

**Internship Report**  
**Merchandising And DSR Development Program of**  
**Nestle Bangladesh Ltd.**  
**“Merchandising and DSR Development Program”**



# **Internship Report on Merchandising And DSR Development Program of Nestle Bangladesh Ltd.**

**“Merchandising and Dsr Development Program”**



**Supervised By:  
Tanzin Khan  
Lecturer**

**BRAC Business School  
BRAC University**

**Prepared By:  
Rakib Bin Awal  
ID. 11304068**

**BRAC Business School**

**Internship Duration: 3 May, 2015 to 31 July, 2015**

**Submission Date: 15 September 2015**

**BRAC Business School  
BRAC University**

## LETTER OF AUTHORIZATION

Date: 6<sup>th</sup> January, 2016

Tanzin Khan

Lecturer

BRAC Business School

BRAC University

**Subject: Submission of Internship Report on Nestlé Bangladesh Ltd.**

Dear Madam,

I am a student of BRAC Business School, hereby submit the Internship Report on Nestlé Bangladesh Ltd. required for the completion of my Bachelors of Business Administration degree. I have followed every instruction you have provided and tried my best to ensure that all the information is authentic and relevant.

The report concentrates on the basic information and my major works done in Nestlé Bangladesh Ltd. as an intern. I hope that all the information and analysis provided within the report will be up to your expectations and will be glad to provide clarification to any inquiries

You may have.

Thank you.

Sincerely,

**Rakib Bin Awal**

**ID - 11304068**

## Acknowledgement

After completion of 126 credits of the Bachelor of Business Administration program, I feel Very fortunate to be able to do my internship in Nestlé Bangladesh Limited.

The purpose of this Internship program is to impart practical knowledge of that I had been bearing theoretically over the last few years. In order to acquire practical knowledge and to use it, it is a matter of satisfaction that I have been able to complete my internship program successfully. In this connection, I am greatly helped by those who were present at the time of this attachment. But none of this would have been possible without the help of the following persons. First, I express my gratitude and acknowledge my indebtedness to my Advisor Ms. Tanzin Khan for her overall co-operation, guidance, advice and support.

I am also very much thankful, to Mr. Prashonta Bhattacharjee (Sales Operation) and the entire Sales department for their co-operation, valuable guidance and generous support providing me with necessary information, without which my efforts would have been hardly possible.

Finally I would like to thank my parents for their blessings and continuous support kept me motivated and helped me finish the report.

## Executive Summary

Nestlé started its operation in 1994 in Bangladesh and its factory is situated in Sreepur, Gazipur. Nestlé Bangladesh directly employs more than 650 people and more than 1000 people are employed by suppliers and distributors in connection to Nestlé. Vastly sold products in Bangladesh are Nido, Nescafé, Maggi noodles and soup, Maggi Shad-e-Magic, breakfast Cereals such as Corn Flakes and Koko Crunch, Coffee-Mate, Munch rolls and many more.

Nestlé is present around the globe, on all continents, with around 339000 people working in more in 115 countries with 442 factories and with sales representatives at least another 86 countries. Nestlé is the world's largest food group, 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: infant formula, milk products, chocolate and confectionery, instant coffee, ice-cream, culinary products, frozen ready-made meals, mineral water etc.

Being an intern in the Sales, I involved at three crucial projects which are directly affect sales and profit margin. During this time I found how precious the company is and how ethical the company is. The projects I involved give proper exposure of the market. Details of all those will be discussed on this paper.

I hope that my report would give a through insight to all these responsibilities carried out during my time as an intern. With limited access to data due to confidentiality, I have tried to provide as much information as were possible about the works involving the recruitment in Nestlé Bangladesh

## Table of Contents

Serial	Contents	Page No.
<b>1</b>	<b>Chapter 1: Introduction</b>	
1.1	Rationale of the Report	08
1.2	Objectives of the Study	09
1.3	Background of the Organization	09
1.3.1	Introduction of Nestle	09-10
1.3.2	Brief Corporate Profile of Nestle	10
1.3.3	History of Nestle	11
1.3.4	Mission and Vision of Nestle	11
1.3.5	At a Glance Nestle Bangladesh Limited	12
1.3.6	Products and Brands of Nestle	13
	Brands of Nestle Bangladesh	14-18
1.3.7	Target Customers of Nestle Bangladesh	18-19
1.3.8	Competitors of Nestle Bangladesh	19-20
1.3.9	Current Market Position of Nestle Bangladesh	21-22
<b>2</b>	<b>Chapter 2: My Job Part</b>	
2.1	My job part	23
2.1.1	Activities of Sales Intern	23
2.1.2	Observing the Merchandisers	24
2.1.3	Observing the DSRs (Distributor's Sales Representative)	24-25
2.1.4	Outlet Visit	25-26
2.1.5	New Outlet Findings	26
2.1.6	Reporting to Distribution Point	27
2.2	<b>Organizational-Wide Activities</b>	
2.2.1	Territory Operations	27
2.2.2	Dealers and Distribution Network	28

2.2.3	Sales & Promotion/ Campaign	28
2.2.4	Brand Promoter Operation	29
2.2.5	Use of Nestle Professional	29
2.3	Lessons Learned from the Internship Program	30-31
<b>3</b>	<b>Chapter 3: Constraints and Challenges and Proposed Course of Action for Improvement</b>	
3.1	Methodology, Identified and Observed in the Organization	32
3.2	Academic Preparation	32-33
3.3	Missing Knowledge and Skills that need to be learnt	33-34
3.4	SWOT Analysis	35
3.5	DSR's and Merchandiser's in call execution project	35
	Background of the project	35
	Slow off take, rotten product, over stock, First in first out, insincerity of traders	36-37
3.6	Process to run the project	38
	DSR's Format	38-39
3.7	Analysis and findings	40-42
<b>4</b>	<b>Chapter 4: Concluding Statement</b>	43
4.1	Summary of findings	43
4.2	Recommendations and conclusion	43-44
4.3	Appendix	45-46
<b>5</b>	<b>References</b>	47

# Chapter 1: Introduction

## 1.1 Rationale of the Study:

South Asia is known for a great emerging market with all the big multinational companies those who are trying to establish their dominance in this highly populated region for Fast Moving Consumer Goods (FMCG). As a part of South Asian market, Bangladesh is one of the potential markets for Nestle to operate its business profitably. This report is to explain the practices of sales supervision, products' merchandising, sales enhancement, and reduction of market return in different distribution point in Dhaka metro and to know better situation and understand the current market position of Nestle Bangladesh Limited. The importance of this report is that by this report people will be able to know the company does its activities and does to increase its sales.

Nestle Bangladesh Limited appoints me for merchandising and DSR development program as an intern along with others. This project is very effective for Nestle to merchandise and sell its products properly. It is under the sales department's development program. For this project, we gain knowledge about the product Eye Level Display, Block Display, Layout Display, Hotspot Display, Upright-Upfront Display, FEFO (First Expire First Out) based Display, Stock Depth Display, Maintenance of Display, Same amount of display like other competitors, Secondary display units and this called the rule of merchandising. It creates a clear view of how Nestle making their product visibility and transparency in front customers. That is why I have chosen sales and merchandising strategies as the title of my report. From this internship study and report, I believe that I will be able to point out my real life corporate learning earned through practical experiences.



## 1.2 Objectives of the Report:

The objectives of these reports are listed below:

- ✓ To know an overall idea about sales and channel operations of Nestle Bangladesh Limited especially for its FMCG products.
- ✓ To observe the activities of Merchandisers and Distributor's Sales Representative (DSR).
- ✓ To understand and learn the basic functions and key responsibilities of Merchandisers and Distributor's Sales Representative.
- ✓ To observe and identify the reasons for happening channel performance gap of Merchandisers and Distributor's Sales Representative.
- ✓ To propose some possible solutions for overcoming existing channel performance gap.

## 1.3 Background of the Organization:

### 1.3.1 Introduction of Nestle:

Nestlé - 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. In most of these product groups and in most markets, Nestlé is the leader or at least a strong number two. Nestlé is a much focused Company, with more than 94 percent of the sales coming from the food and beverage sector. Nestlé is present around the globe, on all continents, with around 230,000 people working in more than in 84 countries with 466 factories and with sales representatives in at least another 70 countries.

Many of their brand names are familiar to almost everyone: NESCAFE, NIDO, MAGGI, POLO, MILO, KITKAT, and KOKO KRUNCH. Some of the products have broken records: 3,000 cups of Nescafe are consumed every second. And Kit Kat merited an entry in the Guinness Book of World Records as the world's best-selling chocolate bar with 418 Kit Kat fingers eaten every second around the world. In 2011, Nestlé was listed No. 1 in the Fortune Global 500 as the world's most profitable corporation. With a market capitalization of US\$233 billion, Nestlé ranked No. 9 in the FT Global 500 2013

### 1.3.2 Brief Corporate Profile of Nestle:

- ✓ Type : Societe Anonyme.
- ✓ Industry : Food and Beverage (Food Processing).
- ✓ Founded : Anglo-Swiss Condensed Milk Company (1866).  
Farine Lactee Henri Nestle (1867)  
Nestle and Anglo-Swiss Condense Milk Company  
(1905).
- ✓ Founder : Henri Nestle, Charles Page, George Page.
- ✓ Headquarter : Vevey, Vaud, Switzerland.
- ✓ Area Served : Worldwide.
- ✓ Key People : Peter Brabeck-Letmathe (Chairman)  
Paul Bulcke (CEO).
- ✓ Products : Baby food, Coffee, Dairy Products, Breakfast  
Cereals, Noodles, Chocolates etc.
- ✓ Number of Employee : 3, 39,000.

✓ Website : [www.nestle.com](http://www.nestle.com)

### 1.3.3 History of Nestlé:

Year	Achievements and Growth
1866-1905	Developed a food for babies who were unable to breastfeed.
1905-1918	Nestle merged with Anglo-Swiss Condensed Milk Company.
1918-1938	Nestle first expansion with new products with chocolate.
1938-1944	Introduction of Company's newest product, Nescafe.
1944-1975	Merger with Maggi seasonings and soup, Crosse & Blackwell, Findus, Libby's and Stouffer's.
1975-1981	Nestle made its second venture outside the food industry.
1981-1995	Nestle acquisitioned American food giant Carnation.
1996-2002	Acquisition of San Pellegrino, Spillers Pet foods and Ralston, merged with Dreyer's and Chef America.
2003+	Acquisition of Move n picks Ice-Cream, Jenny Craig and Uncle Toy's, Novartis Medical Nutrition.
2010+	Nestlé finalized the sale of Alcon to Novartis

### 1.3.4 Mission and Vision of Nestle:

#### Mission:

The mission statement drives Nestle is “**Good Food Good Life**”. They commit to provide consumers with the best tasting, most nutrition choices in a wide range of food and beverage categories and eating occasions, from morning to night.

## **Vision:**

In Bangladesh Nestlé's vision is to build Nestle as the respected and trustworthy leading Food, Beverage, Nutrition, Health and Wellness Company in Bangladesh ensuring long term sustainable and profitable growth. The company is very much focused to ensure that the vision is implemented in every aspect.

### **1.3.5 At a Glance Nestle Bangladesh Limited:**

Popular Nestlé brands started entering this part of the sub-continent during the British rule and the trend continued during the pre-independence days of Bangladesh. After the independence in 1971, Nestlé World Trade Corporation, the trading wing of Nestlé South Asia, sent regular dispatch of Nestlé brands to Bangladesh through an array of indentures and agents and some of the brands such as NESPRAY, CERELAC, LACTOGEN, and BLUE CROSS etc. became some very common products. Nestlé Bangladesh Limited started its commercial operation in Bangladesh in 1994. The type of business that Nestle is following is "Food and Beverage". Its total authorized capital is TK1.5 billion and total paid up capital is TK 1.1 billion. The only factory of the company in Bangladesh is situated at Sreepur, 55 km north of Dhaka. The factory produces the Maggi noodles, Munch and cereals and repacks milks, soups, beverages and infant nutrition products. Today Nestlé Bangladesh Ltd. is a strongly positioned organization. The Company is continuously growing through the policy of constant innovation, concentrating on its core competencies and its commitment to high quality food to the people of Bangladesh. Nestlé cover the whole area of Bangladesh with few products but they cover mostly where counter store and small stores are available. Nestlé also cover other different outlets like Pharmacy, Tea bunk, Tobacco Plus and other types of outlets. Since the beginning of Nestlé's operation in Bangladesh, the chairman of the company has been Mr. Latifur Rahman, one of the top industrialists of the country, his firm Transcom used to import the products of Nestlé. His business house Transcom is still involved in wide range of business like beverage, pharmaceutical, electronics, newspaper, tea export, fast food franchises etc. Still he remains as an honorary chairman of the company although his group. Transcom does not capture any share today as Nestlé S.A. holds 100% share of this company.

### 1.3.6 Products and Brands of Nestle:

The most recognized products of Nestle World Wide are:

- ✓ **Baby foods:** Cerelac, Lactogen, NAN, Gerber, Gerber Graduates, Nestum
- ✓ **Bottled water:** Nestlé Pure Life, Perrier, Poland Spring, S.Pellegrino
- ✓ **Cereals:** Chocapic, Cini Minis, Cookie Crisp, Estrelitas, Fitness, Nesquik Cereal
- ✓ **Chocolate & confectionery:** Munch, Aero, Butterfinger, Cailler, Crunch, Kit Kat, Orion, Smarties, Wonka
- ✓ **Coffee:** Nescafé, Nescafé 3in1, Nescafé Cappuccino, Nescafé Classic, Nescafé Decaff, Nescafé Dolce Gusto, Nescafé Gold, Nespresso
- ✓ **Culinary:** chilled and frozen food: Buitoni, Herta, Hot Pockets, Lean Cuisine, Maggi
- ✓ **Dairy:** Carnation, Coffee-Mate, La Laitière, Nido
- ✓ **Drinks:** Nestea, Nestlé Frapé, Juicy Juice, Milo, Nesquik,
- ✓ **Food service:** Chef, Chef-Mate, Maggi, Milo, Minor's, Nescafé, Nestea, Sjora, Lean Cuisine, Stouffer's, Thomy
- ✓ **Healthcare nutrition:** Boost, Nutren Junior, Peptamen, Resource
- ✓ **Ice cream:** Mövenpick, Dreyer's, Extrême, Häagen-Dazs,
- ✓ **Sports nutrition:**Power Bar



## Brands of Nestle Bangladesh:

### Products and Brands of Nestle Bangladesh

Product Category	Name of Products	Types/ Variations	Quantities	Price	Pictures
Baby Food	NAN	Pre NAN	400 gm	900	
		NAN 1	400 gm	830	
		NAN 2	400 gm	830	
		NAN AL 110	400 gm	700	
	Lactogen 1	Lactogen 1	180 gm	220	
			350 gm	480	
			400 gm	590	
			700 gm	925	
	Lactogen 2	Lactogen 2	350 gm	480	
			400 gm	590	
700 gm			925		
Lactogen 3	Lactogen 3	350 gm	470		



Product Category	Name of Products	Types/ Variations	Quantities	Price	Pictures
			400 gm	580	
Baby Food	Lactogen	Lactogen Recover	400 gm	265	
	Cerelac	Cerelac Wheat with 3 Fruits & Milk	180 gm	120	
			400 gm	360	
		Cerelac Wheat & Milk	400 gm	315	
		Cerelac Rice & Milk	400 gm	315	
		Cerelac Khichuri	400 gm	340	
		Cerelac Wheat with Apple & Cherry	400 gm	375	
		Cerelac Wheat & Honey	400 gm	375	
		Cerelac Wheat & Mixed Fruits	400 gm	390	



		Cerelac Wheat & Apple with Corn Flakes	400 gm	400	
		Cerelac Rice & Potato with Chicken	400 gm	400	
<b>Product Category</b>	<b>Name of Products</b>	<b>Types/ Variations</b>	<b>Quantities</b>	<b>Price</b>	<b>Pictures</b>
Baby Food	NIDO	NIDO 1+ Protection	350 gm	390	
		NIDO 3+ Smart Growth	350 gm	390	
Cereals	Koko Krunch	Koko Krunch	80 gm	85	
		Koko Krunch	170 gm	200	
		Koko Krunch	330 gm	350	
	Corn Flakes	Corn Flakes	170 gm	190	
		Corn Flakes	330 gm	330	
Coffee	Nescafe	Nescafe Classic	50 gm	165	
		Nescafe Classic	100 gm	300	
		Nescafe Classic	200 gm	495	
		Nescafe Classic 3 in 1	14 gm	10	



		Nescafe Classic	1.5 gm	5	
Culinary	Maggi Shad E Magic	Seasoning	4 gm	5	
<b>Product Category</b>	<b>Name of Products</b>	<b>Types/ Variations</b>	<b>Quantities</b>	<b>Price</b>	<b>Pictures</b>
Dairy	NIDO	NIDO Fortified	26 gm	20	
		NIDO Fortified	350 gm	270	
		NIDO Fortified	400 gm	290	
		NIDO Fortified	700 gm	589	
		NIDO Fortified	900 gm	890	
		NIDO Fortified	2.5 kg	2290	
Non Dairy	Coffee Mate	Coffee Mate	450 gm	270	
		Coffee Mate Jar	400 gm	270	
Chocolate	Munch	Munch Gift Box	17*6 gm	100	
		Munch Box	48*6 gm	288	
Food & Beverage	Maggi Noodles	Maggi Noodles	37 gm	10	
		Maggi Noodles	62 gm	17	
		Maggi Noodles	248 gm	66	
		Maggi Noodles	496 gm	130	
		Maggi Noodles	744 gm	195	

		Maggi Soup Thai	35 gm	35	
	Maggi Soup	Maggi Soup Chicken	25 gm	35	
		Maggi Soup Vegetable	25 gm	35	
<b>Product Category</b>	<b>Name of Products</b>	<b>Types/ Variations</b>	<b>Quantities</b>	<b>Price</b>	<b>Pictures</b>
Health Care	Baby & Me	Baby & Me	350 gm	450	

### 1.3.7 Target Customers of Nestle Bangladesh:

Nestlé's main target customers are mothers or women because they play the important role in the family. They cook food and take care of the children. If they are targeted properly, we will be able to capture the most of the market by capturing their demands. Our main priority is in baby food items. The target customers of Nestle Bangladesh are segmented into different categories according to the nature of different age group people and the nature of the products. Age group for few specific products are given below-

Product category	Age Group	Target Customers
Nutrition Products	Pregnant Women	Women
Baby Products	0 to 5 years	Parents

Cereals	Above 5 years	Teenagers & Elders
Chocolate	Above 2 years	Specially Children
Coffee	Above 5 years	Teenagers & Elders
Culinary	Above 2 years	Parents
Dairy	Above 5 years	Parents and Elders
Non Dairy	Above 5 Years	Adults
Food & Beverage	Above 3 years	Parents

Nestlé Bangladesh focuses on every social class of people. They provide different brands in different sizes for different classes of people as well as different income level people. For example, a rickshaw puller earns a very few amount every day. He can consume Nido Fortified 26 gm by paying only TK20 and if he wants to have coffee he can consume Nescafe Classic 1.5 gm worth TK5 with Coffee Mate 5gm worth TK5. Another example—a service holder can consume NIDO Fortified 2.5kg worth TK2290 and he can buy Nescafe 200gm worth TK 495 and Coffee Mate 400 gm Jar worth TK 250. Nestle Bangladesh covers all areas of Bangladesh. There are many distributors all over the Bangladesh who provide the products of Nestle Bangladesh their transportation.

### 1.3.8 Competitors of Nestle Bangladesh:

There are many competitors of Nestle Bangladesh. Their major competitors and Brands are followings:

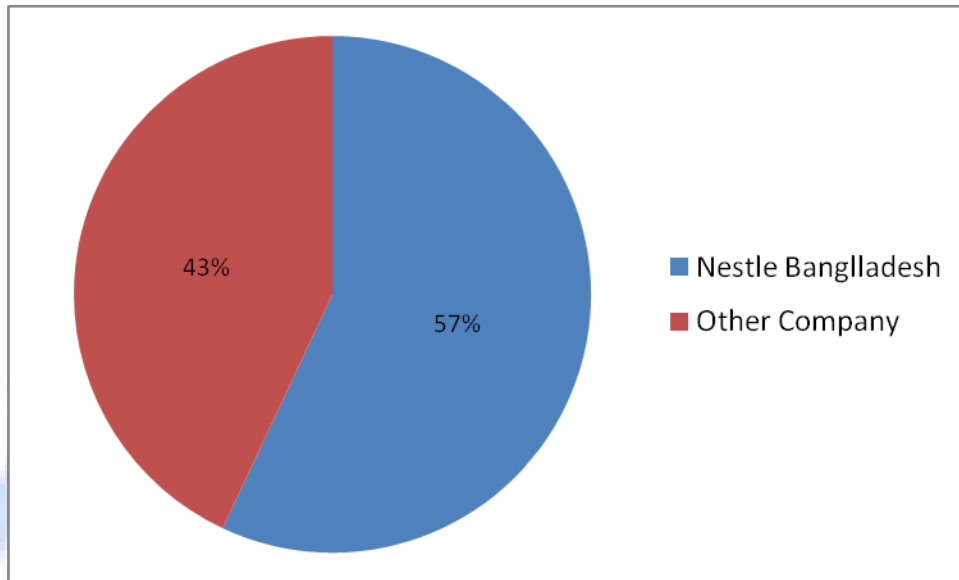
Products/Brands of Nestle Bangladesh	Competitor Products/Brands	Marketers of the Competition Products/Brands
Baby & Me	Mothers Horlicks	GSK
NAN 1	Deelac 1	Arla
NAN 2	Deelac 2	Arla
Lactogen 1	Biomil 1	Biomil

	Prima 1	Mother's Smile
Lectogen 2	Biomil 2	Biomil
	Prima 2	Mother's Smile
Lectogen 3	Biomil 3	Biomil
	Prima 3	Mother's Smile
NIDO 1+	EldoMilk 1+	Switzerland
NIDO 3+	EldoMilk 2+	Switzerland
NIDO Fortified	Marks	Abul Khair Consumer Goods
	Dano	Arla
<b>Products/Brands of Nestle Bangladesh</b>	<b>Competitor Products/Brands</b>	<b>Marketers of the Competition Products/Brands</b>
NIDO Fortified	Fresh	Meghna Group
	Diploma	New Zealand Dairy
	Anchor	New Zealand Dairy
	Red Cow	New Zealand Dairy
Maggi Noodles	Mr. Noodles	Pran
	Doodles	New Zealand Dairy
	Mama Noodles	Kollol Thai Present Foods
	Knorr Noodles	Unilever Bangladesh
Maggi Soup	Knorr Soup	Unilever Bangladesh
Koko Crunch	Kellogs Chocos	Kellogg's
	Shajib's Mr. Choco	Shajib
Corn Flakes	Kellogs Corn Flakes	Kellogg's
	Shajib's Corn Flakes	Shajib
Nescafe 3 in 1	KOFI 3 in 1	Pran
	McCafe 3 in 1	Local Company
Maggi Shad E Magic	Moshlagi	Ajinmoto

### 1.3.9 Current Market Position of Nestle Bangladesh:

Current market position of Nestle Bangladesh in Food & Beverage industry is still number one. Though the selling fall down because of maggi crisis in India and had large negative impact in our country as well. But now the crisis is long gone and the selling started increasing again. Around 57 percent of the market is covered by Nestle Bangladesh and the rest is taken by the other companies. The market share has been taken by Nestle Bangladesh especially by few products which have dominancy since Nestle arrived in Bangladesh. Nestle Bangladesh has more than 50 percent market share in terms of food & beverage but not all types of food and beverage but for few products. Those products are-

- ✓ NAN (Pre NAN, NAN 1, NAN 2, NAN AL 110)
- ✓ Lactogen (Lactogen 1, Lactogen 2, Lactogen 3)
- ✓ Cerelac (Cerelac Stage 1, Cerelac Stage 2, Cerelac Stage 3, Cerelac Stage 4)
- ✓ Breakfast Cereal ( Koko Krunch, Corn Flakes)
- ✓ NIDO (NIDO Fortified, NIDO 1+, NIDO 3+)
- ✓ Culinary (Maggi Instant Noodles, Maggi Soup, Maggi Seasoning)
- ✓ Nescafe ( Nescafe Classic, Coffee Mate)



BKAC  
UNIVERSITY



## **Chapter 2: My Job Part**

### **2.1 My Job Part:**

Mainly I worked at Nestle Bangladesh Limited as an Intern at Sales. My supervisor was Prashonta Bhattacharjee as well as my line manager is Delwar Hossain of Sales Operation and Training. They, especially Prashonta dada helped me a lot to specify my job description and as well as what we are onto. Basically I along with my team member was working on the “DSR and Merchandising Development Project” so, we have to visit the field as well as a daily basis job nature and also I along with my team went to different retail markets to know about some specific issues and we did note down and specify the different problem that we found. Actually for a product base company Merchandising is a root level work to do, and Nestle did recruit some people for do that part properly. Basically we are going to move out with the merchandiser and let them do the work and we are going to cross check that what they really write on their report and what are they are doing and also some specific question as well. Moreover, I directly communicated with retailers to monitor the trade price and trade offerings as well as stock of the product. Then, I would submit my market report to my supervisor. He instantly took action or take action when it is appropriate for him along with the territory officer and area sales manager.

#### **2.1.1 Activities of Sales Intern:**

In Nestle Bangladesh there are several departments where Interns are working. The sales interns mostly work in the field under different distributors of Nestle Bangladesh. I basically work with the merchandisers and DSRs in different route every day. In a distribution point, I work for 15 working days and then they send me to different distribution point. My main task is whether they can improve the outlets of route and whether they can push for new products which are absent in those outlets. I also share different information which they know and observe the activities of the merchandisers and DSRs whether they are working properly or not.

### **2.1.2 Observing the Merchandisers:**

I go to markets with different merchandiser and observe their activities. Merchandisers mainly work in specific outlets where different programs are provided by Nestle Bangladesh. Those programs are "Hygiene Corner" and "Nestle House". Their main tasks are removing dust from the products and see whether displays are maintained or not. If it is not maintained, they replace the products and keep it according to their guideline. They have to maintain some major criteria like-

- ✓ Broken Strip ( In "Hygiene" & "Nestle House" program)
- ✓ Back Sheet (In "Hygiene" & "Nestle House" program)
- ✓ Dust (In "Hygiene" & "Nestle House" program)
- ✓ Checking Back Dated Products
- ✓ Placing Products in eye level
- ✓ Providing Hanger, baskets
- ✓ Putting poster of different brands in the wall
- ✓ Others

### **2.1.3 Observing the DSRs (Distributor's Sales Representative):**

I go to markets with different DSRs in different markets and observe their activities. DSRs mainly take the order and list down if there any damaged products or short dated products. This program is called "In Call Preparation" I observe their activities and sometimes communicate with the traders if needed. DSRs have to maintain some guideline provided by Nestle Bangladesh. DSRs also need to check up few things when they visit an outlet like-

- ✓ Pre Call Preparation (It means they need to estimate their target from the outlet that he visits currently and set his plan how he will do it)
- ✓ Greet Customers ( DSRs start with greeting with the traders after entering the outlets)



- ✓ Outlet Check (They check the outlets whether traders are mixing Nestle's products with others or not. They also need to check how much stocks are they so that they can understand traders need)
- ✓ Establish Customers needs ( DSRs need to show different offers to the traders as well as the discount on buying bulk amount so that the traders get interested in buying more products)
- ✓ Sell the call objective ( After getting order DSRs need to end the selling and move to the next outlets because if they try to push more, the traders might cancel the order)
- ✓ Merchandising (DSRs also need to do merchandising by providing basket, hanger, putting products accordingly)
- ✓ Administrative ( DSRs have a format along with them where they write down the date of shot date product which will expired soon so that the delivery man can pick those products up from exact location)

#### **2.1.4 Outlet Visit:**

Every day I have to visit different route where outlets number are more than 30 in every single route. I have to visit more than 50 percent outlets from those given route and ensure that both merchandisers and DSRs visit those outlets regularly. If there any issue arises, I communicate with those traders and try to make them understand as much as I know about the organization as well as the products. I carried the outlets list with me of those routes so that I can easily find out the outlet which falls under the distribution point and see whether the products are right way or not. There are codes for every single outlet in the distribution point. Few examples are given below:

Code	Outlet Name	Channel	Section	DSR
1313-3362	Bismillah General Store	Small Store	Kazi Bari	Bari
1313-3366	Fokir Store	Tea Bunk	Kazi Bari	Bari
1313-3385	Ittadi Departmental Store	Counter Store	Kazi Bari	Bari
1313-3397	Sadia Pharmacy	Pharmacy	Kazi Bari	Bari
1313-6328	Abir General Store	Small Store	Kawla Bazar-2	Mohidul
1313-3795	Khadija Pharma	Pharmacy	Kawla Bazar-2	Mohidul
1313-4737	Kalpana Varaities Store	Counter Store	Kawla bazar-2	Mohidul
1313-5524	Bhai Bhai General Store	Small Store	Ranavola-2	Aminul
1313-3919	Daily Shop	Counter Store	Ranavola-2	Aminul
1313-6997	Day-Night Pharmacy	Pharmacy	Ranavola-2	Aminul
1313-7002	Shofiq Tea Stall	Tea Bunk	Ranavola-2	Aminul
1313-4575	Al-Fatah General Store	Small Store	Joynal Market-3	Kausar
1313-4553	Anjal Super Shop	Counter Store	Joynal Market-3	Kausar
1313-4565	Choyon Medicine Corner	Pharmacy	Joynal Market-3	Kausar
1313-0387	AL Madina General Store	Small Store	Ashkona-3	Tushar
1313-0338	B Baria Store	Counter Store	Ashkona-3	Tushar
1313-2646	Janani Medicine Corner	Pharmacy	Ashkona-3	Tushar

### 2.1.5 New Outlet Findings:

My recent task is finding new outlets. Every working day (Saturday- Thursday) I have to go to different route with the outlet list and find new outlets where products of Nestle can be placed and write down those outlets name along with address, owner name and contact. This project will be running till December 31. From January 1, 2016 these outlets will be covered by both DSR (Distributors Sales Representative) and DCO (Distributors Cycle Operative). I also find out the source of products of Nestle if there the products are available to find out whether employees are doing activities which they are not supposed to do. New outlet finding chart is given below:

SL No	Outlet Name	Address	Contact	Outlet Type	Source
	To be filled				
	To be filled				
	To be filled				
	To be filled				
	To be filled				

### 2.1.6 Reporting to Distribution Point:

After fulfilling my regular task, I return to the distribution point after an average time (3 Hours in the market) and report my finding. I also share if there any changes are needed or not. Most of the time, I found that the findings had been given already and implemented. My last idea was taken by RSM (Regional Sales Manager) about NIDO Fortified 350 gm which was launched at MRP 299. I gave the idea about giving a gift along with the products so that the products will be off tracked from the outlets and it will help reducing the market return.

## 2.2 Organizational-Wide Activities:

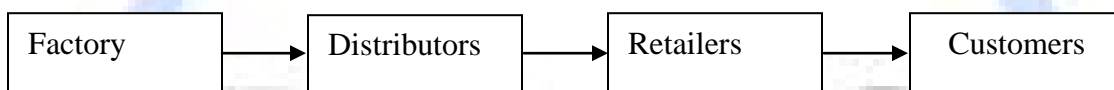
### 2.2.1 Territory Operation:

There are several territories who provides the supply of the product of Nestle Bangladesh to the traders. In one single territory, there might be more than one distribution point. But mostly in one territory, there is only one distribution center/point. There are currently 80 distributors of Nestle Bangladesh from which 76 are retail distributors and remaining 4 are Nestle Professional's distributors. The whole country is divided into seven regions. They are-

- |                |                |                      |
|----------------|----------------|----------------------|
| a) Dhaka North | b) Dhaka South | c) Chittagong        |
| d) Bogra       | e) Khulna      | f) Sylhetg) Barishal |

## 2.2.2 Dealer & Distribution Network:

Nestle does not sell the product directly to the end customer. It's main customers are different distributors. The distribution point buys that product and assigns their DSR to take the order of the traders and DCO to take the order and sell the products on the spot. The products directly come from the factory to distribution storage and from the point those product goes to the traders. The dealer & distribution network is given below:



## 2.2.3 Sales & Promotion/ Campaign:

In every distribution point there are different types of poster, hanger and dangler are sent from the company for different products of Nestle so that the visibility increase in markets. Nestle believes that if the visibility increases, the sell will increase too. Besides these hanger and basket helps the traders to keep the products in a certain place from where they can easily provide the customers their required products.



NIDO Mug Hanger

NIDO Poster

### 2.2.4 Brand Promoter Operation:

In distribution point, they hire few brand promoters via a third party. They bring 30-40 brand promoting girls and from them after interview 15-20 brand promoters were selected. Their task is to go to every house and inspire and make people understand about the product and sell. These brand promoters are known as "Foot Soldiers". They need to fill a report and show it to the Territory Officers. The format is:

SL No	Name of Participant	Address	Contact	Quantity Sampled	Purchase	Amount	Signature
	To be filled						
	To be filled						
	To be filled						
	To be filled						

### 2.2.5 Use of Nestle Professional:

Nestle professional is a different department. In this department anyone with small place can be distributor. 6-10 people work under the distributor. 5-8 distributors are run under the supervision of Nestle Professional Interns. To become a distributor, a person needs to make space and gather few people who will work for them. Their task is to sell 60 cups of Nescafe individually regularly and they cannot but products without Company permission. This department contributes a lot to the company.



Employee under Nestle Professional

## 2.3 Lessons Learned from the Internship Program

### 2.3.1 Lessons Learnt From Nestle Internship Program:

- ✓ I have learned about the term “In Call Preparation”.
- ✓ I have learned about Nestle Bangladesh, its products, departments, organizational hierarchy, Board of Directors, Territory, Territory Officers, merchandisers, DSRs, etc.
- ✓ I have learned to do "In Call Preparation" in a professional way.
- ✓ I have learned about the steps to sell products to the traders.
- ✓ I have learned how to deal with the traders in terms of their inquiry.
- ✓ I have learned the steps required in order to arrange and prepare for different project report.

- ✓ I have learned some activities about primary and secondary stock.
- ✓ I have learned about the basics thing of Nestle specially "Three Basics (Maggi Basket, Coffee Hanger, Shad-e-magic Hanger)".
- ✓ I have learned some new things about Microsoft Word and Microsoft Excel from my territory officers.





## Chapter 3: Constraints/Challenges and Proposed Course of Action for Improvement

### Methodology:

My study on this report is based both on primary and secondary resources as well. I have mainly used the secondary information to write the organization part of my report, the rest, all through my personal experiences. I have gathered the secondary information regarding the organization from the internal website - intranet of Nestlé, known as "The Nest". I have also used the official website of Nestlé Bangladesh Ltd. Consequently certain journals, sites on the internet also helped me better understand the overall recruitment process. The primary data involves my practical work experience in different territory. And when I visit with DSR and Merchandizer, I collect the data from them which help me to make this project more informative.

### 3.1 Identified and Observed in the Organization:

- ✓ **Problems:** In the distribution point, when I first joined, they did not provide me proper instruction at the beginning. I had to learn by my own. They just told me to go to the route and they did not tell me to exactly how long I needed to be performing my field task. I was also not learning much at the beginning.
- ✓ **Difficulties:** The main difficulties I found while working under Distribution Point, was to find out exact route at the beginning. The name of the route was not similar with the area name. For this reason we had to call the DSRs or merchandisers several time and cause problems in doing their task.
- ✓ **Barriers:** While working in Nestle as a sales intern, I faced several barriers while performing my task. The main barriers I got were that they did not provide me much information. Other barriers were damaged roads especially in rainy day. The condition of the road was so bad that I sometimes had to remove my shoes walked in bare footed. Another barrier was strike. I had to walk all the way to the route and returned to the point in the same way.



## **3.2 Academic Preparation:**

### **Relevance:**

There are some relevance between my academic learning and my internship program in the sense that I have studied about External Communication and also Public Relations and Stakeholders which I have seen and observed after working in this department. Nestle Bangladesh puts different advertisements on the posters and some in television. I have studied about advertisements on newspapers in my undergraduate program. The Company also came up with a low end product very recently named “Choto Maggi” for capturing the very low end market segment. This is similar to “Product Development” which I studied in Marketing Management course. I have also seen inter-departmental cross-work in Nestle Bangladesh which is pretty similar to inter-departmental relations I studied in my undergraduate program. In my undergraduate program and some of my marketing major courses I had to design advertisements.

### **Mismatch:**

I have studied BBA and my major was marketing. I was not acquainted with many of the activities of the Sales department. This is because I did not study them in my undergraduate program. I had little idea about Company Sales functions. I learned many new things after working in this department such merchandising, posturing, order taking, monitoring, controlling, and reporting and so on. I have learned so many things about sales and sales related activities after working in Nestle Bangladesh as a Sales Intern.

## **3.3 Missing Knowledge and Skills that need to be learnt:**

While working in Nestle Bangladesh, I found a lot changes. I found that the bookish knowledge that I learnt does not have that much impact in the field. In field there is lot of things to learn which I did not learn in the book. In here, practical knowledge works more than academic knowledge.

In university, they should teach us practical staff more often which will help us in our professional life. Case study helps us to understand the situation but if we were taken in the market and factory of different company more, we will be able to learn more from there which will not only help us in our professional life but also in our academic life. A lot of things will be cleared while studying different courses. Some important suggestions are-

- ✓ Field visit
- ✓ Factory visit
- ✓ Survey
- ✓ Real life case study (Students will be given task which they will be able to fulfill after Seeing actual products and markets)

## 3.4 SWOT Analysis

### Strengths

- \* Global recognition and strong brand portfolio (7 billion dollar reputation).
- \* Strong internal growth and internal emphasis on innovation.
- \* Carefully selected employees who strive for the best.
- \* Strong cultural environment.
- \* Heavy emphasis on quality and benefit of the products.

### Weaknesses

- \* Warehouse storage problems.
- \* Products sent from India are usually tampered with; hence it takes a great deal of time to sort those out.
- \* Diversified portfolio at times makes decision process difficult.

## SWOT

### Opportunities

- \* Increasing demand for healthier food products.
- \* Can establish new joint ventures

### Threats

- \* Rivals doing more vigorous advertisements and campaigns.
- \* Controversies
- \* Product pricing not preferred by many

### **3.5 DSRs and Merchandizers' In-Call execution project**

After joining Nestlé Bangladesh, I was involved with a project known as DSR and Merchandizers' In-Call execution project. This project initiated two years ago and it was supervised under Prasanto Bhattacharjee, the Territory Officer of Nestlé Bangladesh. The objective of this project is to identify the lacking of DSR and Merchandizer in case of doing their responsibilities which trends to increase high market return. During my working period I found that the monetary amount of market return in JK-1 Distribution house is around three crore and twenty five lack and in the meantime the market return rate of JK-2 Distribution house is around two crore and fifty lack. This is huge amount of loose that have bear by Nestlé Bangladesh.

#### **Background of the project:**

Already it is mentioned that the project initiate to find the reasons of market return. There are eighty Nestlé's territory exists around Bangladesh. If the average market return is one crore hypothetically, it makes huge loose for the company. To damage those bad goods also bring a huge cost for the company. To mitigate these losses, this project is actually started. Basically there are reasons exists that cause this return. These reasons are given following:

#### **❖ Slow off take:**

In the market almost every company face this problem that its product off take slowly. There are many reasons behind it. Some are political, some are economical and some are behavioral. At the end of the day company's profit margin increases only if the traders are able to sell the products to the final consumers. If consumers are reluctant to purchase a particular stock keeping unit (SKU), it off taken slowly. Thus that SKU sometimes reach it's expire date and become a reason of market return.

#### **Rotten product:**

In our country, the market condition is not that much good. In case of small store or sometimes even in the counter store, cockroach and rats creates many problems. The most common

phenomenon I observed in the market that rat cut the packet of Maggie or Lectogen or Nescafe etc. These products are rotten product and our policy commands us to take off those products from the market. So it increases the amount of market return. Sometimes this thing also hampers us in sales. Some traders are not motivated to stock our product in sufficient amount just because of the threat of rat.

### **Over stock:**

Over stock may happen because of two basic reasons. One is DSR force to sell much product in the stalls to fulfill his target. Another is the traders' stock product over to capitalize temporary promotion we offer. In both cases over stock increase the chance of high market return. At the end of the day profit margin decreases and market return increases.

### ❖ **Frist in First out (FEFO):**

The SKU enter first in the market should out or we can say in other word that sell first. The reason is, if the product enter first, it's expire date is short to compare the latter product. Also Nestlé Bangladesh offers many consumers promotion to increase its sales volume. So that the product enters into first has a high chance to get expired in the market. So to maintain FEFO is very crucial to reduce market return.

### ❖ **Insincerity of traders:**

Another phenomenon of the market is the traders are not that much sincere in terms of manage products. That's why they put products here and there. Sometimes DSR ask them to notify them about short dated product. But the traders unable to notify the DSR, As a result the market return increases.

To mitigate these issues Prasanto Bhattachajee proposed a project two years ago which is known as "DSR and Merchandizers' In-Call execution project". He realized that if the DSR and merchandizer fulfill their responsibility appropriately, these issues could be mitigated. For this he makes a framework to identify the lacking point of DSR and Merchandizer. He along with interns goes physically in the market and doing a survey of DSRs and Merchandizers' working

pattern. During this survey he along with interns, find out that some responsibilities are not fulfilled by the DSR and Merchandizer. And those lacking directly related to increase high market return.

### **3.6 Process to Run the Project**

This project conducted at the six territory of Nestlé Bangladesh in Dhaka. Those are Uttara, Badda, Khilgaon, Mirpur, Mohammad pur, and Nilkhet. It took almost two years to compete. The project survey is based on a specific format for DSR and Merchandizer. Both have separate criteria which related towards their working responsibilities. The survey theme is described following:

#### **DSRs' Format:**

DSRs' format is based on their selling rules. The format is attached in the appendix part. Basically the DSR has eight selling rules. Those are provided briefly next:

#### ➤ **Pre-Call Preparation:**

The first rule of selling in Nestlé Bangladesh's policy is take pre-call preparation. It is one of the most crucial things that every DSR should follow but unfortunately almost every DSR are not taking it seriously. Pre-call preparation is to take some preparation like project a target for each and every outlet, also doing a home work about the traders' attributes. If DSR prepared properly appropriately, he can do an excellent job in the shop and able to fulfill his daily target.

#### ➤ **Greet Customer:**

Another selling rule is to greet customer. In case of Nestlé, our customer is the traders who sell our product. So when the DSR goes to take the order of our products, first he should greet the trader properly. Talk something with the traders to build good relationship. Because at the end of the day relationship with traders create a huge difference.

➤ **Establish Customer Need:**

Just go and take order is not the only way to sell our product. Instead of it, the DSR should establish the need by convincing the traders. That's why outlet check is so important to establish the need of the customer. It gives DSR strength to convince the traders. Also hang some point of purchase materials such as Maggie basket, Nescafe hanger, Shad-e-magic hanger etc. or stick some point of selling materials such as posters, also consider as establishing customer need.

➤ **Sell the Call Objective:**

The main objective of DSR is to sell our product. For this DSR have to convince the traders and make sure the target is fulfilled for each outlet.

➤ **Merchandising:**

Though we have separate merchandise division, still DSR also take some merchandising responsibilities to establish the three basic (Maggie basket, Shad-e-magic hanger, Nescafe hanger), also establish FIFO. It helps to ensure the visibility of our product.

➤ **Administrative:**

There are three basic administrative file one DSR have to carry. One is SSF file that contains the list of short dated products and follow up information. Another is cash receipt of lending product and the other is the cash memo of display unit.

➤ **Post Call Review:**

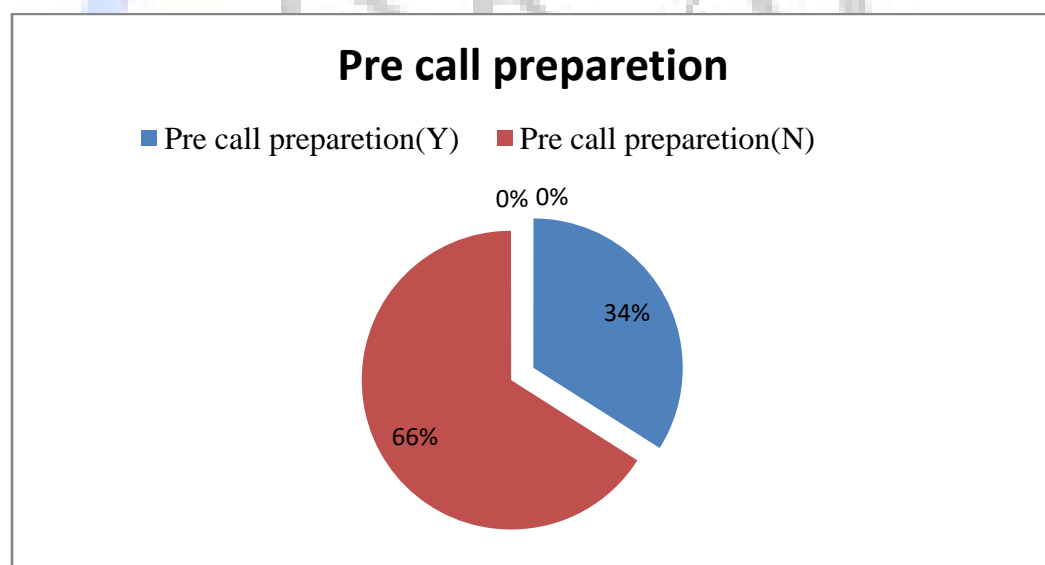
After taking the order, the DSR should give a summary of the order to the traders. At least tell the amount of money charged for the order. It helps to reduce the chance of order bounce by the traders.

### 3.7 Analysis and findings:

At this part, JK-1 distribution house's analysis will provide. This analysis based on the daily activity of JK-1 distribution house's DSR and Merchandizers. I along with my intern team visit each working day and collect the real time pulse about their working trends. The outcomes are presented following:

❖ **DSR's Call report summary:**

➤ **Pre-call preparation:**



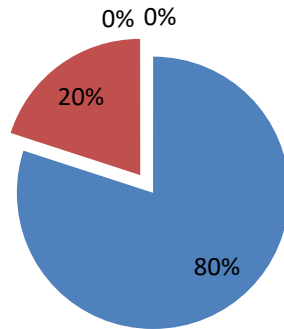
Here we can observe that only 34% DSR take pre-call preparation. And rests 66% DSR are not take this seriously.

➤ **Greet Customer:**



## Greet Customer

■ Greet Customer(Y) 80% ■ Greet Customer(N) 20%

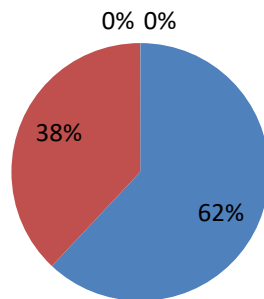


Here, the DSR take this call seriously and 80% are greet the traders in order to build a healthy relationship

### ➤ Outlet Check:

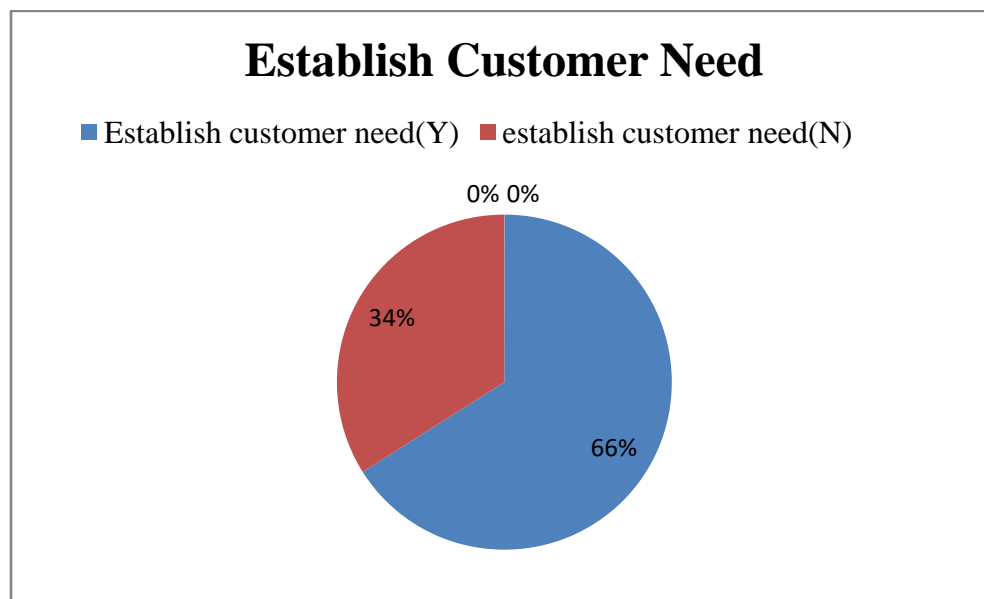
## Outlet Check

■ Outlet check(Y) ■ Outlet check(N)



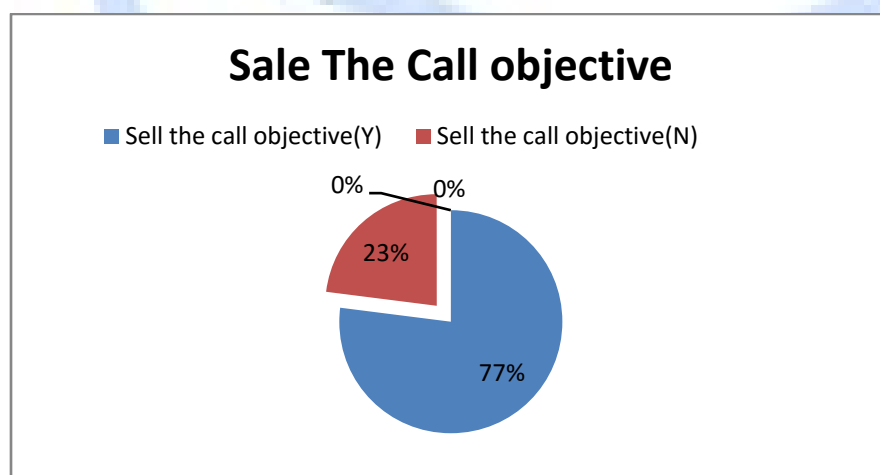
Here we can see that 62% DSR check the outlet before call the order. But 38% DSR are still not following this rule.

➤ **Establish Customer Needs:**



In terms of establishing the customer need around 66% DSR follow the rules and 34% are not following it.

➤ **Sell the Call Objective:**



77% DSR are following this call where 23% are unable to sell the call objective. It's happen because of the lack of capacity of selling.

## Chapter 4: Concluding Statements

### 4.1 Summary of Findings:

Nestle introduce first ever one year internship program in this country. Here we have the chance to learn the corporate culture of Nestle more deeply. In this company I never feel that I am an intern, I always feel that I am in a development process where I have a fair chance to show my capacity and become the permanent employee in Nestle. The purpose of this one year internship program is actually this. It a development process where talents show their capabilities and the all entry level positions are fulfilled by the interns.

For the last four and half months I have been visiting different market on a daily to find out the current overall merchandising scenario in Dhaka. What I found out was that, Nestle Bangladesh Limited is very much focused on maintaining their merchandising guideline in all the outlets. During my visited to the market as I talked to the traders I also found out that all the traders were very much satisfied with the process in which Nestle does its merchandising, although some traders were a bit annoyed with the company since they do not change products that have been cut by rodents. Another thing which I learned from all my market visits and interaction with the traders is that most traders are not satisfied with the profit margin they get by selling Nestle products and that main reason they keep Nestle product in their store is because Nestle product have very high demands. This is a matter of concern for the company in my opinion, because it shows that Nestle in Bangladesh is currently running because of the trust its consumers have in its products.

### 4.2 Recommendations and conclusion:

- ✓ Give importance to the sales interns because most of the time they spend time in the field for which other departments in the Head Office may not know about them.
- ✓ Provide necessary staff that the sales interns required like file, note book, pen, etc.

- ✓ Increase the number of visit of the company supervisor along with the interns so that they can learn practically more from them.
- ✓ Provide training where sales intern can learn required knowledge about the product and other activities before start visiting the field.
- ✓ The Company should give better salary package to the employees of Secretarial team.
- ✓ Personal conflicts should be decreased through open discussion.
- ✓ Upper level officers should not scold the interns as they are here to learn.

“Good Food, Good Life” captures the very essence of Nestlé and the promises they commit to themselves every day, everywhere as the leading nutrition, health and wellness company.

The main objective of this report was to show analysis of the merchandising development project that how every territory execute. This is one of the roots of the company, and proper work may be seen better future of that company. Negligence is the main reason behind this for not going up in this sector. For an example, when we are going to buy something we always do check and re check after buy, so, for this type of job check and re-check is necessary. As the company grew much faster than in recent year then obviously some credits also goes to the merchandiser who handle the company root and becomes the root. If the root didn't get any water and necessary items then the tree will not grow up and one day will die due to this, therefore, as we are talking about merchandiser they need something like this which they could feel good and for that they might own their job as well.

As for Nestlé Bangladesh, this company grew significantly during last couple of years. It produces the biggest brand of the country, Maggi noodles and Nutrition Product as we all known about the baby foods. Increasing demand of products is helping the company remain strong. The changing lifestyle and concepts have contributing much to the growth of the company.

## 4.3 Appendix

### **In House Preparation:**

- POSM, POPM
- Daily Target (Coverage)
- Total Outlet
- NCE Board maintain
- Proper equipment
- Call report
- About Market Return
- Sales Bulletin
- Last visit Call Report

### **Execution:**

- Proper Greetings
- POSM, POPM managing area and process
- Check their call report after finishing one outlet
- FSS maintaining
- SKU"s check
- Proper Layout
- Cleanliness of Hygiene Corner and Nestle House
- Upright and Upfront display
- Secondary display
- 3-Basic control (Nescafe, Maggi Shade Magic and Single Maggi)
- Check other SKU"s (small) NIDO 26gm with Hanger and Soup with Hanger
- CP and TP
- Aware Short dated product list to the Traders
- Established customer needs
- Tell trades about the POPM and POSM
- Track record
- Good wishes after leaving one store
- Re-check that is there any of the input and data is missing or not
- Plan wise next outlet



## 5. References

Corporate Business Principle of Nestle Global,

<http://www.nestle.com/c0073v/what-is-csv/business-principles>

Marketing Research by Alvin C. Burns & Ronald F. Bush (Fifth Edition)

Nestle Bangladesh Limited, Sreepur Factory,

<https://www.facebook.com/pages/Nestl%C3%A9Bangladesh-Limited-Sreepur-Factory/272548779581531>

Nestle Bangladesh Limited, [www.nestle.com.bd](http://www.nestle.com.bd)

Nestle Sustainability Review and Nestle People Development Review

<http://www.slideshare.net/AlifRussell/marketing-startegy-of-nestle-bangladesh-ltd>