

Internship Report

PROJECT EXTENSION: LACTOGEN 4



Good Food, Good Life

Submitted to:

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LETTER OF TRANSMITTAL

10 March, 2016

Ms. Afsana Akhter
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Dear Madam,

This is the final internship report for the course BUS 400. The submission of this report is required for the completion of my undergraduate degree, Bachelors of Business Administration (BBA) and thus I present you this report named “Project Extension: Lactogen 4”, prepared by me for your inspection. I have given detailed information about the core activities I have executed during my internship period at Nestlé Bangladesh Limited and also have tried to relate the work activities and learning experience with as much theoretical knowledge as possible. I would like to thank you for guiding me throughout the semester. Despite many limitations that I had to confront, I have put my utmost effort to make this report as accurate and reliable as possible.

The report is submitted to you for examination on the 10 March, 2016. I thank you for giving me this opportunity to learn and enhance my knowledge.

Thank you.

Yours Sincerely,

Fariha Ahmed

ID: 11204035

DECLARATION

I hereby declare that the Internship Report on “Project Extension: Lactogen 4” submitted as a partial fulfillment of the requirements for the degree of Bachelor of Business Administration to BRAC University is my original work. I have tried to gather relevant information from different sources to make the report specific and coherent. This report is not submitted for the award of any other degree, diploma, fellowship or other similar titles or prizes. The entire report is a unique work based on my work experience at Nestlé Bangladesh Limited.

Fariha Ahmed

ID: 11204035

ACKNOWLEDGEMENT

At the outset, I would like to express my gratitude to the Almighty for giving me the strength and opportunity to complete this report successfully. I would also like to thank my family whose unconditional support has helped me achieve what I have achieved today.

The completion of this report would not have been possible without the contributions of my supervisors, both academic and professional.

I am highly grateful to my internship supervisor Ms. Afsana Akhtar, Assistant Professor, BRAC Business School, BRAC University, for the constant support and supervision she has given me throughout my internship. My gratitude goes to the Office of Career Services and Alumni Relations (OCSAR) of BRAC University for arranging the Professional Skills Development Program (PSDP) that groomed me to meet the requirements of the corporate world.

I am also grateful to my organizational supervisor, Mr. Swapan Kumar Paul, Brand Executive, Infant Nutrition, Nestlé Nutrition (Marketing), who's constant guidance and knowledge has shed light throughout the internship program. I would like to convey my gratitude to Mr. Luke John Gomes, Director, Nestlé Nutrition, for his effort in monitoring and providing insights into the different activities of Nestlé Nutrition. Moreover, I would also like to express my gratitude to all the mentors and employees of Nutrition (Marketing) department of Nestlé Bangladesh Limited. I would take this opportunity to mention that the friendly working environment and group commitment of this organization has helped me learn a lot about the corporate world.

I also apologize heartily for any omitted name whose contribution was also complementary for any possible aspect.

EXECUTIVE SUMMARY

Nestlé is a world leading Nutrition, Health and Wellness Company headquartered in Vevey, Switzerland. With its operations worldwide, the company has proved success through its innovative products that aims at good health of the society. Hence the company's tagline is "Good Food, Good Life". Nestlé has been operating in Bangladesh under the name Nestlé Bangladesh Limited (NBL). The global company has a history of over 100 years and has been running successfully since then.

This paper is my internship report. I have been privileged to have worked as an intern at Nestlé Bangladesh Limited. I was appointed in the Nutrition Marketing Department. This department is the most sensitive department of the company because it solely focuses on infant food formula and how to offer the best nutrition solutions to pregnant women and new born babies.

The report focuses on the job aspects that I have carried out and also focuses on what makes Nestlé so successful. The report is accumulated sequentially, starting with a brief overview of the company as a whole. I have worked on one big project, which is the Project Extension of Lactogen 4. This is a new product that is to be launched in Bangladesh in the first quarter of 2016. I have prepared the packaging of the product and also assisted in the design of promotional campaigns for the new infant formula. Insights on the new product's market characteristics and potential sales are analyzed. The report tries to shed light into the new product's overall potentials in the market. I have worked for other brands as well, including Lactogen 1, 2 and 3, NIDO 1+ and NIDO 3+. I have been engaged in preparing new packaging materials for the existing brands. I have also assisted in the preparation of marketing communication material for NIDO. Designing and creating Lactogen Leaflets was an interesting task to do.

Nestlé believes that the new project will be a success in the Bangladeshi market based on the facts that other Lactogen SKUs have shown. If the plans are implemented successfully, Nestlé believes that it will help them operate smoothly and have a stronger sustainable business in Bangladesh.

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LIST OF ABBREVIATIONS

BiB – Bag in Box

BMS Act – Breast Milk Substitute Act

BTL – Below the Line

CSV – Creating Shared Value

FAO – Food and Agriculture Organization

FCMP – Full Cream Milk Powder

NBL – Nestlé Bangladesh Limited

NCE – Nestlé Continuous Excellence

U&A – Usage and Attitude

WHO – World Health Organization

CHAPTER - 1

INTRODUCTION

1.1 BACKGROUND OF THE REPORT

The internship program of BRAC University is a mandatory requirement for all undergraduates pursuing the BBA program. The main purpose of the internship is to expose students to the job market and familiarize them to business transactions. Following an internship, students can accumulate useful insight as to how the theoretical concepts in the text books are applied in the real life situations. The internship program helps in the following ways:

- To get detailed knowledge on job responsibilities.
- To experience the real world.
- To compare the real world scenario with the lessons learned in the class room environment.
- To fulfill the requirements of the BBA program.

1.2 ORIGIN OF THE STUDY

This report is a requirement of the internship program for my undergraduate degree. I have tried my level best to merge the classroom knowledge with real life experience gathered. I have used all the latest data and information. I have served the company as an intern under Nestlé Nutrition (Marketing) department for three months, which has enabled me to work closely with a world class organization as Nestlé.

1.3 OBJECTIVES OF THE REPORT

The objectives of the report can be divided into two forms:

- General Objective: The internship report is prepared solely for the fulfillment of the requirements of the BBA program, BRAC Business School, BRAC University. The report also focuses on marketing activities undertaken to promote and market infant nutrition products.
- Specific Objectives:
 - i. To know about Nestlé Global and Nestlé Bangladesh Ltd.
 - ii. To know about the company's current mission and vision.

- iii. To have a very practical idea and overall view of the marketing functions and their performance in Bangladesh.
- iv. To understand the trend of infant food market for Nestlé in Bangladesh.
- v. To define the marketing mix, market segmentation, target market and product positioning and key marketing areas.

1.4 SCOPE OF THE STUDY

The main intention of the study is to analyze the prospects of Lactogen 4 in Bangladesh and understand how this new product will perform in the market.

1.5 METHODOLOGY

This report is prepared systematically, starting from selecting the topic to the final report. This report has been solely prepared from my experience as an intern in Nestlé Bangladesh Limited.

The data used in the report have been collected during my three months internship period at Nestlé Bangladesh Limited, starting from September 1, 2015 to December 3, 2015. However, mostly primary data was collected during the period. Secondary data was collected during and after the internship period.

Sources of data include both primary and secondary. Primary source includes discussion with my line manager, Mr. Swapan Kumer Paul, Brand Executive. It also includes peers and other senior colleagues. Primary data were collected through:

- Interview with line manager: Information about the Nutrition Department and how its functions have been known from interview with the line manager. He has provided information on the infant product line and how the products are marketed in Bangladesh. He has also shed light into the segmentation and targeting of infant formula.
- Discussion with colleagues: Other senior colleagues have shared information about other infant products apart from Lactogen and NIDO. This includes Cerelac and Baby & Me.

- Observation: I have observed the working environment and how things function in the Nutrition Department. I have observed how my line manager worked and what tasks are put into priority lists.

Secondary sources of data include browsing through the Nestlé Intranet, “The Nest”, Nestlé’s internal documents and other websites. Data collected through this source include the different graphs used in this report, information about Nestlé’s history, details about Nestlé Continuous Excellence (NCE) framework, research study information on infant formula, etc.

1.6 LIMITATIONS

This report has not been prepared without facing some limitations which need to be addressed:

- Primary data collection through market survey could not be done due to restrictions from the company.
- It is likely that line manager would be skeptical about sharing certain information with interns. Confidentiality of certain information has been maintained by line manager.
- There has been disruption in the preparation of this report due to work load and work hour.
- Insights about all the functions of the company have not been learnt due to the limited time of the internship period.

CHAPTER – 2

THE ORGANIZATION

2.1 INTRODUCTION

Nestlé is a Swiss multinational food and beverage company headquartered in Vevey, Switzerland. According to DuBois (2011), Nestlé is the biggest food company in the world measured by revenues with a market cap of roughly 191 billion Swiss francs - which is more than 200 billion U.S. Dollars, and it is ranked #72 on the Fortune Global 500 in 2014 (Wikipedia.com).

Nestlé is the world's largest nutrition, health and wellness company, not only in terms of its sales but also in terms of its product range and its geographical presence. Nestlé covers nearly every field of nutrition and food business: infant formula, baby food, milk products, chocolate and confectionery, instant coffee, ice-cream, culinary products, frozen ready-made meals, mineral water etc. Nestlé is also a major producer of pet food. Nestlé is the world's largest food group involved in nearly every field of nutrition, with a turnover of 81.4 billion Swiss Francs annually (assignmentpoint.com). With a total workforce of approximately 224,541 people in some 479 factories worldwide, Nestlé is not only Switzerland's largest industrial company, but it is also the World's Largest Food Company. Nestlé products are available in nearly every country around the world. Nestlé is dedicated to providing the best foods to people throughout their day, throughout their lives, throughout the world. With their unique experience of anticipating consumers' needs and creating solutions, Nestlé contributes to everyone's well being and enhances the quality of life. Hence, their corporate slogan is *“Good Food, Good Life”*.

2.2 HISTORY

Nestlé was founded in 1866 by Henri Nestlé, a German pharmacist who launched a food product called the "Farine Lactée Nestlé" which was a combination of cow's milk, wheat flour and sugar to save the life of a neighbour's child. In 1905, Anglo-Swiss Condensed Milk Company, founded by Americans Charles and George Page, merged with Nestlé for expansion. The company grew significantly during the First World War and again following the Second World War by expanding its offerings beyond its early condensed milk and infant formula products. The company has made a number of corporate acquisitions such as Crosse & Blackwell in 1950, Findus in 1963, Libby's in 1971, Rowntree Mackintosh in 1988, and Gerber in 2007. Today, Nestlé has more than 2000 brands worldwide with a wide range of

products including coffee, bottled water, milkshakes and other beverages, breakfast cereals, infant foods, performance and healthcare nutrition, seasonings, soups and sauces, frozen and refrigerated foods, and pet food (Nestlé.com).

1860s	Nestlé's history originates in 1866 in Switzerland, where the first European condensed milk factory was opened by The Anglo-Swiss Condensed Milk Company.
1900 – 1940	<p>In 1905, Nestlé and The Anglo-Swiss Condensed Milk Company merged to form the Nestlé and Anglo-Swiss Milk Company.</p> <p>During the World War I in 1914, it was difficult to run the business due to shortages of resources and scarcity of dairy products, which convinced Nestlé to purchase several existing factories in the United States and by the end of the war, Nestlé had 40 factories worldwide (Nestlé.com).</p> <p>At the 1920s, Nestlé made acquisition with Peter, Cailler, Kohler Swiss Chocolate Company. This lead to product variety options that consisted of malted milk and the powdered drink <i>Milo</i>.</p> <p>In 1938, the world leading <i>Nescafé</i> coffee was launched and in the early 1940s, <i>Nestea</i> was launched.</p>
1943 – 1980	<p>In 1943, Nescafé coffee became a major beverage of American servicemen in Europe and Asia.</p> <p>In 1947, the famous maker of soups and seasonings, <i>Maggi</i> became a part of Nestlé. <i>Nesquik</i>, the instant chocolate drink, was introduced in the United States in 1948.</p> <p>In 1974, Nestlé diversified its reach by making acquisitions outside the food industry with a major share at one of the world's leading cosmetic manufacturer, <i>L'Oreal</i> and in 1977 they acquired <i>Alcon Laboratories Inc.</i> – a US based pharmaceutical manufacturer.</p>

<p>1981 – 1990s</p>	<p>In 1981, Nestlé was the first company to develop policies based on the WHO Code, <i>International Code for the Marketing of Breast-Milk Substitute</i>.</p> <p>In 1984, Nestlé acquired the American food giant <i>Carnation</i>.</p> <p>At 1986, <i>Nespresso</i> was opened with the simple idea to enable anyone to create the perfect cup of espresso coffee.</p> <p>The Italian brand Buitoni, was acquired by Nestlé in 1988.</p> <p>During 1990s Nestlé opened up factories in Central and Eastern Europe and China.</p>
<p>2000 – 2010</p>	<p>In 2001, Nestlé formed Nestlé Purina PetCare Company merging with the Ralston Purina Company.</p> <p>In July 2002, the US ice cream business with Dreyer's merged with Nestlé. In August, the leading frozen food product business, <i>Chef America</i> was attained by the company.</p> <p>Nestlé acquired <i>Mövenpick Ice Cream</i> in 2003 and became the market leader in this super premium category.</p> <p>During 2005, Nestlé started producing food with added benefits and served products in the areas of nutrition, health and wellness.</p> <p>Nestlé acquired <i>Jenny Craig</i> and <i>Uncle Toby's</i> in 2006. By Harvard's Michael Porter and Mark Kramer's help, Nestlé created the concept of <i>Creating Shared Value (CSV)</i> that explains Nestlé's dedication for the society rather than the business itself.</p> <p>Acquisition of <i>Novartis Medical Nutrition</i>, <i>Gerber</i> and <i>Henniez</i> were accomplished in 2007.</p> <p>During 2010, Nestlé sold the remaining Alcon shares to Novartis and acquired Kraft Foods' frozen pizza business. Nestlé also launched the <i>Nestlé Cocoa Plan</i> which supplies high quality, disease-resistant plantlets for</p>

	<p>farmers to increase productivity. The Nescafé Plan was also launched to encourage responsible farming, sourcing and consumption across the coffee supply chain. Nestlé Health Science and the Nestlé Institute of Health Sciences were formed to focus at the prevention and treatment of chronic medical conditions with science-based personalised nutrition solutions.</p>
<p>2011 – 2014</p>	<p>During 2011, Nestlé became the first infant formula manufacturer to be included in the FTSE4Good Index. They submitted their policies and procedures voluntarily to the FTSE4Good Policy Committee.</p> <p>Nestlé went into partnerships with the Chinese food companies Yinlu and Hsu Fu Chi, a manufacturer of ready-to-drink peanut milk and canned rice porridge and a confectionery and snacks manufacturer repetitively.</p> <p>Nestlé became the first food company to partner with the Fair Labor Association. This partnership would help Nestlé inspect if children are working in cocoa farms that supply its factories.</p> <p>Nestlé acquired Wyeth Nutrition (Pfizer Nutrition) in 2012, to enhance their position in global infant nutrition.</p> <p>In 2013, Nestlé Health Science acquired PamLab, a US-based company with an innovative portfolio of medical food products.</p> <p>Nestlé extended activities in 2014 to include the field of specialised, medical skin treatments through the creation of Nestlé Skin Health S.A., a global leader with a wide range of innovative and scientifically-proven products focused on meeting the world's increasing skin health needs.</p>

2.3 NESTLÉ BANGLADESH LIMITED

The world's largest food and nutrition company Nestlé started its first commercial operation in Bangladesh in 1994 (assignmentpoint.com). In 1998, Nestlé Bangladesh became a fully owned subsidiary of Nestlé S.A. (South Asia) as Nestlé S.A. took over the 40% remaining share from Nestlé Bangladesh's local partner, Transcom group (assignmentpoint.com). Currently, Nestlé Bangladesh Ltd. has only one factory which is situated at Sreepur, 55 km north of Dhaka. Products like instant noodles, cereals and repacks milks, soups, beverages and infant nutrition products are being produced in this factory. Nowadays, Nestlé Bangladesh Ltd. is a strongly positioned organization. The Company will continue to grow through its policy of constant innovation and renovation, concentrating on its core competencies and its commitment to high quality, with the aim of providing the best quality food to the people of Bangladesh (academia.edu).

2.4 MISSION

While Nestlé's mission is to be the world's leading nutrition, health and wellness Company, Nestlé Bangladesh has set its target which aligns with Nestlé's mission of "Good Food, Good Life" by providing consumers with the best tasting, most nutritious choices in a wide range of food and beverage categories and eating occasions.

2.5 VISION

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

2.6 PRODUCT/SERVICE OFFERINGS

Nestlé has a diversified portfolio of brands and owns over 2000 brands. Different brands are categorized according to their target markets. At present Nestlé covers almost every food and beverage category globally (Mohajan, 2015).

Global Products of Nestlé:

Baby Foods: Cerelac, Gerber, Gerber Graduates, NaturNes and Nestum.

Food Service: Chef, Chef-Mate, Maggi, Milo, Minor's, Nescafé, Nestea, Sjora, Lean Cuisine and Stouffer's.

Cereals: Chocapic, Cini Minis, Cookie Crisp, Estrelitas, Fitness and Nesquik Cereal.

Culinary, Chilled and Frozen Food: Buitoni, Herta, Hot Pockets, Lean Cuisine, Maggi, Stouffer's and Thomy.

Bottled Water: Nestlé Pure Life, Perrier, Poland Spring and S. Pellegrino.

Drinks: Juicy Juice, Milo, Nesquik and Nestea.

Coffee: Nescafé, Nescafé 3 in 1, Nescafé Cappuccino, Nescafé Classic, Nescafé Decaff, Nescafé Dolce Gusto, Nescafé Gold and Nespresso.

Chocolate and Confectionery: Aero, Butterfinger, Cailler, Crunch, Kit Kat, Orion, Smarties and Wonka.

Healthcare Nutrition: Boost, Nutren Junior, Peptamen and Resource.

Ice Cream: Dreyer's, Extrême, Häagen-Dazs, Mövenpick and Nestlé Ice Cream.

Pet Care: Alpo, Bakers Complete, Beneful, Cat Chow, Chef Michael's Canine Creations, Dog Chow, Fancy Feast, Felix, Friskies, Gourmet, Purina, Purina ONE and Pro Plan.

Sports Nutrition: Power Bar.

Weight Management: Jenny Craig.

Although globally the product line of Nestlé is very large, Nestlé Bangladesh Limited (NBL) has a limited number of product lines.

Products of Nestlé Bangladesh Limited (NBL):

Beverage: Shad-Nescafé, Nescafé 3 in 1, Coffee Mate, Gold e-Magic Nestea, and Nesfruta.

Culinary: Maggi Noodles, Shad-e-Magic, Maggi Healthy Soup, Magic Cube.

Dairy: Nido Fortified, Nido 2+, Nido 3+, Nido Growing up Milk.

Breakfast Cereal: Cornflakes, Koko Crunch and Honey Gold.

Nutrition: Lactogen Infant Formula (Lactogen 1, 2, 3), Lactogen Recover, NAN, All 110, BABY & Me and Cerelac.

Confectionary: Nestlé Munch Rolls.

2.7 MANAGEMENT

Nestlé's Board of Directors is led by the Chairman Peter Brabeck-Letmathe, who was the former Nestlé CEO. There are 14 members in the Board of Directors.

The day-to-day management of the Nestlé business is taken care of by the Executive Board. The 13 designated Board Members manage diverse parts of the global business. The Nestlé Group is managed by geographies (Zones: Europe, Americas and Asia/Oceania/Africa) for most of the food and beverage business, with the exceptions of the globally managed businesses, which include Nestlé Waters, Nestlé Nutrition, Nespresso, Nestlé Professional and Nestlé Health Science. (www.nestle.com)

2.8 FUNCTIONS OF NESTLÉ BANGLADESH LIMITED

Nestlé Bangladesh Limited has a wide range of functional departments. There are eight main departments that work collectively and co-operate each other in order to function properly. Currently the existing functional areas are:



FIGURE 1: FUNCTIONAL DEPARTMENTS OF NESTLÉ BANGLADESH LIMITED

The General Management: They take care of the overall operation of the company and make the key decisions.

Finance and control: Finance and control department deals with the financial transactions and helps in creating estimations and budgets for different projects. They also control the financial performance of the company, ensuring that the financial targets are achieved through the success of different projects.

Human Resource: The Human Resource Department focuses on the management of employees and organizational culture. They engage in training employees regularly to ensure that employee performance is satisfactory. The team also engages in overall employee affairs, deals with conflicts of interest and hunts for the best talent for the company.

Supply Chain: Supply chain ensures the stable supply of the products according to the demand of the customers. They also ensure the whole supply chain process, starting from producers of raw materials to the end product is well maintained.

Marketing: This team looks after the existing brands, market share and product development of the products. They engage in the marketing strategy making and implementation. They also engage in promotional campaigns in order to try to increase the market grab of different brands.

Nutrition: The Nutrition Department is solely created to work towards the promotion and build up of nutrition brands that include Lactogen, Cerelac, etc. This department is the most sensitive as it deals with infant food formula. Nutrition department is believed to bring in the highest amount of revenue per year, according to Nestlé's internal reports.

Sales and Nestlé Professionals: These departments are responsible for earning revenue for the company. Sales team focus on retail distributions whereas Nestlé Professionals looks after overall sales.

2.9 VISION FOR THE FUTURE

Nestlé has a very rich history and is present all over the world. With its success overseas, Nestlé aims to increase its business operations in Bangladesh because of favourable market situation. Nestlé has a very good brand value in the market and its infant product line occupies a good portion of the market, as learnt from Nestlé's internal research report. Also, products like Kitkat, Nescafé and Maggi are very popular within this region. Every year Nestlé invests around CHF 1.5 billion in Research and Development (R&D) (Mohajan, 2015). Nestlé also works on scientific innovations to reduce obesity and diabetes. It works for special nutritional needs of patients with Alzheimer's disease and illness related to ageing. The company does not favor short-term profit at the expense of successful long-term business development (Mohajan, 2015). Keeping its vision in mind, Nestlé plans to increase investments in Bangladesh, detail of which is provided in Appendix 1 (Ara, 2015).

CHAPTER – 3

NESTLÉ NUTRITION



The nutrition department contributes the highest in terms of sales and revenues and also holds the highest market share in the nutrition sector in comparison to its competitors such as Biomil, My Boy, Horlicks, Dano, Baby Care and others (theNest). The success behind this department owes to the Nutrition Director of Nestlé, Luke John Gomes, who has been driving the department to the highest ladder of success through his distinctive strategies and the continuous commitment, hard-work and support of the nutrition team.

Nestlé uses a functional organizational structure where people with similar knowledge and skills are grouped together. This makes it possible for employees to become specialists in their field. The Nutrition department has been divided into four teams – Performance Development Team, Field Operation Team, Scientific Affairs & Compliance Team and Marketing Team. The backbone of this whole department is the Area Nutrition Officers/Nutrition Officers from the Field Operation Team who executes the BTL campaigns. The purpose of the campaigns is to build brand awareness and drive sales through specific offers/promotions. Since infant formula or baby food products for children under the age 5 cannot be promoted under BMS and WHO Code, the Field Operation Team cannot communicate with the target customers (mothers) and therefore through BTL campaign the team targets the health professionals and doctors who recommend the product to mothers who tend to purchase products on expert opinion.

This team is supported by Performance Development Team which trains and develops them on how to convince or deal with the Health Care Professionals. Scientific Affairs & Compliance Team provides them with all the scientific information that should be disseminated to the health professionals and makes sure that their activities are within the compliance. The Marketing Team has overall responsibility for growing revenue, increasing market share and contributing to company growth and profitability. The key responsibility of Nutrition Marketing team is to create demand on consumer's end and increase consumer engagement through execution of various activities and continuously coming up with new

marketing strategies without violating the BMS and WHO Code. The diagram below illustrates how the entire Nutrition Function supports the field area operation team:

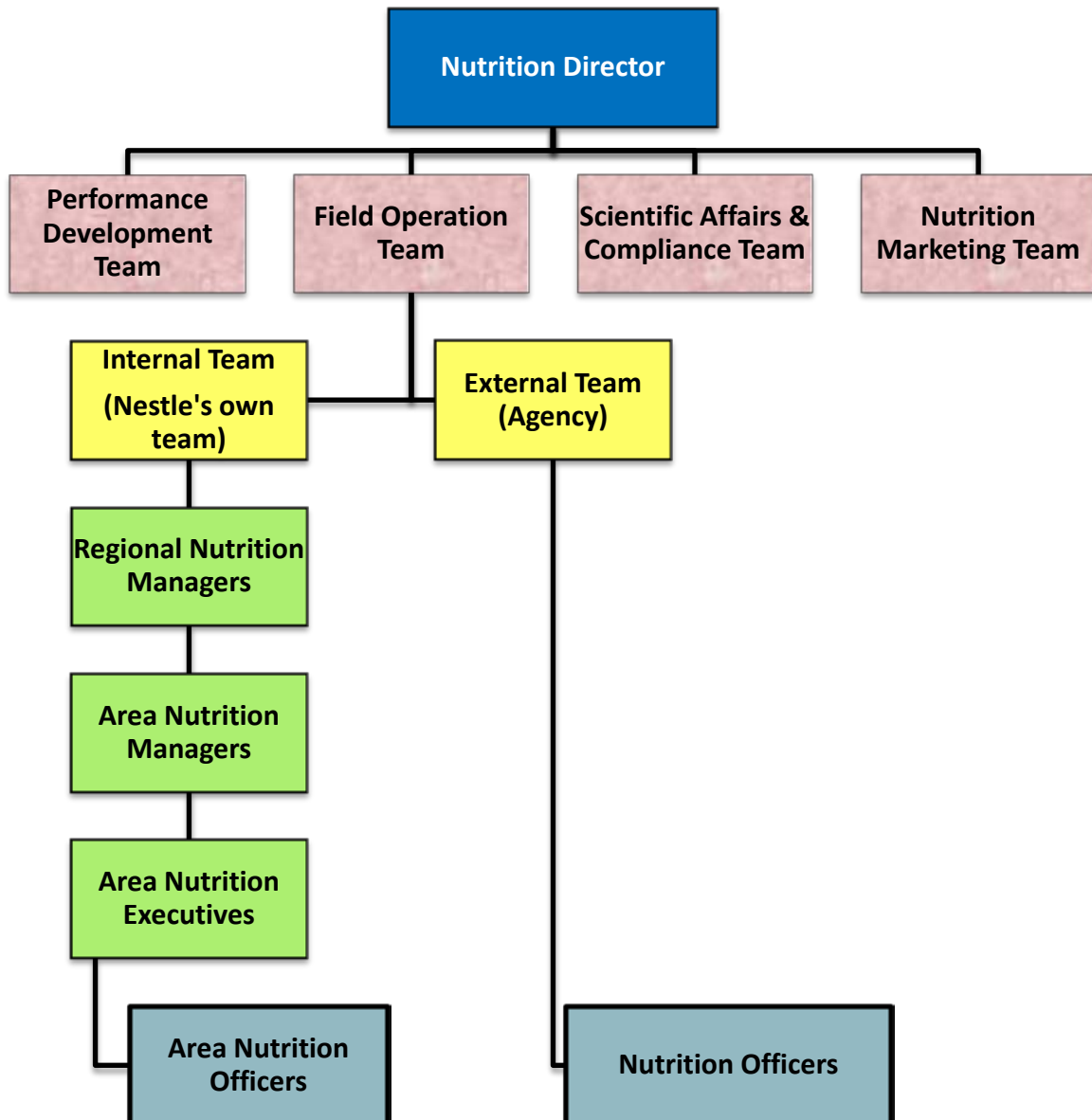


FIGURE 2: ORGANIZATIONAL STRUCTURE OF NESTLÉ NUTRITION BANGLADESH

3.1 ROLE OF NESTLÉ NUTRITION

The role of the Nutrition Department is not only to make available nutrition products but also to promote an understanding and practice of the science of nutrition for the enhancement of the physiological and social well-being of the target group such as mothers and their infants, primarily through research, education and product safety.

3.2 GOAL OF NESTLÉ NUTRITION

The goal of nutrition department is *Together, nurturing a healthier generation*. The department believes that Nestlé alone cannot create a healthier generation. To achieve the goal, support from multidimensional sectors is needed such as mother, father, friends and family, workplace, health professionals, NGOs and so on. Therefore, Nestlé Nutrition works towards aligning all the sectors through their strategic plan to accomplish their goals.

3.3 HOW GOALS ARE ACHIEVED?

The goal of the department is achieved through strategic planning with the help of Nestlé Continuous Excellence (NCE) framework. Strategic planning is required to set priorities, focus resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals and outcomes and assess and adjust the organization's direction. Nestlé Nutrition Department follows a systematic approach to carry out its strategic planning effectively. It is called “Nestlé Continuous Excellence” (NCE) and its vision is zero waste, one team and 100% engagement. Through this approach the department tries to create a positive gap against the competition.

NCE helps to keep the department on track and employees focused on the future. It has been designed in a chart form keeping short-term goals in mind, and is placed in front of each desk providing a direction to the employees what needs to be achieved and how they need to be achieved. A sample has been provided below with details for better understanding.

3.4 NESTLÉ CONTINUOUS EXCELLENCE (NCE)

NESTLÉ CONTINUOUS EXCELLENCE													
Key Priorities	Targets & Drivers	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Delight Consumers	What to achieve? *Target	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month
	How to achieve? *Activities that ensure what consumers value												
Build Brand Image	What to achieve? *Target	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month
	How to achieve? *Activities that ensure business development												
Deliver Competitive Advantage	What to achieve? *Target	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month	Targets of the month
	How to achieve? *Activities that Ensure the best offer on shelf												
Excel in Compliance	Ensuring all the activities are within the compliance	Approval received from the mandatory	Approval received from the mandatory	Approval received from the mandatory	Approval received from the mandatory	Approval received from the mandatory	Approval received from the mandatory	Approval received from the mandatory	Approval received from the mandatory	Approval received from the mandatory	Approval received from the mandatory	Approval received from the mandatory	Approval received from the mandatory
Review		Review Quarterly				Review Quarterly				Review Quarterly			

Key Priorities: This is used to identify what is important to the department. Nestlé Nutrition Department has 4 key priorities:

- i. *Delighting consumers* that focuses on ensuring what consumers value.
- ii. *Building brand image* that focuses on ensuring business development.
- iii. *Delivering competitive advantage* that focuses on ensuring the best offer on the shelf.
- iv. *Excelling in compliance* that focuses on ensuring all the activities are executed within the compliance.

These priorities set a direction for the department to achieve its mission.

Targets: This outlines what must be achieved at the end of the year. The expected objectives are mentioned that clearly state what the department must achieve to address the priority issues.

Drivers: This is a factor that contributes to the growth. It is a list of activities that need to be executed in order to achieve the targets set by the department.

Calendar: The activities are further broken down and allocated to each month starting from January to December. Beside each activity, the name of the person will be mentioned who will be accountable for that particular activity.

Review: To ensure the plan performs as designed, the department director holds regularly scheduled formal reviews of the process and refines as necessary. The Nutrition Director conducts quarterly review session with the whole team to ensure the activities are being executed and the targets are being achieved within the due time.

This is how Nestlé Nutrition Department gets to where they want to go. The strategies, action plans and budgets all framed in a chart communicates how effectively the department has allocated time, human capital, and money to address the priority issues and achieve the defined objectives and eventually the goal of the department.

CHAPTER - 4

JOB

4.1 DESCRIPTION OF THE JOB

The Nutrition Department has several functional areas: Performance Development Team, Field Operation Team, Scientific Affairs & Compliance Team and Marketing Team. Different teams perform different functions but ultimately they all co-ordinate and co-operate each other to achieve the goals set by the Department as a whole. The Performance Development Team trains and develops the Field Operation Team on how to convince or deal with the health care professionals and doctors. Scientific Affairs & Compliance Team provides them with all the scientific information that should be disseminated to the health professionals and doctors and make sure that their activities are within the compliance. The Marketing Team, who has overall responsibility for growing revenue, increases market share and contributes to company growth and profitability. The key responsibility of Nutrition Marketing team is to create demand on consumer's end and increase consumer engagement through execution of various activities and continuously coming up with new marketing strategies without violating the *Breast Milk Substitute (BMS)* and *WHO Code* on infant formula. To ensure that the code is not violated, Nestlé has its own rules and regulations guidelines for marketing of nutritional products. This set of rules and guidelines is called the "*Nestlé Charter*". This charter contains all the Dos and Don'ts for Infant Formula Marketing.

It has been a new experience for me because Nestlé Bangladesh is the first organization that I have ever worked in. I have been provided with constant support and guidance from my line manager. I have been able to gradually build on my weaknesses and I believe that I have improved now from who I was at Day 1 at Nestlé Bangladesh.

I have learned a lot about the organization from the very first day, where I was exposed to the policies and the different principles that the organization follows. I was also familiarized with the Nestlé Charter and the BMS Act and how promotional activities for infant formulas have restrictions which need to be complied with. Furthermore, Nutrition department has helped me enhance my knowledge and put them into practical use.

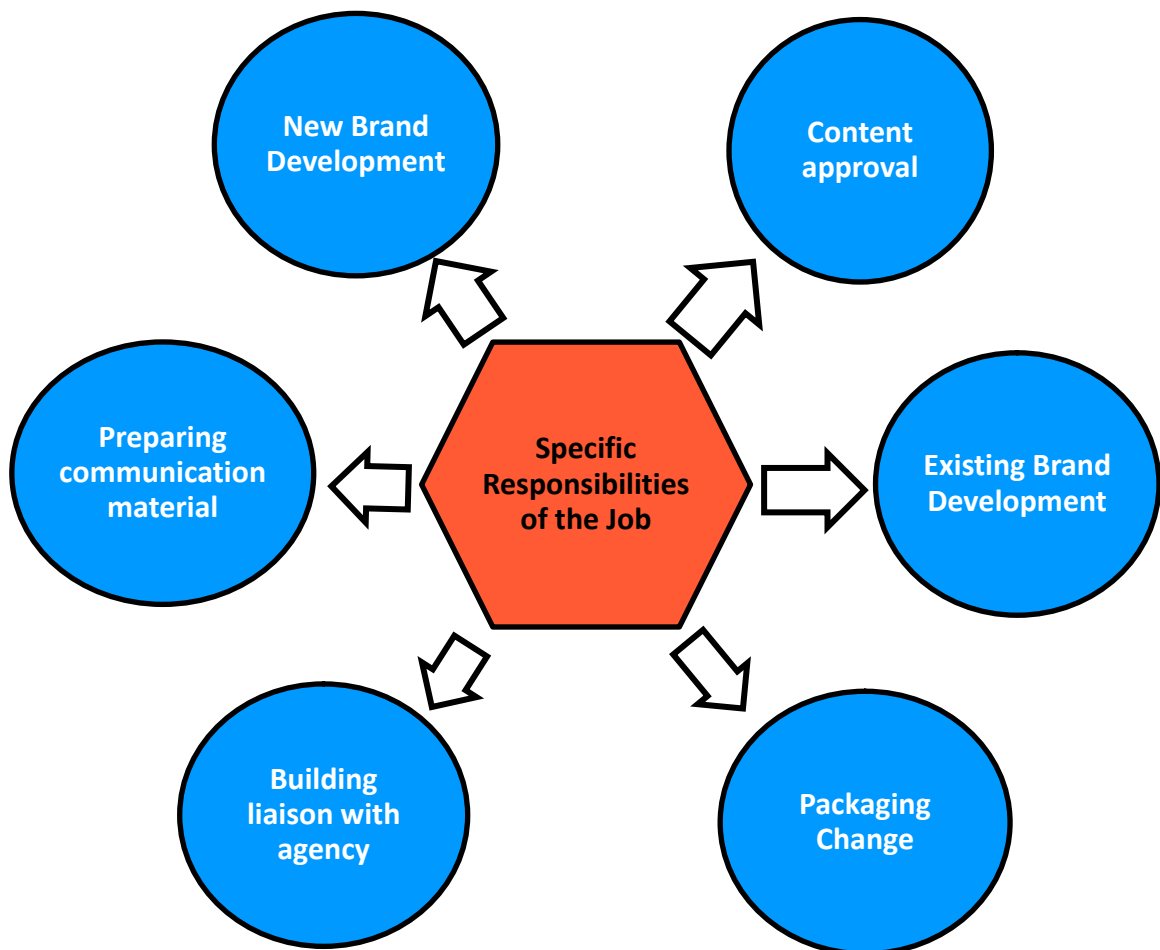
I was assigned in the Nutrition (Marketing) Department of Nestlé Nutrition. The main products of Nutrition department are: Lactogen (Lactogen 1, 2, 3), Lactogen Recover, NAN, All 110, BABY & Me and Cerelac. Recently, NIDO Growing Up Milk (commonly known as NIDO GUM), which contains the SKUs NIDO 1+ and NIDO 3+ for infants, have been introduced into the product line of the Nutrition Department.

The brands I have worked for are: Lactogen 1, 2, 3, NIDO 1+ and NIDO 3+. However, there is a new product to be launched in the first quarter of 2016, which is Lactogen 4. Currently, Lactogen 4 is available in the Sri Lankan market and Nestlé Bangladesh Limited is following the Sri Lankan product design and brand elements to introduce the product in Bangladesh. I am lucky to have been highly engaged into this new project and I looked into the marketing activities and packaging of the new product. This new product launch has been my core project. However, apart from this, I have also looked into other brands too. The specific responsibilities I have carried out have been discussed in the following section.

4.2 SPECIFIC RESPONSIBILITIES OF THE JOB

The specific responsibilities of my job are as follows:

- i. New product development
- ii. Content approval
- iii. Existing product development
- iv. Packaging change
- v. Building liaison with agency
- vi. Preparing communication material



i. New product development:

Lactogen 4 is a new product and I have worked for the development of the product's packaging and brand elements for the Bangladeshi market. I was assigned the tasks of deciding the design of the packaging based on existing guidelines and changing the nutrition elements according to the new declared nutrition compass by the Nestlé Nutrition Institute (NNI). Lactogen 4 is a completely new product in the market and hence there is no existing guidelines specific to this particular product that could be followed. Thus we followed the Sri Lankan Lactogen 4 pack as our basis and designed the Bangladeshi pack similar to it. However, the nutrition elements in the Sri Lankan and the Bangladeshi pack are not the same. This is because the Sri Lankan pack was introduced earlier and new research has been done after that. So we had to introduce the new declared nutrition compass into the Bangladeshi pack. Other brand elements of the new pack were also changed. The colour and the font size were changed. For this, I was required to deal with agency and following up with them to ensure that the assigned task is done properly in due time. The agency I worked with is *Protishabda Communications*, located in Kemal Ataturk Avenue, Dhaka. I had to pay them regular visits and show them what changes were to be made in the new design. However, apart from this, my job was to determine the demand for Lactogen 4. Because there is no previous data available, we solely relied on the demands for other SKUs of Lactogen, specifically Lactogen 1 and overall Lactogen line. I had to look at previous sales trend for the existing Lactogen SKUs and estimate the potential sales for the new product.

ii. Content approval:

The new project of Lactogen 4 launch had other tasks too. The initial step in the overall process was to correct the brand elements and prepare a design which needed to be printed by the agency. After this, I was required to take approvals of the designated authorities of different departments. These approvals would ensure that the correct work has been done. If any authority claims that a requirement has been breached, then the whole process goes back to the agency where the design is corrected and the approval process is then carried out again. This whole process is time consuming and requires sufficient amount of attention because a single error can delay the whole approval process. A sample of the approval format is attached below:

Brand:		Size:			
Purpose/Changes:					
Function	Content for Approval	Comment	Sign	Date in	Date Out
Brand Manager 1	Creative/Content/ Regulations/Factual information				
Brand Manager 2	Creative/Content/ Regulations/Factual information				
Scientific Relations Manager	Scientific Content/Claims				
Performance Development Manager	Regulatory mandates				
Legal Manager	Legal aspects				
Nutrition, Health & Wellness Specialist	Nutritional content/Nutritional claims				
Regulatory and Compliance Manager	Code compliance (Local/WHO)				
Marketing Manager	All mandatory signatures				

iii. Existing product development and analysis:

I have prepared the Monthly Sales Analysis for Lactogen 1. This has helped to understand which region is not achieving its target. I have also prepared the Region Wise Monthly Sales Analysis for overall Lactogen product line and summarized the findings for analysis by the line manager and the department head. From the summarized analysis, the line manager has suggested which region needs to be taken care of because of lower sales. There are 6 regions that are analyzed. They are: Dhaka North, Dhaka South, Chittagong, Bogra, Khulna and Sylhet.

iv. Brand elements and packaging change:

I have developed artworks for Lactogen 2 BiB 180g and Shipper. I have also worked in the development of artworks of NIDO 1+ BiB 180g, 350g, NIDO 3+ BiB 350g and NIDO 1+ 180g Shipper. This required constant communication with agency. I believe this has helped me improve on my communication and convincing skills. I have also prepared Lactogen Breast Feeding Instruction Leaflet (BFIL), Lactogen Leave Behind and Lactogen-Cerelac combined Leave Behind. These leaflet and leave behinds are prepared for doctors and health professionals, which include instructions on preparation and feeding Lactogen and Cerelac products. Doctors and health professionals then recommend the products to mothers. This is a restriction according to the Breast Milk Substitute (BMS) Act and the Nestlé Charter. This restriction on marketing communication and promotion is valid for all infant nutrition products as direct communication with mothers is not allowed.

v. Building liaison with agency:

I have worked with agency and visited their office on a regular basis to show them what changes to make in the existing and new product designs of Lactogen and NIDO. The agency, Protishabda Communications, were assigned with the tasks of preparing packaging designs and other communication material. I have built on my communication skills by continuously guiding them so that the assigned tasks could be finished in due time.

vi. Preparing marketing communication material:

I have assisted in preparing marketing communication material for NIDO 1+ and NIDO 3+. During this, I have come across the FAO/WHO requirements of nutrients for infants and why they are crucial for growth and development. The communication materials are to be prepared as a Master Digital Aid (DA). This means that the prepared material will be converted to an interactive program that will be used by doctors and health professionals in different training programs, where they will come to know about the nutrition requirements of infants and how NIDO helps to meet those requirements.

4.3 EVALUATION OF JOB PERFORMANCE

My job performance was evaluated by my line manager and the Human Resource Department. My line manager evaluated my performance on a weekly basis. Every Thursday, he used to sit in a 30 minutes meeting with me to check back on the week's tasks and performance. He pointed out the areas where I needed to improve. The following week, he used to verify if I have worked on my lacking and progressed further.

The Human Resource Department evaluated the performance of interns on a monthly basis. They provided the line managers with a checklist of performance criteria. The line manager sat with the interns at the end of the month and filled up the checklist after a thorough discussion with the interns. This helped the Human Resource Department to keep tracks of the interns' performances. A sample copy of the Intern Evaluation Checklist is provided below:

Intern Evaluation Checklist					
Name of Intern:		Name of Line Manager:			
Intern ID:					
Department:					
Evaluation for the month of:					
<i>Please evaluate the intern's performance on the following criteria, with 1 = poor, 2 = average, 3 = good, 4 = very good and 5 = excellent.</i>					
Checklists	1	2	3	4	5
Communication skills					
Creativity					
Punctuality					
Manners					
Finishing task on time					
Building relationship with colleagues					
Working overtime					
Proactive attitude					
Taking on additional work load					
Overall intern rating					
Tasks completed till date:					

1.	
2.	
3.	
Comments: Intern:	Line Manager:
Areas of improvement: Intern:	Line Manager:
Signature and date: _____	_____
Intern	Line Manager

4.4 DIFFICULTIES AND CHALLENGES

- i. **Fitting in:** Nestlé was my first corporate organization to work in and fitting into the corporate culture was a big challenge for me in the initial days of my internship program. I was de-motivated and gradually lost enthusiasm because it was becoming difficult for me to adjust to the new environment. I had to build up relationships with my colleagues and other interns and this was not an easy task. Gradually, as I learned through the process, I began to communicate and build rapport with my seniors. Nestlé has helped me to know more about the corporate culture and how multinational organizations operate.
- ii. **Abbreviations and short forms:** It was difficult for me to know all the abbreviations of different phrases and terms. For example, PO (Purchase Order), FA (Final Artwork), IF (Infant Formula), GUM (Growing Up Milk), NCE (Nestlé Continuous Excellence), NLF (Nestlé Leadership Framework), etc are only a few abbreviations that I came across. There were several other abbreviations and short forms that were not familiar to me. This had lead to work delay and took me more time to execute my tasks. However, my line manager and other interns had helped me learn more about these which had helped me to execute my tasks in a better way.

- iii. **Dealing with agency:** Dealing with agency had always been a difficult task because they had to be pushed to complete a task within due time. I had to make phone calls and send emails on a regular basis. However, my task was not only to ensure that the work is done by the agency, but also to see that the work is error free. This was important because once an approval is given for final output, the design was sent to the printing agency for mass production. This was a big responsibility on me because a single error could result in disastrous results and end up in loss. Thus, I had to take approvals for a single design multiple times to ensure accuracy. For example, Lactogen 2 Artwork required approvals 4 times because there were errors in the design and the agency had to correct them before the final output is provided. I used to cross check each and every word, value, colour and proper alignment with the technical drawing. I had to keep reviewing and updating the artwork until a complete error free design was created which could be sent to the printing agency for mass printing.
- iv. **Co-operation from senior colleagues:** Sometimes senior colleagues would delay in giving their approval because of other work loads. This increased the overall time and delayed the tasks. This is a major problem within the system. Everyone at Nestlé do help each other but at certain times, delays lead to frustration and thus the tasks are not finished in due time.

4.5 THE WORKING ENVIRONMENT

For my internship, I was privileged to work in the Nutrition Department of Nestlé Bangladesh Limited. I was under constant supervision and guidance of Mr. Swapan Kumer Paul, Brand Executive, Infant Nutrition, Nestlé Bangladesh Limited. I commenced my journey with Nestlé on 1st September, 2015 with much enthusiasm. I also attended an internship orientation session. There were confusions about how I would adjust to the new environment. I was lucky enough to have the guidance and support of the Nestlé family that helped me overcome all the hurdles throughout. The unity and friendly environment helped me overcome the first few days and gave me courage to untangle my true potential.

4.6 CRITICAL OBSERVATION

Malone (2015) throws a question at one of her posts in Huffingtonpost, “What is it that makes some interns stand out, while others are barely memorable?”. It takes some hard work to fit best into a job and perform all the assigned tasks efficiently. Every job needs certain responsibilities to be fulfilled in time. Similarly, in my job at Nestlé Bangladesh Limited, I have been assigned with tasks that have helped me build up on certain skills that I previously had and also helped me develop on new skills.

Product knowledge: Working in the development of a new product has helped me build product knowledge. I have been closely related to everything that a new product needs prior to launch. Starting from designing to taking approvals and dealing with agency, the Lactogen 4 launch project has helped me a great deal to learn more about the product and how it aims to “nurture a healthier generation” – the tagline of Nestlé Nutrition. I have learned that Lactogen product line is rich in all the necessary nutrients that a baby requires in the initial days of its life. The necessary nutrients are put forward through research by the World Health Organization (WHO) and Nestlé strictly follows the guidelines.

Creativity and design skills: Content approval and existing product development has helped polish my creativity in the sense that I was responsible for the proper designing of Infant Formula product packaging. Because I have designed Lactogen 2, NIDO 1+ and NIDO 3+ packets, I have been able to learn how to execute a technical sketch into a realistic design.

Communication skills: I have built on my communication skills while working with agency. I was assigned to visit the agency’s office on a regular basis and assist them on the designing of packaging. To do this effectively and make them listen to me, I had to have strong communication skills in order to persuade them to finish the work in due time. For example, I dealt with the agency while preparing Lactogen 4 packet from a technical sketch. For this, I had to show them where to focus more while designing it. For instance, the shape and colour at each corner needed to be taken care of, and properly communicating these required me to build on myself.

Numeracy and analytical ability: I have learned to analyze realistic goals and targets and how actual performance differs from the targets set. While preparing the monthly region wise sales analysis for Lactogen product line, I have come across numbers and graphs that have

helped me learn how actual sales meet targeted sales. I have also learned when and why some sales do not meet the target and what can be done to ensure that the target is met. Interpretation from the graphs was a good learning for me.

Personal Development: I have successfully built myself personally as a person while working as an intern at Nestlé Bangladesh Limited. I have learned to manage time effectively and now I know how to maintain punctuality. Furthermore, I have learned to build rapport and professional relationships with seniors and colleagues and how to behave in the corporate world. This has helped me bring about changes into my behavior and attitude.

Adjusting to the corporate life: Nestlé Bangladesh Limited was the first organization that I worked for just after completing education at the university. It was not an easy task for me to go to office everyday on time and work for a whole 8 hours' day. This required me to adjust to myself because I was not exposed to such a life before. Being an intern at Nestlé Bangladesh Limited has helped me learn more about how an international organization runs and how each and every function supports each other for everyday business. Because Nestlé is a multinational company, working in it required to communicate with people overseas, especially from India and the Philippines. India and Philippines have the production facilities and hence communicating with employees overseas was a regular task. Nestlé has taught me to adjust to a corporate lifestyle which I believe will help me in the future in any jobs or career that I will pursue.

After critically evaluating my job and the tasks that I was assigned with, I have come across a few points that needed more attention and where I did not get enough opportunity to nurture upon.

Teamwork: During my internship at Nestlé Bangladesh Limited, I did not come across opportunities that would help me build on teamwork. As an intern, I had to work independently with my line manager and other fellow colleagues. Direct involvement in teamwork was not available.

Influencing and negotiation skills: I did not get the opportunity to learn more about the actual markets and how to negotiate with people in order to convince them. I believe this is an important skill that any marketing people would want to excel in. My work was office based and did not require any market visit and hence I was not exposed to influencing others and negotiating with them.

IT skills: Every organization has some internal softwares and programs that are used internally by employees to help them work efficiently and effectively. For example, Nestlé’s Regulatory Department uses an internal software called “DevEx”, which automatically checks nutrition requirements in packets with the declared nutrition requirements from WHO. If any deviation is found, alert is sent and the correction is made automatically. Before a packaging is finalized, it goes through several cross-checking to ensure perfection. As an intern, I did not get the opportunity to work on such softwares and I believe learning about such a software and how it runs would have definitely enhanced my IT skills.

4.7 RECOMMENDATIONS

Critical evaluation of my job has led me to a few recommendations which I believe, if implemented, would have helped me to excel more in my job.

- i. Establishing teams:** Nestlé Bangladesh has around 80 interns in different functions. These range from interns at different departments like Marketing, Finance, Supply Chain, Global Affairs, Manufacturing, etc. Forming teams consisting of interns in different departments and assigning certain tasks to those teams would enhance the interns’ knowledge about the other departments apart from the department s/he is an intern in. For example, forming a team consisting of 5 interns from Marketing, Finance, Supply Chain, Manufacturing and Nestlé Professionals each and assigning them with tasks that should be achieved collectively would help the interns leverage on each others’ knowledge. This would have definitely increased the interns’ involvement into different functions and increased the overall knowledge.
- ii. Market visits:** Interns in the Nestlé Professional department have to visit market on a regular basis to ensure the sales force is working to achieve the targeted sales. Interns in other departments do not get exposed to markets because they do not have to visit markets. This reduces chances of learning more about markets and how stores are operating. Scheduling regular market visits for every intern would definitely help to increase knowledge and exposure to the real world.
- iii. IT trainings:** Certain internal softwares are critical and complex to use and providing trainings on them would help interns learn about the procedures and enhance IT skills.

CHAPTER – 5

PROJECT OVERVIEW

5.1 SUMMARY OF THE PROJECT

Nestlé Bangladesh has been operating successfully under the international brand name. The organization has several departments that function collectively to achieve the objectives and goals. The headquarters for Nestlé Bangladesh is in Gurgaon, India. Nestlé Nutrition is a diverse department that employs people of different background.

According to the FAO/WHO declaration for nutrient requirement for babies, Nestlé Nutrition tries to make products that match the needs of an infant. Hence, the brands Lactogen and NIDO have been developed in such a way that it fulfills the nutritional need of a baby. Because babies are sensitive, Nestlé ensures the highest quality of these two brands and hence the products are imported from overseas. Lactogen is imported from India whereas NIDO is imported from Australia. However, Nestlé Bangladesh looks solely into the packaging of the brands. It designs the packaging according to the local culture, with Bengali labels on its packs. My work included ensuring that the FAO/WHO requirements for a baby's nutrition are met from the Lactogen and NIDO infant formulas. There are several aspects that needed approval before the product could be said to meet the suggested requirements. For example, the Scientific and Regulatory Affairs department of the company ensures that the correct nutrient declaration is used in the packaging of the products so that a baby's nutritional needs are met.

Currently, NIDO has 2 stages: NIDO 1+ and NIDO 3+. Lactogen has 3 stages: Lactogen 1, 2 and 3. However, there is another stage for LACTOGEN 4 in other countries like Sri Lanka and Nestlé Bangladesh is considering the launch of Lactogen 4 in the first quarter of 2016.

Why do Nestlé think so much about infant formula and proper infant nutrition? According to internal research by Nestlé, it has been found that the first 1000 days of a baby's life is very important because it helps the baby to grow.



The breakdown of the first 1000 days is as follows:



The first 270 days belongs to “Maternal Nutrition” and the rest of the days belong to “Infant Nutrition”. The best food for a new born baby is the mother’s milk. However, what would happen to the babies who cannot be breastfed properly? Mothers could have medical problems or other issues that could stop them from properly feeding the baby. In this regard, there are two alternatives to the baby’s nutrition: Cow’s milk and Infant formula. Nestlé has done extensive research in its research labs to find out the efficacy of cow’s milk in new borns. It has been found that the next best alternative to mother’s milk is infant formula. Nestlé thus solely focuses on making the best infant formulas, containing all the nutrients that a baby requires in the first 1000 days of its life.

According to internal research done by Nestlé, Lactogen 1, 2, and 3 have been very successful in the recent years. In Nestlé, Bangladesh has been divided into 6 zones, namely Dhaka North, Dhaka South, Bogra, Sylhet, Khulna and Chittagong. The sales of infant products in these zones are calculated on a monthly basis. Like most other companies, Nestlé sets a target sales level for each zone and then analyses the performance for each month. Taking the example of Lactogen 1, it has been found that the performance of the infant formula has been very successful in most of the regions. It has also been found that mothers are left with no choice after Lactogen 3 and are forced to switch to other brands for further baby nutrition.

Keeping this in mind, Nestlé Bangladesh is considering the extension of the brand Lactogen. Thus the project is named “PROJECT EXTENSION: LACTOGEN 4”.

5.2 OBJECTIVES OF THE PROJECT

- General objectives: The objective of this project is to ensure that customers have more choices during purchase of infant formula. This project focuses on the potentials of Lactogen 4 in Bangladesh and how this product will be launched within this region.
- Specific objectives: Specific objectives of the project include:
 - i. To analyze the sales trend of other Lactogen SKUs and deriving an estimated sales trend for Lactogen 4.
 - ii. To know why Lactogen 4 is required in this region.
 - iii. To find out if mothers will appreciate the product.
 - iv. To identify how the new product will be promoted without violating the BMS Code.

CHAPTER – 6

OVERVIEW OF INFANT FORMULA

6.1 OVERVIEW

The tagline of Nestlé Nutrition is “*Together Nurturing a Healthier Generation*”. Keeping this in mind, Nestlé Nutrition has been preparing infant formula for young children, starting from birth. This has been possible because of extensive R&D that Nestlé commits to in Nestlé Research Labs and compromising the quality of infant formula is strictly unwelcomed. Because the first 1000 days of a baby’s life is crucial for growth and development, Nestlé Nutrition has successfully introduced products that meet the baby’s requirements. Thus mothers can worry less and rely on Nestlé Infant Formulas. Apart from Infant Formulas, Nestlé Nutrition has also introduced products for pregnant women under the category of “Maternal Nutrition”. Together, Nestlé aims to provide all the necessary nutrients to the mother as well as the baby.

According to the World Health Organization (WHO), mother’s milk is the best for babies. Hence, the tagline “*There is no equivalence to or substitute to breast milk*” is printed on every product pack of Nestlé Infant Nutrition. However, Nestlé Infant Formulas are specifically scientifically produced for those babies who cannot be breastfed. So the next best option for babies is Infant Formula. Hence, mothers prefer Infant Formulas over cow’s milk.

According to Nestlé’s internal research, an evaluation of alternatives has been done between the efficacy of cow’s milk and Infant Formula in babies (theNest). A summary of such is as follows:

Cow’s milk	Infant Formula
50 days needed for initial baby’s body weight to double.	125-180 days needed for initial baby’s body weight to double.
High protein content.	Protein content as required.
Inadequate Essential Fatty Acids	Adequate Essential Fatty Acids.
Inadequate amount of micronutrients (Iron, Iodine, Zinc, etc)	Adequate amount of micronutrients (Iron, Iodine, Zinc, etc)

Infant Formula is a formula which is intended to cover by itself all nutritional needs of an infant when a mother is unable to breast feed due to several reasons. Nestlé Infant Formula has two stages which are:

Starter Formula: Meets nutritional requirements during and up to the first 6 months of age.

Follow up Formula: Meets nutritional requirements after 6 months and up to 24 months of age.



FIGURE 3: LACTOGEN INFANT PRODUCTS

6.2 SEGMENTATION

Nestlé segments its market for infant formula and aims to focus on new mothers and would-be mothers. Because of the Breast Milk Substitute (BMS) Act, Nestlé cannot directly advertise to mothers. So they target doctors and health professionals to promote their products to mothers. Nestlé follows demographic segmentation in the sense that it chooses mothers who have babies within the age of 24 months, are aged 20 – 35 years old and have an income level of BDT 20000 and above (theNest).

6.3 TARGETING

Nestlé follows undifferentiated targeting strategy with little customization. Nestlé designs marketing strategies with the same message and promotes it to doctors and health professionals. Because doctors have deeper knowledge of nutrition and nutritional elements, the message designed for them is prepared in English with details about the necessary nutritional requirements of babies. However, the same message is customized for health care professionals (nurses, etc) and made simple for them to understand. So Nestlé promotes its

infant formulas to mothers and would-be mothers through doctors and health care professionals because of restrictions in the BMS Act and the Nestlé Charter.

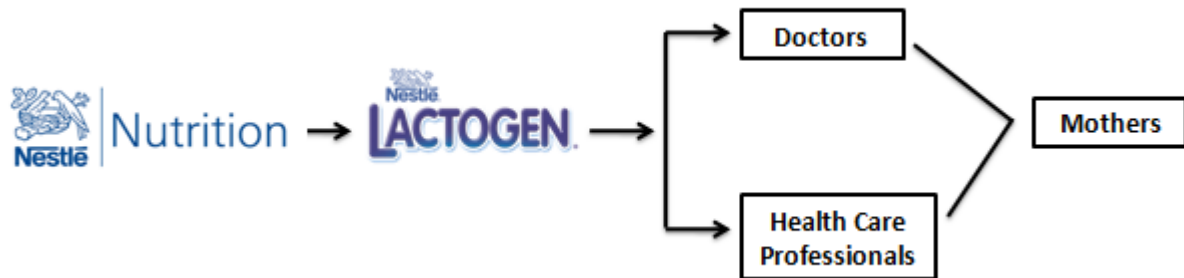


FIGURE 4: PROMOTIONAL CHANNEL FOR NUTRITION PRODUCTS

This diagram shows how Nestlé targets doctors and health care professionals to promote their brand, who in turn recommend the products to mothers.

6.4 POSITIONING

Positioning is an important marketing strategy for any business because it ensures that the products and services are well advertised and have a significant space in the minds of consumers and customers. It also ensures that the products have a competitive advantage in the market.

Nestlé's positioning strategy for infant products is very sensitive because they strive to ensure the best quality and does not compromise with quality and compliance. The company tries to position its infant formula in the market based on a few characteristics:

- **Product characteristics:** Nestlé's infant products are prepared after thorough research in its R&D center. Nestlé Nutrition Institute (NNI) continuously aims to provide the best solution to infants in their early stages of life. Nestlé highlights the product characteristics when positioning the products in the market. The most important product characteristic of Nestlé infant formula is that they contain L-*Reuteri*, a friendly bacterium that helps in baby's gut comfort.
- **Consumer benefits:** Nestlé focuses on their product benefits in order to create a distinctive position in the consumers' minds. A Nestlé infant product like the

Lactogen contains friendly bacteria that gives babies gut comfort and reduces constipation. This message is highlighted in the product packaging to ensure that customers are well aware of the product's benefits.

- **Quality:** Nestlé does not compromise in quality and ensures that all of their products are well compliance and prepared in healthy environment. For this, Nestlé continuously does research in their research labs. The Nestlé Nutrition Institute (NNI) regularly publishes journals and articles based on research findings to communicate about the quality of Nestlé infant products. Consumers are also well aware of Nestlé infant product quality. Nestlé is a global brand and their brand value helps them gain a good share of the customers' minds. Nestlé positions itself under the tag line "Good Food, Good Life".

6.5 MARKETING MIX: THE 4 PS

The marketing mix of a product is very important because it ensures that all the brand elements are integrated to convey a single message and that it occupies a specific place in the minds of customers' because of its unique selling points. Nestlé infant products are prepared and marketed in such a way that customers have a strong brand preference towards products like Lactogen and Cerelac, which is evident from the Nestlé internal monthly Lactogen sales chart.

Product:

Currently, Lactogen have a few SKUs and they are planning to launch new SKUs in the product lines. The existing Lactogen SKUs are:



FIGURE 5: DIFFERENT SKU OF THE LACTOGEN PRODUCT LINE

These products are high in nutritional elements that an infant requires during its early stage of development. These products are designed in such a way that suits the needs of local customers and consumers. However, Nestlé is planning to launch new SKUs to the Lactogen line: Lactogen 2 (180g), Lactogen 3 (180g) and Lactogen 4 (180g).

Price:

Properly pricing a product will impact the overall marketing strategies because this will ensure the profitability of the business. Price is dependent of the market of individual products. For infant products, Nestlé usually chooses to follow competition pricing and product-line pricing strategies.

- **Competition pricing:** Nestlé sets the infant product prices in comparison to competitors like Biomil and Prima. Under this strategy, Nestlé prices infant products slightly higher than the competitors, in order to maintain a perception of superior quality. For example, according to market research in Bangladesh, Biomil 2 (400g) = BDT 500, Prima 2 (400g) = BDT 545 and Lactogen 2 (400g) = BDT 590.
- **Product-line pricing:** Nestlé infant products have a range of SKUs, having different sizes. This is to ensure that customers are availed with a variety of choices according

to their needs. Under this strategy, Nestlé prices infant products differently within the same product range. For example, Lactogen 1 (350g) = BDT 480, Lactogen 1 (400g) = BDT 590, Lactogen 2 (350g) = BDT 480, Lactogen 2 (400g) = BDT 590, and so on. Different sizes under the same product line are priced differently so that uniformity is maintained. This type of pricing strategy aims to maximize the sales of different products and the price of one product impacts the price of another. However, because Nestlé has a good brand value, they tend to follow perceived value pricing under this pricing strategy, meaning that they price their products a little higher than competitors to create a perception of superior quality.

Place:

Nestlé places their infant formula line in all types of stores across the country. The products are found in convenience stores, where customers tend to shop regularly. However, a general flow of the infant product line is as follows:



FIGURE 6: A GENERAL OVERVIEW OF INFANT PRODUCT CHANNEL

According to the figure above, infant formulas are prepared in factories in India/Philippines. It is then imported to Bangladesh. Packaging of the products is made in the local factories using local agents. After production of the packaging is done, the final assembling is done in Nestlé factory, ensuring quality and compliance is maintained throughout. Nestlé then uses

their vendors and different agents who ensure that the products reach retailers. Customers can then purchase the products from retailers of convenience stores.

Promotion:

Nestlé uses Below The Line (BTL) marketing strategy to promote their products, as it is more niche-focused. BTL communications can be used to build brand awareness. BTL interaction gives Nestlé the ability to tailor their messaging in a more personal manner to the audience. Nestlé nutrition products for babies such as Lactogen are outlawed to be advertised through mass marketing campaigns. As per the law code, Bangladesh government discourages consumption of any kind breast milk substitute products. Therefore, Nestlé Nutrition Marketing department comes up with marketing campaigns to create awareness among the health care professionals, doctors and nurses through their Area Nutrition Officers, who disseminate scientific information without mentioning brand names and also engage them in various awareness-creating seminars, quizzes and games. Through this, Nestlé aims to create scientific awareness among doctors and professional who then recommend Nestlé products to mothers. Thus, through BTL marketing strategies, Nestlé reaches their target customers, pregnant women and mothers, who would rely more on expert opinion such as doctors.

CHAPTER – 7

MARKET CHARACTERISTICS OF INFANT FORMULA

Nestlé's Infant Formula is prepared with the aim to provide nutrition to infants during the first 1000 crucial days of infancy. Over the years, Nestlé Nutrition Institute has worked on building Infant Formula brands that are superior in providing nutrition. Nestlé's vision in Infant Formula's business are:

- To market products that are science-based, supported by sound clinical trials, endorsed by opinion leaders and health professionals and which nutritionally outperform competition.
- To offer the best possible nutrition to infants when breastfeeding is not possible, in order to not only secure an optimal supply with all nutrients needed during this crucial period of life, but also to strive for solutions to prevent from and solve key health problems during infancy.

Lactogen is a core brand of Nestlé's Infant Formula. There are certain characteristics that the infant formulas possess as a brand in the market. These are discussed below:

- i. Involvement in hospitals and health centers:** Nestlé infant formulas are available in different hospitals and health care centers around the country. This is because Nestlé involves deeply with doctors and health care professions and designs marketing campaigns that target these groups. They then recommend the brands to mothers and would-be mothers. Hence, positive word of mouth communication is the main source of advertisement for Nestlé Infant Formula and Nestlé realizes this by continuously involving doctors and healthcare professionals in different activities to increase their awareness about Nestlé Infant Formula. As an example to this, Nestlé Nutrition is aiming to introduce "Breast Feeding Corners" in different hospitals and health centers. This will help mothers feed their babies without any hassle.
- ii. Import:** Nestlé infant formulas are imported from India and the Philippines. This is because these two countries have superior production facility and compliance in these factories is highly maintained. For example, there are metal detectors in the machines that prepare infant formula. If there is any metal or by-product that gets mixed with the baby food, the detectors send signals and the whole production system shuts down automatically. Only when it is ensured that the infant formula is prepared under high compliance, the production is resumed. Thus importing infant formula from overseas is a good option. Moreover, the packaging is done in Bangladesh. This reduces the overall cost of the product. For instance, if the product was manufactured in

Bangladesh, compliance and quality would not have been maintained as effectively as it is done overseas. Also, the cost of production would be high because of high machinery costs. For these reasons, importing is a good option.

- iii. Strict laws and BMS Code:** Nestlé infant formula strictly follows guidelines set by WHO and the BMS act. According to the BMS Act, it is not allowed for Nestlé to promote infant formulas directly to mothers. Thus they promote the product to doctors and health care professionals who recommend the product to mothers. These codes are strictly followed in all infant formula brands of Nestlé.
- iv. Good medical fraternity environment:** There are quite a good number of doctors in the country who are very supportive. This enables Nestlé to effectively promote the infant formula brands to them.
- v. New entrants:** The threat to new entrants is low in the country, based on the fact that Nestlé Infant Formula occupies a significant amount of the market (theNest). There are other infant brands in Bangladesh, such as: Biomil, Prima, SMA, Cow&Gate, etc. Evidence that Nestlé infant formula brands are popular is that shelves of superstores like Swapno and Meena Bazar are seen filled with Nestlé infant formula brands.
- vi. Evolving customers:** Customers are becoming savvier in terms of technology. For example, mothers now are exposed to social media more than they were a few years ago. This lead to interaction with people all around the world. Thus, Nestlé aims to create positive word of mouth communication among the customer community so that one mother recommends Nestlé infant formula brand to another mother.
- vii. Ethical practices:** Nestlé infant formulas are prepared in a well complied environment. Nestlé Nutrition Institute does continuous research in its labs in order to find out the best nutrition solution for infants. Nestlé does not believe in doing business at any cost. It aims to be the best in nutrition brands without disobeying any laws and violating infant nutrition.

CHAPTER – 8

SALES TREND OF LACTOGEN

Currently, Lactogen has the following products in its line: Lactogen 1, Lactogen 2 and Lactogen 3. Nestlé is aiming to launch Lactogen 4 in the Bangladeshi market, but before doing so, a thorough market study will strengthen the launching process and ensure that the product meets the market needs. Nestlé tracks the sales of Lactogen and prepares monthly and quarterly analysis reports to find out if the performance is meeting the targets. The following graphs are samples of the sales performance of Lactogen in Bangladesh, in tonnes and in cartons.

8.1 SALES PERFORMANCE OF LACTOGEN IN TONNES

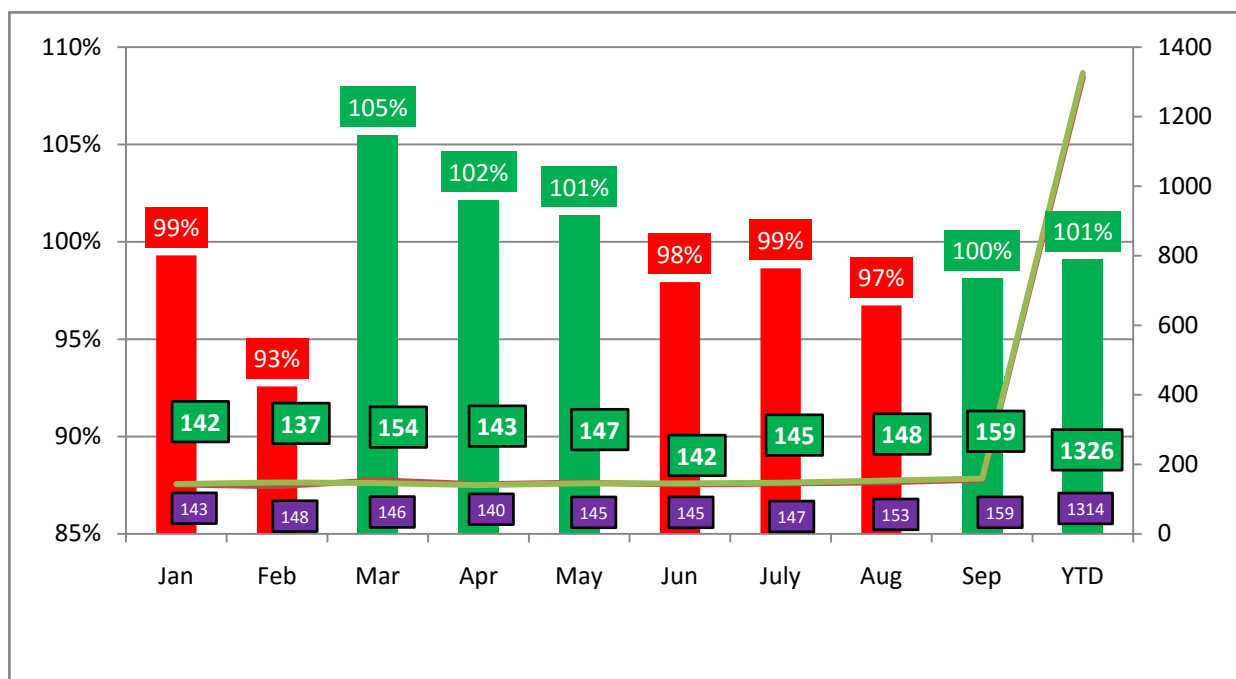


FIGURE 7: TRACKING OF MONTHLY BUSINESS PROGRESSION OF LACTOGEN VS. TARGET IN TONNES (OVERALL BANGLADESH)

The graph above shows the sales performance of Lactogen in tonnes. In the first quarter of 2015, Lactogen sales have not met its target as the graph shows. A possible reason for this is that, because it was the beginning of a new year, it was necessary to understand what sales and marketing strategies would result in more sales. Also, Nestlé did not prepare any new promotional campaigns during that time. During the months of March – May, Lactogen sales exceeded the targets and the business was blooming. This was because Nestlé created several campaigns in hospitals around the country and promoted the benefits of Lactogen to doctors and health professionals. The following three months showed loss again because Lactogen failed to meet the targets due to lack of awareness among mothers and nurses in local health

centres. Hence, Nestlé took up this new initiative, called “Project Happy”, where they prepared promotional interactive campaigns for doctors, nurses and other health professionals in hospitals as well as local health centres all around the country. The campaign included seminars, interactive game sessions and quiz sessions from Nestlé Nutrition Institute (NNI). The result of this campaign was fruitful and the evidence is seen in the graph as the sales were significant in the following months.

The performance of Lactogen has been satisfactory overall. Nestlé aims to launch a new product in the Lactogen product line so that customers have more option available to them. It is seen that customers shift brands when they finish availing Lactogen 3 because there is no other option left and customers are bound to switch brands. Analyzing this from market research, Nestlé planned to launch Lactogen 4 in the Bangladeshi market to give customers more choice in the infant food product line.

8.2 SALES PERFORMANCE OF LACTOGEN 1 IN CARTONS

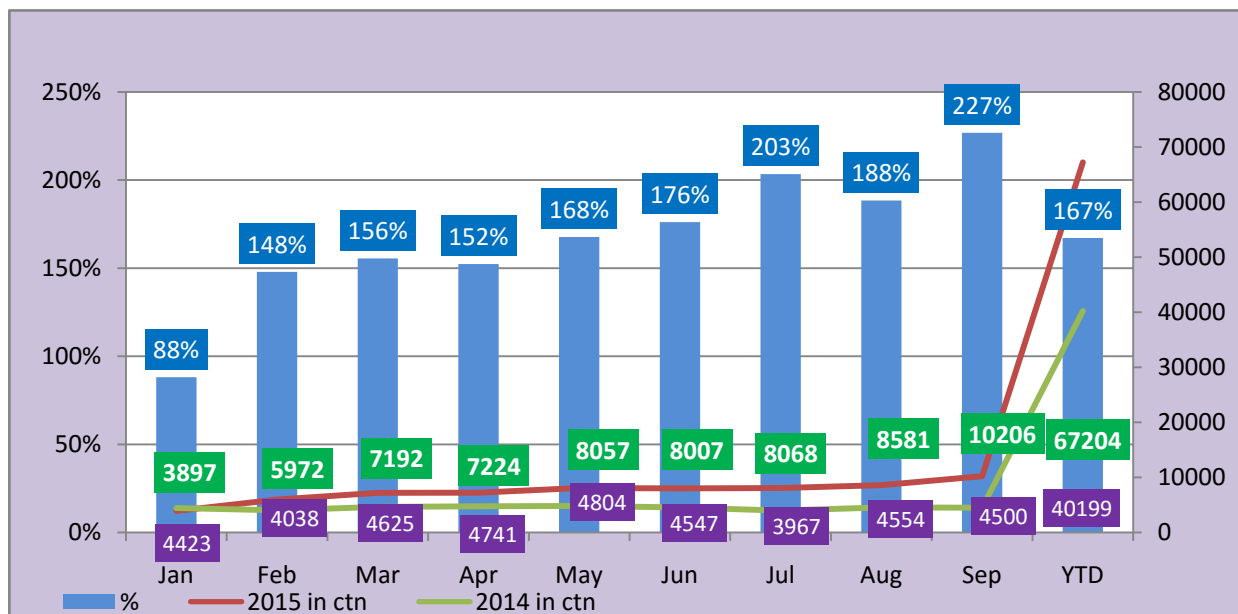
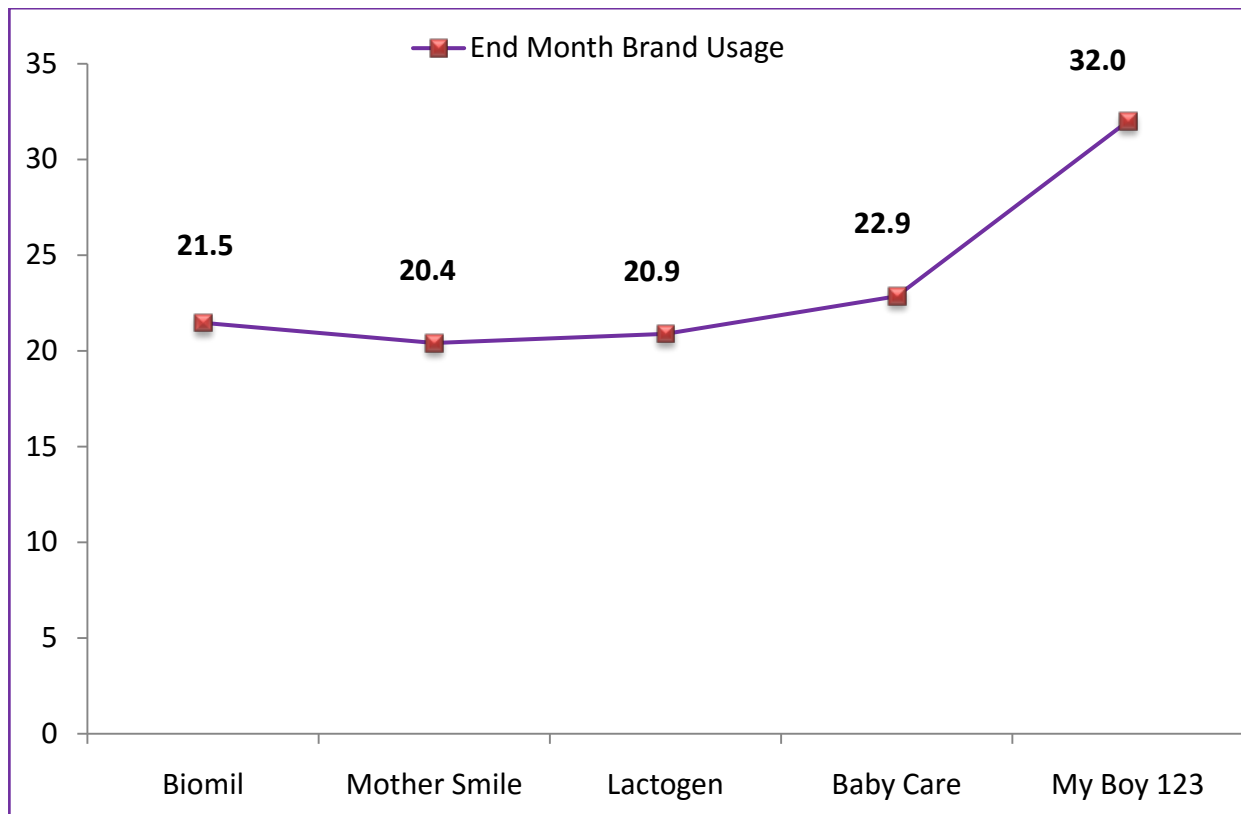


FIGURE 8: TRACKING OF MONTHLY SALES PROGRESSION OF LACTOGEN 1 VS. TARGET IN CARTONS (OVERALL BANGLADESH)

The graph above is another hypothetical sample of the performance of Lactogen 1 in cartons. It is observed from the graph that the business of Lactogen 1 has been quite successful throughout the year. Possible reason for this is that Lactogen 1 is the first product in its line that is prepared for new born babies. This is a product that is suitable for babies who cannot be breastfed. New mothers are very concerned about the wellness of their babies and thus they tend to purchase Lactogen 1 to provide the necessary nutrients to their babies. As a result, the sale of Lactogen 1 is seen to meet its targets comfortably over the year. However, from the graphs, it is also visible that Lactogen 1 business has improved in the year 2015 from the year 2014. Comparing the trends in both the years, it is evident Lactogen 1 has been successfully reaching its targets. Observing this trend, Nestlé has concluded that introducing a new product in its infant formula line will also ensure success as mothers look for options to purchase from when their babies are 24 months and above. Thus Nestlé has come up with its new product, Lactogen 4, and has named it Project Extension.

CHAPTER – 9

PROJECT EXTENSION: LACTOGEN 4



Source: U & A study on milk and milk- based products-2012

Lactogen usage ends at around month 20

FIGURE 9: USAGE AND ATTITUDE STUDY ON MILK AND MILK BASED PRODUCTS

According to a U&A study on milk and milk-based products, it is observed that the use of Lactogen ends at around month 20. This means that when a baby is 20 months old, mothers tend to switch brands because during that time, they do not find any other Lactogen line to choose from. Because Lactogen ends at Stage 3, mothers are forced to switch brands to provide proper nutrition to their babies. On the other hand, other brands like Baby Care and My Boy 123 are quite popular after month 20 because of availability of several stages. Considering this study, Nestlé aims to introduce a new line into its Lactogen products so that mothers are availed with a greater choice and the effect of brand switching is minimized.

Category:

Nestlé will launch Lactogen 4 under the category of “Follow Up Formula”. Lactogen 1 is the “Starter Formula”, while Lactogen 2 and Lactogen 3 are “Follow Up Formula”. Nestlé aims to add a new line to the Follow Up Formula category so that mothers have an available option. This will ensure that the switching effect is minimized. Also, Nestlé Lactogen 4 will contain nutrients that are required by babies after 24 months of age. This formula will ensure that the babies are supplied with proper nutrition that will ensure proper growth and development of the brain, muscles and body weight.

Target Group:

Lactogen 4 will be aimed for babies after 24 months of age because Nestlé already has Lactogen 1, 2 and 3 for babies up to 24 months of age.

SKU:

Nestlé Lactogen 4 will be first introduced in a 350g pack. This is because from the sales trend analysis of other Lactogen SKUs, it has been observed that mothers tend to purchase more packets of 350g pack because of the size and price. There are other pack sizes as well, for example, 180g, 400g and 700g. 350g is the most demanded because it has a moderate size and is reasonable for most groups of customers.

Source:

Nestlé aims to source and import the formula from either Nestlé India Limited or Nestlé Philippines Limited. This decision will depend on a number of factors like cost, quality, time duration, etc.

Why Nestlé believes that Lactogen 4 will be a success in the Bangladeshi market?

Nestlé has established several success factors, both externally and internally and they believe that building up on those strengths will ensure success for the new product to be launched in the Bangladeshi market.

External factors:

- **Social:**

Nestlé makes an effort to integrate itself as much as possible into the cultural and social values of the different countries they operate in. During operation in Bangladesh, Nestlé has launched products with integration of social & cultural factors. This has been done to match the taste buds of Bangladeshi consumers.

- **Ethical:**

Although Nestlé faces ethical dilemmas in commercialization of its products, it does not consider its high price to be an ethical crisis. This is because they are not ready to compromise their quality in order to make their product widely available to all.

Internal factors:

- **Marketing structure:**

Nestlé is more people, product and brand oriented than system oriented. Nestlé favors long-term successful business development and even to greater extent, customer life-time value. At the same time Nestlé does not lose sight of the necessity to improve in terms of quality, price and distribution. However, Nestlé remains conscious of satisfying the demands of the consumers. They are also aware of the need to generate a sound profit annually.

Nestlé seeks to earn consumer's confidence, loyalty and preference and anticipate their demands through innovation and renovations. Therefore Nestlé is driven by an acute sense of performance, adhering to quality and customer satisfaction. Nestlé is as decentralized as possible within its marketing strategies to ensure flexibility. Nestlé is always committed to the concept of continuous improvement of its activities and customer satisfaction through market segmentation, positioning and target marketing. Thus, Nestlé has its own "Nestlé Continuous Excellence (NCE)" framework that is well maintained throughout the process.

The effective formulation of their marketing strategy depends on the proper match between three key elements: consumer, quality and competition. The match between consumer and quality is believed to be the most important for Nestlé. This is because Nestlé strictly adheres to compliance and ensure that quality is not compromised in any of its products.

- **Research and Development:**

Nestlé has its own R&D facilities which continuously work to find out better nutritional solutions for life. The Nestlé Nutrition Institute (NNI) is a strong supporting body of Nestlé Bangladesh Limited that regularly develops campaigns and programs in order to increase awareness among customers. They also provide guidelines on nutrition products and how they should be marketed and promoted. Overall, Nestlé has its own internal facilities that help them to successfully grow over the long run.

CONCLUSION

Nestlé is a global company that aims to provide nutritional solutions to everyone around the world. They have several product lines in different categories, starting from nutrition to infants, coffee, culinary items and many more. Nestlé Bangladesh Limited uses and develops their strategy on a regular basis which is a key success factor in the Bangladeshi market. By using valuable marketing tools, they create competitive advantage for themselves which ultimately helps them to reach their market as well as organizational objectives. Their continuous renovation helps to make them leader in the market which leads to profit as well as customer satisfaction. Nestlé's success in the market depends on their careful evaluation of appropriate entry strategy, proper implementation of selected strategies, appreciation of the individual understanding, internal knowledge and ideas, focus on people and relationship and an innovative approach to every product. Nestlé is a brand all over the world and this position has been achieved over the years through proper implementation of the best ideas. Nestlé aims to maintain the standard of their worldwide business in Bangladesh, which will ensure that their business runs smoothly and is sustainable in the long run. It is believed that Nestlé's new project on extension of Lactogen product line will be successful based on the facts of previous successes. If every strategy remains in place and is implemented properly, the launch of the new product will give a new horizon to Nestlé and its business in Bangladesh.

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APPENDIX

APPENDIX 1: NESTLÉ TO ENHANCE INVESTMENT IN BANGLADESH

Nestle to enhance investment in BD

Arafat Ara

Nestle Bangladesh has planned to enhance its investment in Bangladesh to further expand its production base to meet the growing demand of its products here, Nestle corporate officials said.

Under its business expansion plan the multinational company will introduce a number of new products shortly for the Bangladesh market.

"We have a plan of investment which might be almost double compared to the existing size in near future," corporate affairs director, Nestle Bangladesh Limited Naquib Khan told a group of journalists during a visit to the Nestle factory in Gazipur recently.

"The Nestle Bangladesh is having a double-digit growth and the demand of our products is growing gradually thanks to their quality," said Mr Khan.

The foreign direct investment policy is conducive to doing business in Bangladesh. Besides, government's plan for establishing special economic zone will also help to increase for-

eign investment in the country, the Nestle executive added.

He said Nestle does not compromise with quality and standard. It also maintains quality parameter while collecting raw materials from local sources.

Speaking about the standard of Maggi noodles in Bangladesh, he said there are no harmful materials in Maggi noodles here. According to Bangladesh Standards and Testing Institution (BSTI) the existence of lead is very insignificant, he added.

Samples of Maggi noodles were collected from different markets in Dhaka and tested in laboratory following the ban on Maggi noodles in some states in India.

BSTI tested Bangladeshi Maggi noodles but did not find any ingredients in them that are harmful.

Naquib Khan said there are differences between the products and quality of Nestle Bangladesh and Nestle India as the test profile and nutrition profile of consumer groups are different in the two countries.

He said Bangladeshi peo-

ple are very much influenced by the Indian media as it is a neighbouring country. So when India banned Maggi in some of its states, people became confused about safety of Bangladeshi Maggi.

There has been a negative impact on the sales of Nestle's Maggi in Bangladesh following the ban in India.

"But we are confident that we can get back consumers' trust shortly as Nestle has been providing healthy and safe food for a long period."

The company complies with international and local standards in every stage while making products, said Sanjay Chottani, manufacturing director of Nestle Bangladesh.

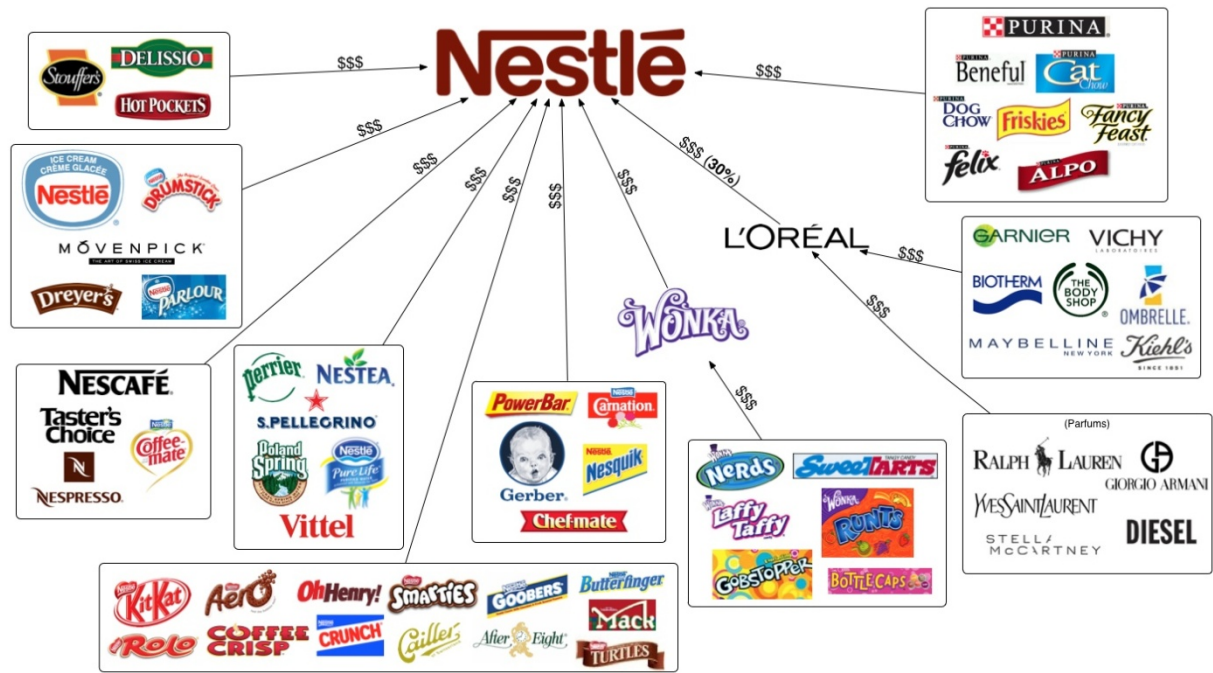
"We do not compromise with quality and make sure standard in every stage to provide safe and quality food to the consumers," he said.

However, the Bombay High Court ruled on August 13 that the ban on Maggi noodles by Food Safety and Standards Authority of India and Maharashtra's Food and Drugs Administration be revoked as it was erroneous.

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APPENDIX 2: HENRI NESTLÉ, PRODUCTS OF NESTLÉ AND THE NESTLÉ
CHARTER





CHARTER

Nestlé Infant Formula Policy

Breastfeeding is best for babies. Henri Nestlé stated this soon after founding our company in 1867. This principle still forms the cornerstone of our Infant Formula Marketing Policy. We are committed to serve the best interests of mothers and babies around the world.

We adhere to all national government measures implementing the WHO Code globally. In higher-risk countries (1), we voluntarily and unilaterally apply the WHO Code whether or not national regulations exist.

IN HIGHER-RISK COUNTRIES, NESTLÉ:

- DOES** comply with both the letter and the spirit of the World Health Organisation's International Code of Marketing of Breast-Milk Substitutes as well as with national regulations giving effect to the WHO Code when these are stricter
- DOES** support WHO's global public health recommendation calling for exclusive breastfeeding for six months and introduction of safe and appropriate complementary foods thereafter
- DOES** encourage continued breastfeeding up to two years or beyond after introduction, after six months of age, of safe and appropriate complementary foods
- DOES** include a statement on the superiority of breast milk on all infant formula products and information material to health professionals (2)
- DOES** warn mothers of the consequences of incorrect or inappropriate use of infant formula (2)
- DOES** believe that there is a legitimate market for infant formula (3) when a safe alternative to breast milk is needed
- DOES** believe that parents have the right to choose how their babies are to be fed on the basis of adequate and objective information
- DOES** support efforts by governments to implement the International Code through legislation, regulation, or other appropriate measures
- DOES** carry out internal and independent external audits on WHO Code compliance
- DOES** investigate and respond to all allegations of non-compliance

- DOES NOT** advertise or promote infant formula and follow-on formula for infants up to 12 months to the public
- DOES NOT** market complementary foods and drinks for infants younger than 6 months
- DOES NOT** permit staff whose responsibilities include the marketing of infant formula to make direct contact with mothers, except in response to consumer complaints
- DOES NOT** use pictures of babies on its infant formula packs
- DOES NOT** distribute free infant formula samples to mothers
- DOES NOT** allow educational material relating to the use of infant formula to be displayed publicly in hospitals and clinics
- DOES NOT** give financial or material incentives to health professionals for the purpose of promoting infant formula
- DOES NOT** donate free infant formula to health care facilities for use by healthy new born babies. Free infant formula may exceptionally be given to bona fide social welfare institutions upon their request to serve social or humanitarian purposes (e.g. where the government policy allows manufacturers to respond to a specific social request, for example if the mother dies in child birth)
- DOES NOT** give incentives to its staff based on infant formula sales

- WILL** take disciplinary measures against any Nestlé personnel who deliberately violates this policy

Nestlé invites government officials, health professionals, and consumers to draw to its attention any Nestlé infant formula marketing practices in higher-risk countries which they consider are not in conformity with the above commitment.

(1) The designation of a country as a higher-risk country is based on reliable data on levels of mortality and rates of acute malnutrition of children under 5 years of age in a country.

(2) See on next pages information printed on all Nestlé infant formula labels, educational materials intended for mothers, and on documentation for health professionals.

(3) Breast-milk substitutes manufactured in accordance with strict international quality standards to be suitable as the sole source of nutrition for a baby during the first 6 months of life, and all follow-on formula for use by infants from 6 to 12 months of age (the International Code does not apply to weaning foods, see Code Articles 2, 10.2 and Annex 3).

INFORMATION PRINTED ON ALL INFANT FORMULA LABELS

Important notice: Breast milk is best for babies.

Before you decide to use an Infant Formula, consult your health professional for advice.

Warning: Unboiled water, unboiled bottles or incorrect dilution can make your baby ill. Incorrect storage, handling, preparation and feeding can potentially lead to adverse effects for the health of your baby.

Warning: Only prepare one bottle at a time. Feed immediately and follow the instructions exactly. Do not keep unfinished bottle, discard the contents. Always hold baby while feeding. Leaving baby unattended may cause choking.

INFORMATION FOR HEALTH WORKERS

Printed on all Materials Intended for the Medical and Paramedical Professions

Important Notice The World Health Organization (WHO*) has recommended that pregnant women and new mothers be informed of the benefits and superiority of breast-feeding – in particular the fact that it provides the best nutrition and protection from illness for babies.

Mothers should be given guidance on the preparation for, and maintenance of, lactation, with special emphasis on the importance of a well-balanced diet both during pregnancy and after delivery. Unnecessary introduction of partial bottle-feeding or other foods and drinks should be discouraged since it will have a negative effect on breast-feeding. Similarly, mothers should be warned of the difficulty of reversing a decision not to breast-feed.

Before advising a mother to use an infant formula, she should be advised of the social and financial implications of her decision: for example, if a baby is exclusively bottle-fed, more than one can (450g) per week will be needed, so the family circumstances and costs should be kept in mind. Mothers should be reminded that breast milk is not only the best, but also the most economical food for babies.

If a decision to use an infant formula is taken, it is important to give instruction on correct preparation methods, emphasizing that unboiled water, unboiled bottles or incorrect dilution can all lead to illness.

* See: *International Code of Marketing of Breast-milk Substitutes, adopted by the World Health Assembly in Resolution WHA 34.22, May 1981.*

IMPORTANT ADVICE FOR MOTHERS

Printed on Educational Materials Intended for Mothers (through Health Professionals)

Breast-feeding

Breast-feeding provides the best nutrition and protection from illness, for your baby. For most infants, breast milk is all that is needed for the first 6 months of life. Many mothers continue to breast-feed after 6 months and then give other foods as well. For advice on breast-feeding, consult your doctor or any other health professional, or a friend or relative who has successfully breast-fed. Frequent feeding is the best way to establish and maintain a good milk supply. A well balanced diet, both during pregnancy and after delivery, also helps sustain an adequate supply of breast milk.

Advice especially for the working mothers

Your baby can still receive the benefits of breast milk even if you go out to work. Partial breast-feeding is better than bottle-feeding completely, so continue to breast-feed even after you have been advised to give other foods. If you sleep with your baby, he will breast-feed during the night without disturbing you. Before you leave home in the morning and again when you return, breast-feed your baby. When mixed feeding, always offer the breast before giving other foods.

Remember: Breast milk is the best and most economical food for your baby.

Seek advice

The use of foods which are not intended for young babies can be harmful. Unnecessary introduction of partial bottle-feeding or other foods and drinks will have a negative effect on breast-feeding. Therefore always consult a health professional before introducing anything other than breast milk.

Using a breast-milk substitute

If a doctor or another health professional recommends an addition to breast-feeding, or its replacement, during the first 6 months of life, it is preferable to use an infant formula meeting recognized quality standards.

When used correctly this supplies the nutritional needs of your baby. You will need more than one can (450g) per week if your baby is only bottle-fed, so keep your family circumstances and costs in mind before deciding whether to use infant formula.

As soon as your baby is old enough, feed infant formula with a cup and spoon.