one would work best in the food business. I discovered a positive attitude among consumers regarding sales promotion or offer strategy after conducting a successful survey of a sample of the population, as opposed to the other two possibilities indicated above. I also discovered that consumers enjoy receiving incentives, which will pique their curiosity in buying a product.

The findings of this research will be especially useful to businesses that take a conservative approach to marketing expenses, focusing on a single strategy. Furthermore, the findings of this analysis might help larger companies determine their ideal marketing mix for promoting their goods.

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# **Chapter 1: Overview of Internship**

In today's competitive employment market, having a respectable educational degree is no longer sufficient to land that desirable graduate job offer. When it comes to developing a successful career, job experience is just as crucial as our degree and exam grades. For this reason, internships have become a valuable tool for candidates looking to differentiate themselves from others.

Nestle offers an internship program to help students and recent graduates gain experience and training. Nestle Bangladesh Ltd has offered me the position of Sales Intern.

Below, I'll go through some key elements and provide a brief summary of my internship role.

### **1.1 Students Information:**

<b>Name:</b>	Nafiz Akter Arafath
<b>University ID:</b>	17104024
<b>Program:</b>	BBA

<b>Major Subject:</b>	Marketing
<b>Minor Subject:</b>	E-business

## 1.2 Internship Information:

### 1.2.1 Period and Company details

<b>Period:</b>	1 December 2021- 28 February, 2022
<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 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**

- Managing projects across several channels to increase sales: Supervisors create various projects based on the company's needs and assign interns to complete them. We ensure that the project is a success after we have tested its feasibility.
- Working with supervisor and other internal stakeholders: Interacting with key internal stakeholders relevant to the project and keeping them updated on important actions throughout the project timeframe, demonstrating great communication skills.
- Creating online and on-site survey questionnaires: Includes thorough coming up with ideas of products, market dynamics, a market gap, understanding the right balance between demand and supply, and how to bridge the gap if there isn't one—after a thorough understanding of all the activities listed above, creating questionnaires for online and on-site surveys while collaborating directly with supervisor and colleagues.
- Market research and fieldwork to determine product demand and supply: Covering several channels and visiting all of the market's outlets, as well as communicating with traders and shoppers, are all important aspects of this work.
- Study and analyze customer and shopper perceptions, and use the information to make crucial strategic decisions.

## **1.3 Internship Outcomes:**

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

- Regular market visits to keep an eye on the industry's fundamental trends
- During a market visit, while talking with shoppers and dealers in various channels, I provided intriguing insights to the corporate supervisor.

- Created questionnaires and executed online and on-site surveys for the company's various products.
- Data entry of market-relevant information on a weekly basis
- For the main ideas to be easily communicated to the firm, I created presentations and other visualizations.

### **1.3.2 Benefits to the Intern**

- For internship employment, there is a competitive salary package.
- Possibility of gaining a competitive advantage
- Possibility of developing relevant soft skills
- Allowance for a market visit on a daily basis
- Allowance for mobile phone bills
- Allowance for photocopying and printing costs
- Mentorship and career advice from a company supervisor
- Leave policy that is generous

### **1.3.3 Problems/Difficulties**

- Safety concerns during market visits
- Lack of networking opportunities due to physical office closure
- At some time, due to a lack of available data and data confidentiality, failure to provide the best work.

### **1.3.4 Recommendations**

- Establishing work email addresses and ID cards for interns prior to beginning any tasks
- Maintaining communication with cross-departmental teams to foster collaboration
- Improving intern growth possibilities

## **Chapter 2: Organization**

## 2.1 Introduction

Henri Nestlé (August 10, 1814 – July 7, 1890) created Nestlé S.A., a Switzerland global food and beverage company based in Vevey, Switzerland. Nestlé's business operations have indeed been defined by sincerity, honesty, fair treatment, and strict adherence to all applicable laws from its inception. Nestlé employees and managers have maintained to uphold and reflect this commitment in their daily activities since then, and the company's good image has remained one of its most valuable assets..

Nestlé is a world leader in nutrition, health, and wellbeing, not only in sales but also in product diversity and geographic reach. Nestlé is in charge of newborn formula, baby food, dairy products, chocolate products and confectionery, powdered instant coffee, culinary items, frozen convenience foods, mineral water, and other products. In the animal food sector, Nestlé is a major player. Nestlé appears to be the leading company or a close second in most of these product groupings and markets. Nestlé is a specialized firm, having food and beverage sales accounting for nearly 94% of total revenue.

KitKat, Nescafe, Nido, Maggi, Milo, and Koko Krunch are just a few of their well-known brands. Several of the goods have broken records, including 3,000 mugs of Nescafe used per second. According to the Guinness Book of World Records, Kit Kat is the world's best-selling bar of chocolate, with 418 Kit-Kat fingers consumed every second. Nestlé was awarded the most profitable company on the planet by Fortune Global 500 in 2011. With a market valuation of US\$233 billion, Nestlé is rated No. 9 within FT Global 500 2013. The market capitalization of this very well-known multinational was US\$349.72 billion in 2020.



## 2.2 Overview of the Company

Nestlé's well-known goods began to expand over this portion of Country. The practice continued throughout the British government and in the years leading up to Bangladesh's independence. Following Bangladesh's independence in 1971, Nestlé South Asia's trade alliance, Nestlé World Trade Corporation, distributed regular shipments of Nestlé products through a network of indentures and agents, and many of the brands, like LACTOGEN, CERELAC, and BLUE CROSS, became household names. In 1994, Nestlé Bangladesh Limited began selling its products in Bangladesh. The company's lone factory in Bangladesh is located 55 kilometers north of Dhaka. The facility manufactures Munch, Maggi noodles, cereals, packaged milk, soups, beverages, and newborn nutrition products. Mr. Latifur Rahman, one of Bangladesh's top industrialists, has served as chairman since the business's inception, and his organization Transcom used to import Nestlé products. Transcom is still active in a number of areas, including beverages, pharmaceuticals, electronics, papers, tea export, and food service franchising, to name a few. Despite the company's success, he still serves as honorary chairman. Transcom does not currently own any shares in the company as Nestlé S.A. owns its entire company.

Nestlé Bangladesh offers to people of various ages and backgrounds. They have a variety of brands in various sizes for people from all walks of life and income levels. Every day, a rickshaw puller, for example, earns a pittance. If he likes coffee, he can drink Nido powdered milk 26 gm for TK20 and Nescafe Original 1.5 gm for TK5 with Coffee-Mate 5 gm. NIDO Fortified 2.5kg is TK2290, Nescafe 200gm is TK 495, and Coffee-Mate 400 gm Jar is TK 250 for a service bearer. Nestle Bangladesh maintains a strong presence across the country, guaranteeing that its goods are readily available.

**Mission:** Nestle's mission statement is "Good Food, Good Life." They offer to provide customers with the finest, healthiest options in a number of food and beverage categories, from breakfast to supper.

**Vision:** Nestlé's goal in Bangladesh is to establish itself as the most trusted and respected food, beverage, health, and wellness company in the country, assuring long-term, profitable growth. The company's main goal is to make sure that their vision is implemented in every way possible.

## **2.3 Functions of Nestle Bangladesh**

Nestle Bangladesh's function includes finance, general management, nutrition, human resource, marketing, nestle professionals, and supply chain.

### **2.3.1 Human Resource Practices**

Nestle Bangladesh Ltd.'s Human Resources department is in charge of hiring, retaining, developing, and training workers to reach their full potential. Until now, candidates for internships have had to go through a two-step recruitment process, which may vary from time to time. The pay system is set up in such a way that Nestle Bangladesh Ltd. interns who work for the firm for a full year are entitled to salary increases every three months. The human resource department assigns HR interns to collaborate with all interns from different departments, resulting in a steep learning curve for the human resource interns. In a nutshell, this group is in charge of acquiring and training new employees, reviewing the remuneration structure, assessing and proposing new ways to make the workplace more engaging, and ensuring that the firm runs smoothly.

### **2.3.2 General Management Practices**

Nestle Bangladesh Ltd's general management is in charge of the company's overall operations. They bring together all of Nestle Bangladesh Ltd.'s resources, documents, data, and other analyses, review them with the entire management team, and make critical choices for the company's long-term success. Employees under managers are fully prepared with all the knowledge and tools they need to make their own decisions without any external influence from the top; the company's style of leadership is generally democratic. Interns from all departments are assigned to various projects by their respective supervisors. After being assigned, students must work individually with other interns to complete the assignment. All of these things show that Nestle Bangladesh Ltd has a strong democratic leadership style.

### **2.3.3 Marketing Practices**

Existing brands, market share of a certain product, and product development of existing or new items are all covered by the Marketing function. They also make sure that all rules and policies are followed before promoting or marketing any product, as not all products in the same category can be advertised in the same way. Baby food, for example, cannot be advertised publicly; it can only be advertised more gently through doctors.

Nestlé's strong brand portfolio and diverse brand activities, and their marketing department is a gratifying, exciting, and difficult job option because of worldwide icons like Nescafé, KitKat, and Maggi, as well as regional and local favorites.

Certainly, "Brand Building the Nestlé Way" is a one-of-a-kind strategy that distinguishes the marketing department in the business – both professionally and economically. With indirect or direct accountability for marketing and communications, creativity, product and packaging design, and consumer intelligence, the Marketing position encompasses all areas of brand management. Since they are focused on developing engaging and rewarding brand experiences for customers, we cooperate with Marketing and other departments such as Sales and e-commerce, R&D, Technical Applications, and external partners.

### **2.3.4 Financial Practices**

Finance and control manage monetary operations and, more importantly, employ control systems to ensure that the company is economically and procedurally compliant. The IS/IT17 department is responsible for day-to-day technicalities because it is part of the Finance department.

The finance team is in charge of developing our growth platforms, strengthening our operational pillars, leveraging our competitive edge, and making sure that we always deliver the best. They aid in the formulation of sound business judgments and the development of innovative strategies. They also help us to improve our development, cash flow, and shareholder return. They are true change agents who are attempting to achieve long-term gains.

There is a range of roles to fill, from business associates to factory controllers. The role has expertise in tax, pension, risk management, Budget, audit, acquisitions and business growth, and internal controls. There's even a division devoted to helping businesses with management reporting.

### **2.3.5 Sales Practices**

Nestle Bangladesh Ltd.'s sales department ignores the company's revenue-generating activities. This department collaborates with other departments to ensure cross-functional synergy. They provide interesting insights into the market's demand and supply, and the marketing department uses those insights to create sales promotions for that specific item.

They have absolute control over client connections, route to market plans, field sales operations, and our customer-facing supply chains. Consumers are essential to these businesses, and they want to know whether their products are available at any given time from anywhere.

They also work to define category goals and objectives, come up with fact-based new target market, oversee sales channels, and promote field sales. A member can then proceed to project leadership or specialize.

### **2.3.6 Nestle Professional Practices**

Nestle Professionals are in charge of the company's revenue-generating job, in addition to revenue-generating cause retail distributors are in charge of sales, Nestle Professional is in charge of institutional sales.

They are also in charge of developing innovative and relevant ideas that will benefit not just the business but also the society in which they operate.

### **2.3.7 Nutrition Practices**

Nestlé is the world's largest nutrition firm, hence nutrition products are far more important to them than they are to other food companies. As a result, a new team was developed to handle CERELAC and LACTOGEN. In addition, the team collaborates closely with healthcare specialists.

They are responsible for complying to the policy guidelines on the advertising of breast milk substitutes and are a reputable source of information on newborn nutrition and infant feeding practices. Nestle Bangladesh Ltd relies on this team to be successful.

### **2.3.8 Supply Chain & Procurement Practices**

After gaining all of the information into industry trends and demand, the Supply Chain operation secures the supply of the finished product along the chain. Personnel in the Nestlé distribution chain are essential for securing the delivery of items and ensure they reach consumers and clients in good shape. To do so, they collaborate with marketing teams to forecast demand and suppliers all around the world to guarantee that resources are purchased sustainably. They collaborate with teams to ensure that our items are adequately supplied by regulating inventory levels. Following the manufacturing of

our products, the supply chain is accountable for carefully storing and distributing them in attempt to reach the complete and timely needs of our clients and consumers.

The procurement team, as a strategic ally, assists the organization in establishing successful relationships. Nestlé procurement experts ensure that supplies are purchased correctly and also that value is added. The business, which has branches in Switzerland, Panama, and Malaysia, provides a broad array of services, including procurement management for specialist raw materials, packaging, and indirect materials, among others. Markets can benefit from the hubs' support in tracking local expenditure.

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

Nestlé began developing a coffee in 1930, just at request of the Brazilian government, to assist in the preservation of the significant surplus of the yearly Brazilian coffee harvest. Max Morgenthaler led the development effort. Nestlé announced the new drink under the brand name "Nescafé" on April 1, 1938. Nescafé is a soluble powdered coffee that rose to prominence in the United States following WWII.

Nescafe is a household name in Bangladesh in the instant coffee industry. It is the most popular and most consumed instant coffee brand in Bangladesh.

## **2.5 Industry Analysis and Competitive Analysis**

### **2.5.1 SWOT Analysis:**

#### Strengths:

1. As Nescafe is the market leader it has more loyal clients than its competitors. It gives Nescafe an advantage in the market.
2. Wide distribution channel and devoted sales team: Thanks to a wide channel of distribution and devoted sales staff, Nescafe is currently available in a variety of trades. The sales team accurately forecasts demand, and the D&SP team assures consistent supply at the distribution end.
3. Large-scale product sampling: Nescafe is well-known for its large-scale product sampling, which helps the company stay on course.

### Weaknesses:

1. The lower profit margin for merchants: Nescafe offers a reduced profit margin to retailers and wholesalers. On the other hand, its competitors provide traders with a far greater margin. As a result, merchants strive to keep their products on the shelves for longer periods of time.
2. Shorter shelf life: The shelf life of Nescafe is twelve months. Since Nescafe is an instant coffee, it has a shorter shelf life than regular coffee.

### Opportunities:

1. Rising consumer's buying capability and a desire for a better standard of living: As per capita income rises, households are more willing to spend more on a better standard of living. This would enable Nescafe to connect out to more households looking for low-cost alternatives.
2. Competitors' incompetence: contemporary competitors are too inept to compete with Nescafe. They are either lacking in creativity, flavor, or quality, or they are unable to find a suitable distribution outlet.
3. Changes in consumer food intake: As a result of their changing eating patterns, consumers are purchasing more coffee than before. It allows Nescafe to expand their business.

### Threats:

1. In the instant coffee category, there are eight to ten rivals; the Bangladesh market has eight to ten players.
2. Competitors provide larger profit margins: Nescafe's profit margins are lower than those of other brands. As a result, merchants are more concerned with retaining their inventory than Nescafe is.

3. New competitor: The threat of new competitors in this business is unavoidable, given how large and fast-growing it is.

### **2.5.2 Porter's Five Forces Analysis:**

To further analyze the Bangladesh instant coffee market, we will employ Porter's Five Forces analysis. Porter's five forces model is reliable for determining the level of competition in just about any industry, as well as its attractiveness and current state. This model would surely be useful for displaying Bangladesh's entire instant coffee market in a succinct manner. These five forces are:

- Threat of new entrants
- Threat of replacement products or services
- Bargaining power of the customers
- Bargaining power of suppliers
- Competitive rivalry among the companies
  
- **The threat of new entrants:** We all know that a prosperous market provides substantial returns for investors, which makes it desirable to potential investors. The simpler it is to enter into a new industry, the less enticing it becomes. The segment of the market with the greatest entry and departure restrictions is the most desirable. There are few opportunities for new enterprises, and non-performing organizations can easily exit. As a result of the rush of new entrants, the profitability of all businesses will suffer. Bangladesh's government has no strict regulations as well. The government is always looking for fresh ways to attract new investment. Anyone interested in beginning a business in the industry should adhere to the standards of the Ministry of Industry, Environment, and BSTI.

To start a business in the industry, investors will require a large sum of money to get the plant up and running. Because the fixed cost is so high, economies of scale are critical. On the contrary, staying in business for a long time would be difficult. Companies that succeed must be able to remain in

business for a long time. Achieving economies of scale has become difficult due to the high number of competitors.

Furthermore, a powerful distribution channel is needed to introduce the product to the market for a new entrant.

Customer loyalty isn't as important in instant coffee as it is in other industries. Humans have a strong inclination to try new products when they are introduced. When Tora Bika debuted in Bangladesh, for example, many consumers gave it a try, resulting in a huge boost in their market share.

- **The threat of alternative products:** Tea and other hot beverages could be used as an alternative in the instant coffee industry. Tea is widely consumed in Bangladesh, and the tea industry has a huge number of players. As a result, the threat of alternative products in this market is very serious.
- **Bargaining power of customers (buyers):** In the instant coffee business in Bangladesh, consumer negotiating power is moderate. Because there are so many brands to choose from, consumers may easily swap brands.

In this industry, buyers are extremely price sensitive. If the price of a product fluctuates significantly, purchasers are inclined to move to a less expensive brand.

- **Bargaining power of suppliers:** In Bangladesh, the supplier's bargaining power is low. Because there are so many suppliers compared to the number of companies that make instant coffee, their bargaining power is weakened. Switching to a different supplier is simple for businesses. Switching vendors comes at a modest cost. Because there are so many options, a business can always go with the lowest one.
- **Competitive rivalry intensity:** The intensity with which competitors compete for In most sectors, is the key determinant in industrial competitiveness. In comparison to other industries, the competition in Bangladesh's instant coffee market is modest. There are few companies in the industry, and most instant coffee brands rely on their unique taste.



## **2.6 Conclusion**

After conducting a SWOT analysis, we can conclude that the Nescafe brand should concentrate on internal weaknesses and external threats, capitalize on openings and gaps in the market, and keep to its strengths.

Until there is a significant disruption, the threat of entry for this instant coffee sector is moderate. Alternative product threat is high. Consumers have a lot of negotiating power because there are so many options on the market with cheap switching costs. On the other hand, because there are so many suppliers in the market, suppliers' bargaining strength is limited. This industry has less fierce competition, which implies it has a lot of potentials.

## **2.7 Recommendation**

To compete in an ever-changing market of tastes and preferences, Nescafe should continue to broaden their product offers. They can capitalize on their brand image, resulting in increased product trustworthiness. To meet market taste and demand, the product quality that is consistently given in the market must be up to grade. This will result in more people switching from other brands, allowing the company to maintain its position as the market leader despite fierce competition. The brand must strike the right balance between investing in various marketing efforts and advertise their products while highlighting the importance of memorable advertising.

## **Chapter 3: Project Part**

## **3.1 Introduction**

### **3.1.1 Background Information:**

In 1890, instant coffee, also known as soluble coffee, was first introduced and patented. Instant coffee comes in granulated form and is packaged in plastic and glass jars, sachets, or tin cans. The strength of the resulting product is controlled by the user by adding less or more granules to the water, varying from thin "coffee water" to very strong and concentrated syrupy coffee. One of the really popular products that people use or consume on a routine basis is instant coffee. From 2021 to 2028, the Instant Coffee Market is expected to increase at a CAGR of 4.13 percent, from USD 25.09 billion in 2020 to USD 34.61 billion in 2028. Due to the market size and profitability, the instant coffee market is currently oversaturated, and companies must innovate and develop new products in order to expand and improve consumer choices. The constant desire to embrace innovation, eventually inventing a new product, and then selling it, should be the primary emphasis of major corporations. This research proposal focuses on a specific aspect: how to successfully sell those new products in order to be the best selling product in the market.

### **3.1.2 Problem Statement:**

Companies always need to initiate sales of their product in order to generate profit. As a result, businesses must work out how to integrate their product into the lifestyles of their target customers, encourage them to adapt to the product and hold and retain customers with that product. If any of the planning and implementation fails, the business will face problems that may result in no future investment in the product, as well as a failure to make essential modifications in the product's planning process, which will harm the company's reputation. Companies must understand the best tactics for integrating products into the consumer's lifestyle in order to launch sales. For this, Businesses need to understand which factors influence a shopper's decision to buy and consume a product. Recognizing these characteristics, the business can develop a strategy, or action plan, such as effective marketing, sales, and promotional strategies, to create greater demand and successfully reach the intended consumer.

The primary concern now is which strategy to employ or how to narrow down the focus in order to effectively advertise the new product. This concern arises when a company has a limited budget or takes a cautious approach to market and sales and wishes to implement an action plan efficiently with that limited or conservative budget. In this project research, I will try to determine which marketing and sales approaches should be prioritized in order to effectively reach and sell the products. This study takes into account three sales promotion variables: sales discount, offer strategy, and influencer marketing approach. In order to define the problem, two questions about marketing research and management decision making must be answered while keeping the research topic “Finding the best promotional strategy for influencing the purchase of instant coffee by shoppers” in mind.

**Marketing research problem:** Do discount, offer strategies, and influencer marketing strategies influence instant coffee purchases?

**Management decision problem:** Should any of the above-mentioned tactics be used to influence instant coffee purchases?

### **3.1.3 Objectives:**

**General Objective:** Determine whether customers buy instant coffee on their own. (Without any promotional activity)

**Specific Objective:** Determine whether or how sales discounts, offer strategies, and influencer marketing strategies have an impact on the decision to buy instant coffee.

### **3.1.4 Research Questions:**

1. Do customers buy instant coffee without any promotional offers?
2. Do sales discounts, offer strategies, and influencer marketing strategies have an impact on the purchase of instant coffee? (Marketing research problem)
3. Should any of the previously mentioned strategies be applied to influence instant coffee purchases? (Management decision problem)

### 3.1.5 Conceptual model:

The conceptual model is constructed with the purchase of instant coffee as a dependent variable and sales discount, offer strategy, and influencer marketing strategy as independent variables (IV).

Here's an example of the conceptual model in a diagram:



### 3.1.6 Hypothesis:

Key Independent variables	Hypothesis
Sales discounts	<p>1. Ho: The purchasing behavior of instant coffee is not affected by sales discounts.</p> <p>H1: Instant coffee, among other alternatives, has a positive impact on purchasing behavior due to sales discounts.</p>
Influencer marketing	<p>2. Ho: Instant coffee purchasing behavior is not affected by influencer marketing.</p> <p>H1: Influencer marketing has a positive impact on instant coffee purchases, as well as other alternatives.</p>
Offer strategy or promotional offers	<p>3. Ho: The purchasing behavior of instant coffee products is not affected by offer strategy or promotional offers.</p> <p>H1: Instant coffee has a positive impact on offer strategy or promotional offers, among other alternatives</p>

### **3.1.7 Significance of the issue:**

This is a crucial topic that has an impact on both new and established companies.

After completing the report successfully, I will know which method is preferred by the end-users, and this piece of knowledge will be useful for the remainder of my career and the company I am working for, Nestle Bangladesh Ltd.

Companies in the instant coffee industry with limited marketing and sales promotion budgets will have an easier time focusing on a single promotional activity to promote product sales. The report's research will assist companies with limited marketing budgets, as well as companies with significant budgets and bank balances, in determining what to invest in and reserving funds for other areas of the business.

### **3.2 Preliminary Methodology:**

Companies will be able to determine where to put their money first in order to acquire more new clients and keep existing ones using a survey-based questionnaire based on these three characteristics. The survey's findings will assist businesses in focusing on one variable at a time, then gradually moving on to the other variables.

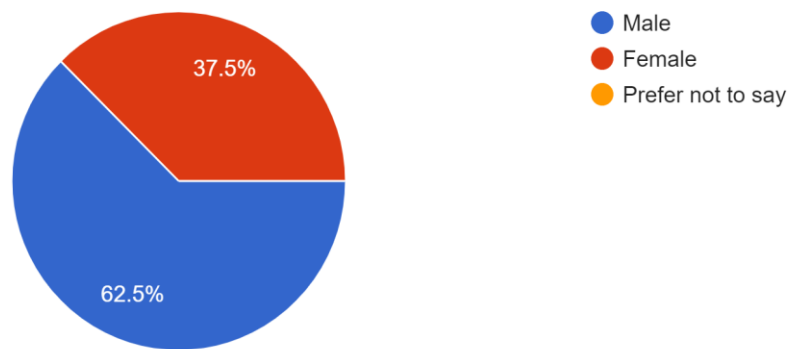
- Quantitative research will be used to create the report.
- The questionnaires would be distributed via Google Forms.
- The questionnaire will use a five-point Likert scale with 1 equaling "Strongly disagree" and 5 equaling "Strongly agree."
- There would be scale ranking questions and multiple-choice questions on the questionnaires.
- The minimum number of people for the survey would be 40.

### 3.3 Findings and Analysis

#### 3.3.1 Analysis:

1. What is your gender?

40 responses



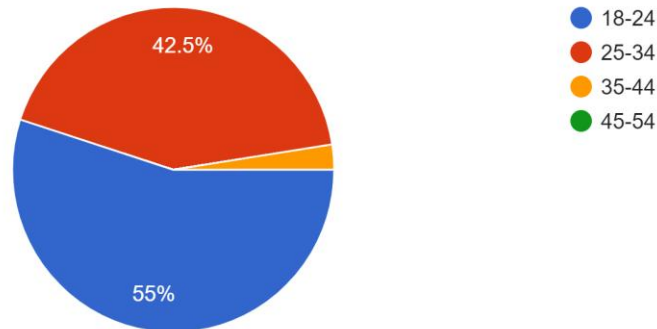
**Figure 1: Gender**

**Interpretation:** 62.5 percent of the 40 responders were male, while 37.5 percent were female. As both male and female responded to this survey, this poll is non-biased in terms of both gender perspectives.



2. Which of the following age groups do you belong to?

40 responses

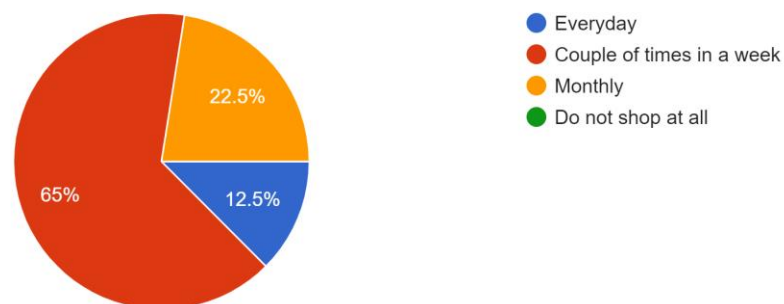


**Figure 2: Age**

**Interpretation:** 22 of the 40 respondents were between the ages of 18 - 24 which is the majority, 17 were between the ages of 25 - 34, and only one was between the ages of 35 - 44. As a result, the responses to this survey questionnaire come from a younger age with more concise and new perspectives.

3. How often do you shop in a physical store or on the internet?

40 responses

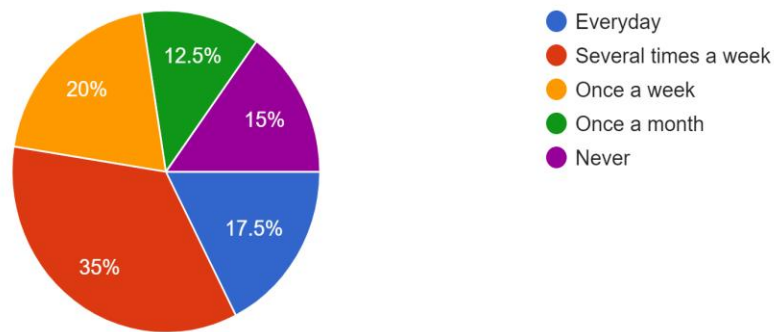


**Figure 3: Shopping Frequency**

**Interpretation:** 26 of the 40 respondents indicated they shop a couple of times per week, which is the majority of the sample size, 9 said they shop monthly, and 5 said they shop every day. We can deduce from this response that the majority of respondents shop a couple of times per week. Furthermore, the majority of respondents shop in a physical store or online, exposing them to external marketing campaigns and activities conducted by businesses through numerous channels.

#### 4. How often do you consume Instant coffee?

40 responses

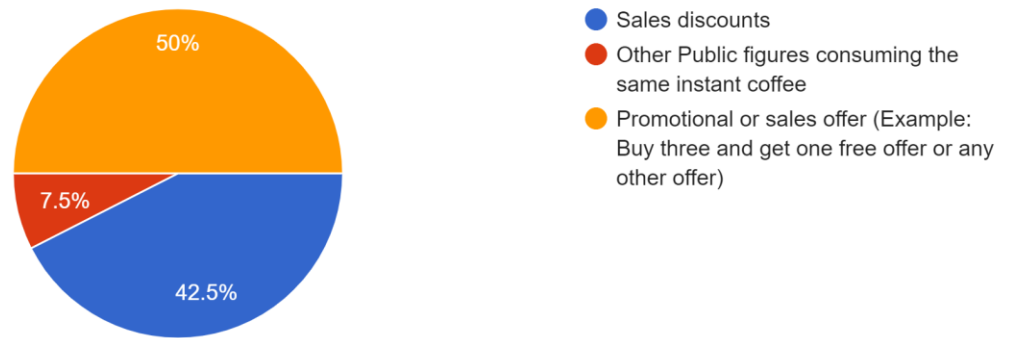


**Figure 4: Rate of Coffee Consumption**

**Interpretation:** 14 respondents out of 40 said they drink instant coffee several times a week, 8 people said they drink instant coffee once a week, 7 people said they drink instant coffee every day, 6 people said they never drink coffee, and 5 people said they drink instant coffee once a month. We can deduce from this proportion that instant coffee consumption is widespread in our country, with the majority of individuals drinking coffee several times each week.

5. Which of the following options will catch your attention while purchasing instant coffee?

40 responses

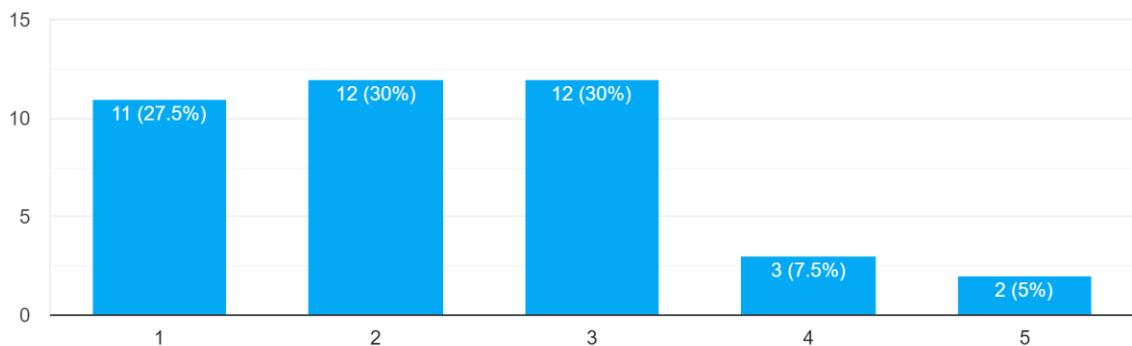


**Figure 5: Attractiveness of a promotional strategy**

**Interpretation:** Among 40 respondents 20 said that sales or promotional offer will catch their attention or interest while buying instant coffee, 17 of the respondents said that sales discount will catch their attention or interest while buying instant coffee and only 3 of the respondents said influencer marketing will catch their attention or interest while buying instant coffee. From this, we can conclude that a sales offer or promotional offer is the most effective way to catch consumers' attention.

6. How likely are you to purchase instant coffee if there is a sale or other offer?

40 responses

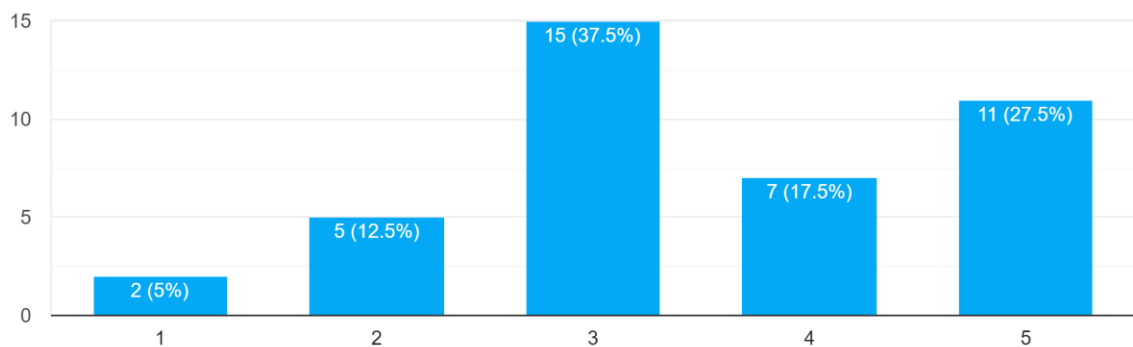


**Figure 6: Sales discount**

**Interpretation:** 12 respondents out of 40 responded that they are very likely, 12 respondents are likely and 11 of the respondents are extremely likely to purchase instant coffee when there is a sales discount. This result is the evidence of the effectiveness of sales discounts on the purchasing behavior of consumers. We can conclude that a sales discount has a positive effect on consumers' buying behavior while buying instant coffee.

7. When a popular figure is consuming a particular instant coffee, how likely are you to buy that instant coffee?

40 responses

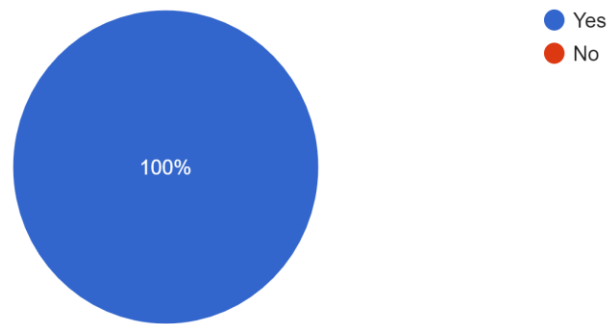


**Figure 7: Influencer marketing**

**Interpretation:** In this scenario 2 responded that they are extremely likely, 5 responded that they are very likely, 15 responded that they are likely, 7 responded less likely and 11 responded that they are not likely at all to purchase instant coffee when a popular figure is consuming that coffee. Here, the majority of the people are likely and very unlikely. From this, it is evident that influencer marketing is not as effective as a sales discount.

8. Have you heard about the brand Nescafe?

40 responses

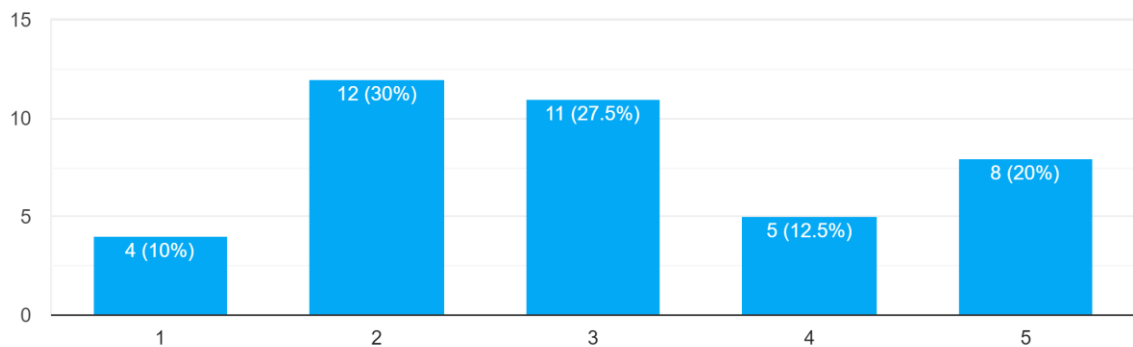


**Figure 8: Brand awareness**

**Interpretation:** Here, it is seen that Nescafe as a brand is very well known in the country as 40 out of 40 respondents knew about Nescafe.

9. If Nescafe classic was offered today without any special offers, how likely would you buy it?

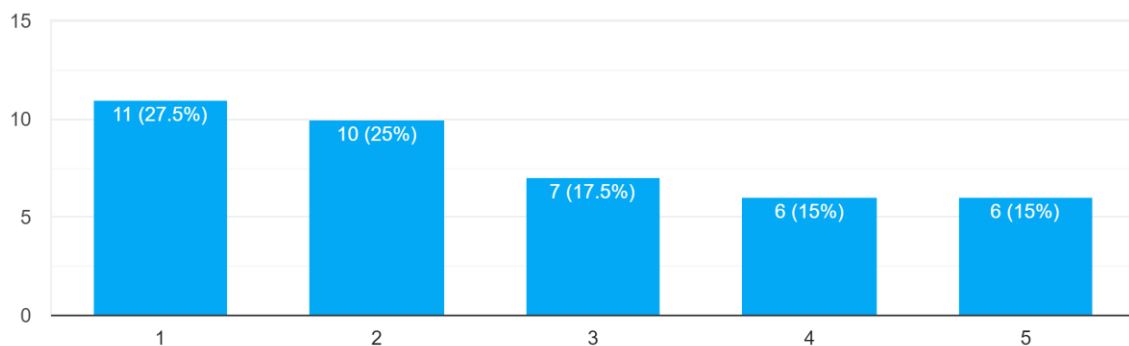
40 responses



**Figure 9: Nescafe without any promotions**

**Interpretation:** We wanted to see if the sample population would buy the product even if there were no promotional offers. According to the results, 12 of the sample stated they would buy the product even if there was no promotional offer, and 8 said that they would be less likely to buy it. In the absence of a special offer, this research resembles a downward trend in interest in purchasing instant coffee.

10. How likely would you buy Nescafe classic if it were available today with promotional offers (buy two jars, get one free)?  
40 responses



**Figure 10: Impact of promotional offer**

**Interpretation:** Here 28% of the sample size is extremely likely to buy the product when there is a presence of promotional offers like buying two get one free. This shows that consumers' buying behavior is positively affected by promotional offers.

### 3.3.2 Major Findings:

- **Incentives influence purchasing behavior of customers in the instant coffee industry:** After studying and interpreting the data, we came to the conclusion that customers enjoy incentives and would try instant coffee if given the opportunity.
- **Age segment of the consumers which gets attracted by incentives:** We concluded from the findings of the questionnaire analysis that the young generation between the ages of 18 and 25 is more drawn to incentives such as sales promotional strategies that will induce them to try out instant coffee.
- **Most effective promotional strategy:** In this study, we discovered that when purchasing instant coffee, the majority of the sample population prefers offers or promotional offers, and other gifts over brand promotion by public personalities. We may conclude that offers or promotional offers have a favorable impact on the purchasing behavior of instant coffee, proving the validity of the hypothesis (H1, Offer strategies or promotional offers).
- **Best way of using promotional strategies:** The results of the questionnaire research revealed that in the instant coffee sector, offer strategy or promotional offers, as well as sales discounts, are better techniques of advertising a product than public figure promotion.

### 3.3.3 Limitations:

- Preparing the report was a challenge for me. Rules and regulations force me to acquire all essential data on occasion. Concerning the leaking of confidential information, Nestlé has rigorous rules and procedures in place. I didn't have all of the information I needed.
- The report had to be finished in a short period of time. I had only one weekend to work on the report. While gathering data, I have to work on multiple NBL projects at the same time. Employees were extremely busy, making getting an appointment or scheduling a meeting was very difficult.

- Some of the responders were uncooperative, which made getting information from them difficult. In a nutshell, compared to the initial plan, I only received responses from a few people.
- Furthermore, I spent most of my internship working from home, which limited my networking and other opportunities, resulting in much less data for this report.

### 3.4 Conclusion

We can see from all of the questionnaire responses that the bulk of the people who filled out the questionnaires were young. As a promotional activity, this demographic segment found offer strategy or promotional offers to be more appealing than public figure advertising. The acceptability of the instant coffee sales discount was likewise pretty high. However, using celebrities to promote the product did not appear to be a profitable choice for the company.

### 3.5 Recommendations

- **Providing incentives to the customers:** When a company wishes to increase sales, it should offer incentives to customers. Consumers are less likely to buy a product if there is no incentive unless they have strong brand loyalty. Consumers consume the products, not on a daily basis, as in the instant coffee sector; brand loyalty is not a factor in this category. If corporations want consumers to test out their goods, they must introduce a promotional offer.
- **The most effective promotional strategy:** Companies should invest more in offer strategy or promotional offers rather than public figure advertising, according to this corporate recommendation.
- **The best combination of promotional strategies:** Another option is to invest in an offer strategy, such as promotional offers and sales discounts, as both have a favorable impact on the consumer's desire to purchase instant coffee. Because the majority of the respondents are shoppers, and it is their opinion that the best option is an offer strategy or promotional deals, it is essential to pay attention to what they have to say. Even if there is a gap in product awareness, a sales campaign can assist in the purchase of that product. As a result, businesses that take a conservative approach to marketing costs can benefit from the conclusions of this paper.



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## Appendix

### Questionnaires:

1. What is your gender?

- a) Male
- b) Female

2. Which of the following age groups do you belong to?

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

3. How often do you shop in a physical store or on the internet?

- 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 Instant coffee?

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

5. Which of the following options will catch your attention while purchasing instant coffee?

- a) Sales discounts
- b) Other Public figures consuming the same instant coffee
- c) Promotional or sales offer (Example: Buy three and get one free offer or any other offer)

6. How likely are you to purchase instant coffee if there is a sale or other offer?

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

7. When a popular figure is consuming a particular instant coffee, how likely are you to buy that instant coffee?

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

8. Have you heard about the brand Nescafe?

- a) Yes
- b) No

9. If the Nescafe classic was offered today without any special offers, how likely are you to purchase it?

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

10. How likely would you buy Nescafe classic if it were available today with promotional offers (buy two jars, get one free)?

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