



Inspiring Excellence



INTERNSHIP REPORT

On

Corporate Marketing -

**A study on Corporate Communication of Nestlé
Bangladesh Limited**

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Submitted To

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Letter of Transmittal

Date: September 07, 2016

Ms. AshekaMahboob
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Subject: Internship report on “Corporate Marketing – A study of Corporate Communications at Nestlé Bangladesh Limited” submission.

Dear Ma’am,

This is to inform you that I am submitting my internship report on “Corporate Marketing – A study of Corporate Communications at Nestlé Bangladesh Limited” to you as part of my academic requirement upon completion of my formal internship period of 3 months at Corporate Affairs and Communications department of Nestlé Bangladesh Limited.

I have prepared this report with full concern to cover all relevant points related to the topic and I hope you will find the clear picture of endless learning I have grown throughout my internship period under your supervision.

Lest you require any clarification regarding the report, I will be glad to clarify all discrepancy.

Sincerely,

Kazi Rubaiya Islam
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BRAC Business School
BRAC University

Acknowledgement

First and foremost I want to thank the Almighty for this help and guidance every day. I would like to thank my parents for their love and support for which I could continue my study at BRAC University and also do my three months of internship at Nestlé Bangladesh Limited. This is time for me now to submit my internship report as part of the academic course BUS400.

I would take this opportunity to thank my faculty supervisor, Ms. AshekaMahboob, a lecturer at the BRAC Business School for her endless support and guidance throughout my internship period. I am glad to have her as my advisor and this report is to be submitted to her for final evaluation and grading.

I am grateful to my internship supervisor, Ms. Farah SharmeenAolad, Manager of Corporate Affairs and Communications at Nestlé Bangladesh Limited, for her endless support from day one of my internship. Although the company has a lot of information disclosure policy, I am thankful to my supervisor and all employees of Nestlé Bangladesh Limited for their quick response and immense impact on my learning.

Last but not the least, I want to thank BRAC University for this opportunity and guidance of 4 years. I am proud to be part of BRAC University.

Executive Summary

Nestlé is a trusted name in the food and beverage industry. This outstanding image of the 150 years old Swiss company did not develop overnight. Nestlé's commitment towards being recognized as the top Nutrition, Health, and Wellness Company of the world has made the success possible. While Nestlé is one of the Fortune 500 companies, they still need to ensure their image stays intact as desired and strategies align to objectives and benefits on the whole.

This report contains discussion on the largely accepted concept of corporate marketing and the most significant element of corporate marketing – the corporate communications. While corporate communications is still a slowly growing department at many companies, this is a vital part of Nestlé and in this report I have attached enough references and documents through which it will be clarified about the significance, functions, practices and strategies of corporate communications in general and at Nestlé Bangladesh Limited. I have taken into consideration practices and steps suggested by experts regarding calculating or measuring effectiveness, impact and excellence of corporate communication mechanism. Later, by comparing them to that of Nestlé's strategies and policies, I have tried to identify if Nestlé has best practices.

One crucial corporate communication is crisis communication, and even the great companies like Nestlé suffers from a failed crisis communication. I have taken into consideration the MAGGI crisis case and identified major differences between the communication at India and in Bangladesh. For primary data, an interview with the communications manager of Nestlé Bangladesh Limited is attached.

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1.1 Introduction:

Internship report is a mandatory academic paper that needs to be submitted in order to obtain my Bachelor's degree completion certificate. As part of my Bachelors in Business Administrations (BBA) programme at BRAC University, I completed my internship at Nestlé Bangladesh Limited in their Corporate Affairs and Communications department. During my internship, I realized that the face and value of any brand is not just about the traditional marketing approaches and strategies that is followed, but to a large extent it depends on effective corporate marketing strategy. One core component of corporate marketing is Corporate Communications and this paper emphasizes on the approaching philosophy of corporate marketing and the importance of corporate communications at today's era for any organization. This report contains a brief study on the corporate communications of Nestlé Bangladesh, comparative study of Nestlé's corporate communication structure to that of the best communication structures as defined by experts. I have also incorporated one major corporate communication – the crisis communication and we will learn about Nestlé's crisis communication in light of the MAGGI crisis of 2015.

1.2 Origin of the Report:

The completion of internship is an integral part of the BBA Program and it serves the purpose of practical orientation in the related field. I was lucky enough to complete my internship from Nestlé Bangladesh Limited. Being the largest food and beverage company, Nestlé has given me the opportunity to experience an extraordinary learning experience at an outstanding MNC. During my internship period I have encountered a variety of functions of the company. Among them I have decided to work in the arena of corporate communications specifically for other functions required me to be engaged but not in an in-depth form. This report has been originated as a course requirement of the BBA Program. Throughout the report I tried to find out the actual definition, operation and significance of corporate communications at Nestlé Bangladesh Limited.

1.3 Objective of the report

1.3.1 General objective:

The general objective of this report is to identify the functions, practices and importance of corporate communication at any organization, focusing on Nestlé Bangladesh Limited.

1.3.2 Specific objectives:

The specific objectives of this report includes:-

- Learning about the corporate marketing philosophy and how it is proving significant across industries.
- Concept of corporate communications and how corporate communications assist the traditional marketing and maintaining brand value of the company.
- Corporate communications functions, strategies, significance and practices at Nestlé Bangladesh limited.
- Crisis communication process at Nestlé Bangladesh Limited and a comparison with what experts say in light of MAGGI crisis to identify the preparedness and effectiveness of the communication process.

1.4 Methodology:

The selection of an effective and efficient methodology is an important part in order to do a successful research. While doing the report I used both primary and secondary data for the successful accomplishment of the report. After analyzing and combining all those data and information I have come up with this report.

The two ways in which I have collected information are presented below:

Primary Data:

I have collected primary data with the help of my direct supervisor, I also discussed with the Corporate Affairs and Communications team and MAGGI team to collect information. I have attached an interview with the Corporate Communications director and also collected information from Nestlé's internal documents. Most of the documents are a direct communication from the Center (at Vevey) which way we can consider it as primary data too.

Secondary Data:

I have collected secondary data from different sources.

The sources includes:

1. Internal documents of Nestlé.
2. The official website of Nestlé
3. Different journals, reports, books and newspapers.

1.5 Limitations of the Report:

Corporate communications is not a very widely known and clear concept in our country. Even for many working at Nestlé, the complete functionality of the corporate affairs and communications department was not clear. This is a small but a very significant department which has functionality spread over vast topics. As a result it was really hard to accumulate the necessary data. Alongside, the information disclosure policy at Nestlé is very complex and strong. Thus it was not easy to get the information and also the interview. I am thankful to the manager of corporate communications for giving an interview for my report which was easy avoidable by any of the policies if she wanted. While writing this report, I could not include various information due to the information disclosure policy at Nestlé.

Following are the list of some problem that I confronted while doing the report:

- Restriction on some research data
- Have to depend mostly on the primary data
- The time period was not sufficient to come up with the necessary information. The whole processing policy at Nestlé is complex and involves a wide list of individuals who must give permission for certain information collection.
- Organizational restriction to disclose some confidential information
- Appropriate journals and publications are not available since corporate communication department is not very common among local companies.

However, in spite of all of those limitations I tried my level best to come up with the relevant information in order to make the report more informative and analytical. I believe that, the information that I accumulated in this report will be really helpful for any further study regarding this topic.

2.1 Company Overview:

2.1.1 Company introduction:

“Nestlé” is a brand that most people will undeniably associate with being trustworthy, reliable and of superior quality. I, too, joined the company with the same perception, and within the time of my internship period, I understood that such an immense impact of the brand on its millions of consumers around the globe, is derived from its organized structure, work culture and the collective effort of the company’s people to achieve its goals. General people often mistake Nestlé as merely being a FMCG (Fast Moving Consumer Goods) company. However, from the very origin of the Company, their strategy has been based on nutritious products that contribute to the health and wellbeing of consumers.

Thus, in today's global arena, Nestlé intends to deliver products which improve nutrition, health and wellness while abiding by strict business principles and a commitment to consistent quality. Consequentially, it goes lengths to eliminate the negative associations that other global FMCG companies possess, and rather embodies itself as the symbol of trust, reliability and quality among its consumers worldwide. The company's purpose and intentions are summed up in its simple tagline, ***"Good Food, Good Life"***.

In recent years, Nestlé has reinforced this strategy, becoming the world’s leading Nutrition, Health and Wellness Company, with total Group sales of CHF 107.6 billion. Nestlé invests in continuous development and renovation of its products to enhance their quality and nutritional value. It also continually adapts them to meet consumers’ changing preferences, as they evolve beyond taste, enjoyment and convenience towards the added benefits of nutrition and personal health. (Nestlé .com CSR report, 2008).

2.1.2 Brief history of Nestlé:

The journey of Nestlé began in 1867, in Vevey, Switzerland. The founder, Henri Nestlé was a German pharmacist. He launched a food product called the "FarineLactée Nestlé" which was a combination of cow's milk, wheat flour and sugar. He formulated it to save the life of a neighbor's child. Later, he decided to introduce the formula in to the market with a distinct purpose of providing nutrition to children whose mothers' were unable to nurse them. The product aimed to provide necessary nutrition for infants was an immediate success (Nestlé.com).

In 1905, the Nestlé Company merged with the Anglo-Swiss Condensed Milk Company, in order to grow and enter the consumer market more effectively. Since the beginning, nutrition has been the cornerstone of the Nestlé Company (Nestlé.com).

At present, the Nestlé Company is the world's largest FMCG Company which operates in 83 countries worldwide. However, with its strong commitment to nutrition, health and wellness, it impressively sets itself apart from the FMCG competitors in the global market. The product portfolio is exceptionally vast from Baby foods to Bottled water to Coffee, Dairy, Cereal, Culinary, etc (Nestlé.com). It has an annual revenue turnover of approximately 99.5 billion US dollar and employees about 333000 people globally.



Fig: Nestle at a glance

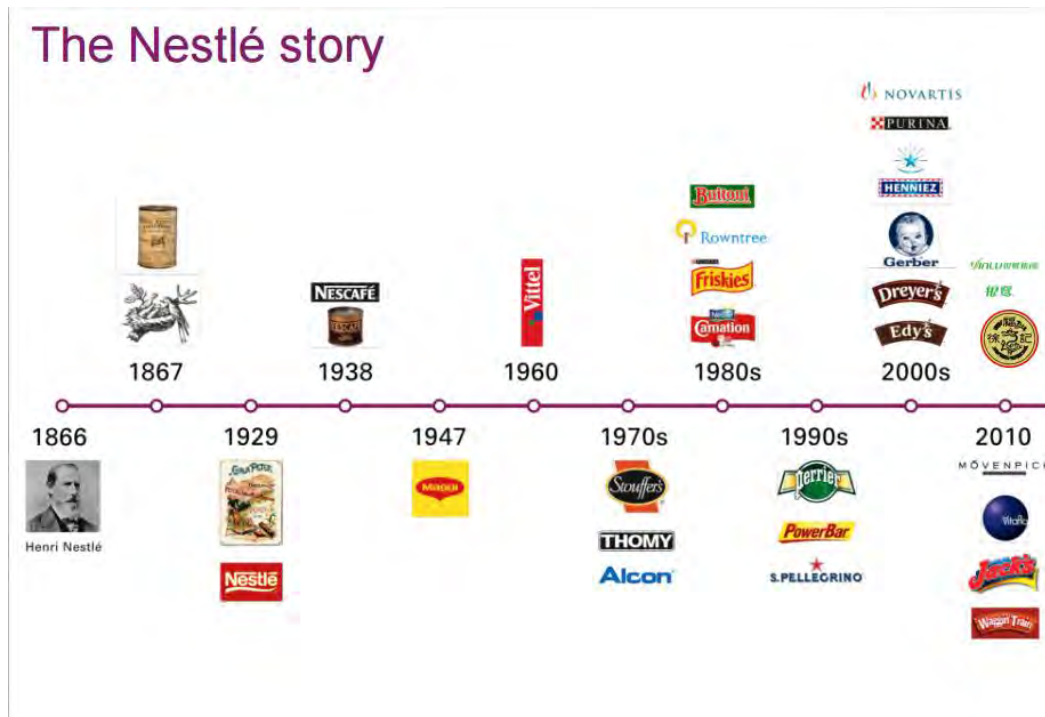


Fig: The Nestlé brands

2.1.3 Nestlé Bangladesh Limited

From the time of the British rule, Nestlé brands have entered the sub-continent. The trend continued in the pre and after independence days of Bangladesh. Nestlé World Trade Corporation which was a trading wing of the Nestlé S.A regularly sent dispatches of popular Nestlé brands to Bangladesh, mainly through indentures and agents.

In the early eighties, the sole agent to supply Nestlé products to Bangladesh was Transcom Ltd. Later in 1992, Nestlé S.A. and Transcom Ltd. acquired the company Vita Rich Foods Ltd with 60% and 40% share capital respectively. The company name was then changes to Nestlé Bangladesh Limited (Hussain, 2012).

In 1994, Nestlé Bangladesh Ltd. began its commercial production in Bangladesh. Later in 1988, Nestlé S.A. successfully bought the remaining 40% share from its local partner. Today, Nestlé Bangladesh Ltd operates as a fully owned subsidiary of Nestlé S.A (The Daily Star, 2014).

Although in the global market, Nestlé is two times the size of its FMCG (Fast Moving Consumer Goods) competitors, business expansion in Bangladesh has been relatively slow. It is

still operating in the developing stage. On the bright side, it has experienced an organic growth of 40% which is expected to continue in the forthcoming years (Nestlé.com).

Nestlé Bangladesh Ltd has a factory situated in Sreepur. The factory currently produces various products for the domestic market such as instant noodles, cereals and repacks milks, soups, beverages and infant nutrition products. At present popular Nestlé brands in the domestic market include NESCAFE, CERELAC, LACTOGEN, MUNCH ROLLS, NIDO, MAGGI etc.

Nestlé has grown from a company founded nearly 150 years ago on the success of a life-saving infant cereal to a global leader in Nutrition, Health and Wellness. Since then, the company has committed itself to development projects around the world. Their growth rate has assisted them to help improve the lives of millions of people through their products and services, through employment, their supplier networks and through their contribution to economies around the world. Globally Nestlé has helped 4.1 million families including many rural smallholders in developing countries to earn a living (Nestlé.com).

Nestlé has aims to create shared value by focusing on improving nutrition in food through research and leadership, working on projects for rural development, facilitating sustainable management of water, performs businesses that ensure environmental sustainability, values and complies with human rights, and understands the importance of responsible and respectful treatment of their employees and other stakeholders. At present, Nestlé has committed to 38 ongoing projects worldwide to create a strong value sharing network (Neslte.com).

2.1.4 Ten Business Principles of Nestlé

Consumers			Human rights The environment and labour practices	Our People
1 Nutrition, Health and Wellness	2 Quality assurance and product safety	3 Consumer communication	4 Human rights in our business activities	5 Leadership and personal responsibility

Our people	Suppliers and customers		The environment	
6 Safety and health at work	7 Supplier and customer relations	8 Agriculture and rural development	9 Environmental sustainability	10 Water

3.1 Literature Review

All the information evaluation related to our selected area of study that we gather from other sources of literature, i.e. studies done already on the selected field, is known as a literature review. The literature reports that we use in literature review helps us to get a base of the theoretical aspect of the specific topic and helps us determine the manner of research we will be using/following.

My related field of study for this paper is corporate marketing and corporate communication with focus on crisis communication. Thus my related literature review is listed below:

The field of marketing and management that is now known as corporate communication was pioneered by Professor Cees van Riel and Stephen Greyser. Corporate marketing is an extended thought of marketing and management that has significant contribution in context of the 21st century organizations. The corporate marketing concept clearly focuses on corporate brand and stakeholders. The concept highlights an institution-wide philosophy which is based on the organization's culture and core values.

Corporate marketing is also a vital management approach that allows the senior management to incorporate strategic measures that aligns the corporate branding, communication, identity and image to benefit the organization not just by satisfying customers but also keeping control over important stakeholders and their support and also by attracting efficient and worthy employees. Corporate marketing is considered a philosophy that lightens the way of living and the way of working at any organization. Over recent years, scholars have shown great interest in this context (Balmer, Almudena, & Brena, 2013)

“Corporate communications relates to the various outbound communications channels deployed by organizations to communicate with customers and other constituencies. At its most comprehensive (total corporate communications) it also takes into account the communications effects of management, employee and product behavior and of word-of mouth and media/competitor commentary.” (Balmer & Greyser, 2003) (Balmer, 2006).

“There is a widespread belief in the management world that in today’s society the future of any company critically depends on how it is viewed by key stakeholders, such as shareholders and investors, customers and consumers, employees, and members of the community in which the company operates. The objective of building, maintaining and protecting the company’s reputation is actually the core task of corporate communication practitioners.” (Cornelissen, 2011)

4.1 Internship Experience

4.1.1 Job Responsibilities as an Intern:

As an intern at the corporate affairs and communications department of Nestlé Bangladesh Limited, I had the opportunity to get involved in tasks that incorporated individuals from all departments.

My major project is the “150 years celebration of Nestlé” in Bangladesh. In 2016, Nestlé celebrates its 150 years of Nutrition, Health and Wellness. Our company was founded in Vevey, Switzerland when Henri Nestlé



invented Farinelactée to save the life of his neighbor’s child. The celebration is going on worldwide in every region where Nestlé operates. The celebration is an opportunity for us to thank all of our external stakeholders for their trust and loyalty throughout the years, and to say thank you to all our employees for their hard work and commitment that makes Nestlé successful.

In Nestlé Bangladesh Ltd, we are celebrating through multiple events and activities throughout the year which are designed with focus to our consumers, stakeholders (external) and employees. We have incorporated all employees not of just from head office but also from our only Factory at Sreepur, Gazipur. The celebration projects that this success and journey of 150 years is not for Nestlé alone.

Activities included:

- 20 years of Nestlé Bangladesh book – the book is about the 20 years of Nestlé in Bangladesh, its journey, brands, factory, employees, stakeholders, and everything relevant. For this I collated with all individuals in the committee and also who are to provide with the contents, the agency, and departments altogether. I was also responsible

to schedule meetings and keep and distribute the meeting minutes among all of the committee members.

- Nestlé Moments (afacebook campaign for employees) – Nestlé Bangladesh is coming up with a facebook photo contest where employees will upload their photos with any Nestlé product and define how Nestlé is part of their everyday life. Winners will be handed over with gift hampers from Nestlé. I have worked from the basic of this idea to creating communication material for the employees, designing the activation and layout designs made by agency.

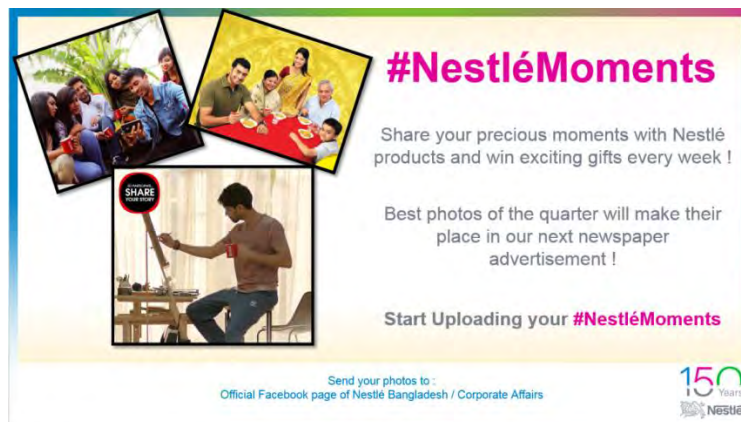


Fig: Sample email communication for employees I created.

- The Nestlé recipe app – Nestlé Bangladesh is planning to launch an app with Nestlé recipes by the end of this year. Initial designing is going on.



Fig: Sample communication I created regarding the recipe app.

My job responsibility required me to contact with each contact person from every department that is required to execute the activities. I scheduled necessary meeting, kept meeting minutes, shared them with the respective individuals, assisted every individual of the committee in regard to any assistance required from our department's end, updated activity log files and prepared necessary documents to keep everything sorted.

I was also privileged to attend a meeting with the Managing Director and the function directors to finalize the budget for the celebration. I have attained knowledge about how to align activities with each other to minimize cost. Also one big learning for me is how to deal with the senior management, how to write emails to them, how to respond to them, etc.

I have also prepared the communication policy for Nestlé Bangladesh Limited which is a complete guideline for all sorts of corporate communication, who is to do what, who is to communicate what and what not, what are the principles, which documents to follow, etc. This required me to do an in-depth research on communication process and all related documents of Nestlé.

Furthermore, as a corporate communication individual, my regular activity includes media monitoring which helps me to have a vast knowledge about the global events happening everyday.

4.1.2 Trainings and skills:

Technical Skills

Being an intern in the Corporate Affairs Department, my regular duties involved the use of Microsoft Outlook, excel workbooks, and Microsoft word. As a result, I developed greater efficiency in such technical skills. One of my regular duty was “Media Monitoring” which helped me to increase my expertise in navigating through the web to find out relevant news. I also learned to navigate through Nestlé homepage which is a portal of infinite information for all employees to educate themselves about the company. Furthermore, while working for the quarterly newsletter for Nestlé Bangladesh, a noteworthy skill that I learned was the use of Microsoft Publisher. I had not worked with Microsoft Publisher before, but working with it during my internship period, has helped me to acquire this new skill of designing business newsletters, brochures, etc using this software. In addition, I developed small skills such as keyboard shortcuts that save time, scanning documents and printing. Besides, with the speed at which technology is evolving, it is sometimes challenging to understand the digital world. At Nestlé, the new collaboration platform Office 365 introduced new solutions such as SharePoint Team Sites and OneDrive for Business that enabled new ways of working and collaborating. To support employees in this journey, an event named “Collaboration Boost” was held on 12/06/2016 at Head Office. The Collaboration Boost helped me learn:

- How to login into O365 portal
- Co-edit or work together on the same file at the same time with team
- Collaborate and work from anywhere and everywhere
- Share files with external partners and work easily with them



Analytical skills

As a Corporate Affairs intern, I had to continuously monitor the media, which involved analyzing the content and saving news which is crucial for the company. Corporate Affairs also deals with acting on negative news, for which we first have to analyze whether the claim is valid, and act accordingly. Some of my other tasks as an intern also involved analyzing and evaluating to some extent.

People skills

A substantial amount of work in Corporate Affairs is related to people skills. Initially, during the first few days of my internship, I tended to avoid expressing what I felt, and simply delivered on order. However, as time passed, working in the Corporate Affairs department allowed me to communicate with employees of various other divisions. Continuously dealing with other department to incorporate changes and following up on projects enabled me to learn how to convey the requirements accurately and to politely get the job done in due time. Communicating with senior employees and fellow interns, I learned to be more open and deliver my queries/dilemmas in a constructive and upfront manner. . Overall, my task involved constant communication with several people which significantly influenced my communication skills. Being a less talkative in nature, the activation gave me a much needed experience at building confidence on my verbal ability. I have learned to talk to people more freely and duly adjust my manner of speaking depending on the person. Essentially I can build rapport and ease into conversations while at the same time harnessing my listening capability. I understood, active listening is very important to participate in productive discussions.

The internship experience improved my thought process, communication, technical and analytical skills which holistically worked together to bring a notable personal development in me.

5.1 Project Part

Corporate Marketing - A study on Corporate Communication of Nestlé Bangladesh Limited

5.1.1 Corporate Marketing:

John M.T. Balmer is a professor at Bradford University School of Management concentrating on Corporate Brand and Identity Management outlined the extended significance of the concept of corporate marketing for the 21st century organizations back in 1998. (Balmer 2006). Along with his co-author - Stephen A. Greyser, a professor of Business Administration (Marketing/ Communications) Emeritus at Harvard Business School - Balmer later modified his former concept and introduced us with the simplified version of his corporate marketing star.

5.1.2 Corporate Marketing Star:

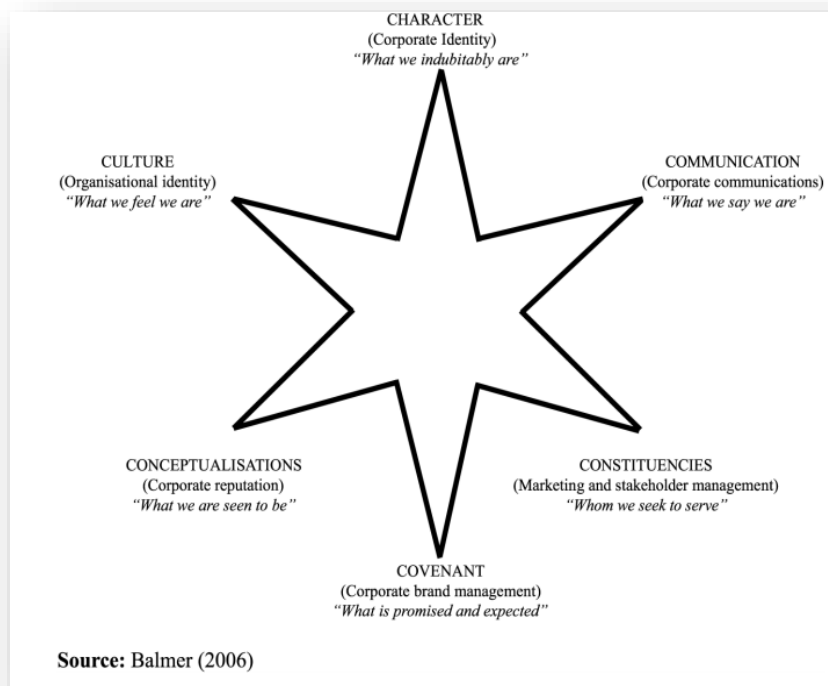


Fig: the 6 Cs of Corporate Marketing

As defined by Balmer (2006), the concept of corporate marketing is a philosophy that includes not just stakeholders and customers but also the societal and ethical perspectives of an organization and is put to practice by embedding it in the organization’s culture. Although the responsibility of corporate marketing befalls upon all employees of any organization, however the senior management of the organization is the ultimate accountants to establishing the concept organization-wide. To ensure effectiveness of the corporate marketing mix the senior management should ensure more transparent and easy alignment between all 6 elements of the corporate marketing star.

“Corporate communications relates to the totality of controlled messages from the organization directed towards customers, employees and stakeholders” (Podnar & Balmer, 2010)

	Major components of corporate marketing (Balmer, 2001)	Major components of marketing (McGee and Spiro, 1990)
Orientation	<i>Stakeholder</i> Understanding present and future stakeholder (including customer) wants, needs and behaviour.	<i>Customer</i> Understanding customer’s wants, needs and behaviour
Organisational support	<i>Co-ordinated organisational activities</i> Undertaken to support stakeholder’s orientation elicited above	<i>Co-ordinated organisational activities</i> Undertaken to support customer orientation elicited above
End-focus	<i>Value creation</i> Profit orientation is a primary but is by no means the only focus. It includes business survival and meeting societal needs as detailed below	<i>Profit orientation</i> Focus on profit rather than on sales (needs to be adapted to not-for-profit organisations)
Societal application	<i>Present and future stakeholder and societal needs</i> Balancing current stakeholder and societal needs with those of the future. Showing sensitivity to the organisation’s inheritance where applicable	<i>Community welfare</i> An obligation to meet customers’ and society’s long-term interests

Fig: Comparing the major components of corporate marketing Corporate Communication. Source: (Balmer & Greyser, 2006)

From (Michaelson, Wright, & Stacks, 2012) we found that expert studies on various industries and also across international boundaries has proven that an organization is said to be practicing excellence in corporate communication if they follow the following:

- Full commitment and support from the senior management in regard to excellence in communications.
- Communication is a sensitive matter and the Chief in charge of communication must be directly communicating/reporting to the CEO or MD.
- The company must be committed to be transparent to its stakeholders and it must be proved by action.
- The company's Public Relation should be committed to being more preventive rather than reactive.
- PR efforts should begin with researching about the situation, followed by a proper strategic planning and end with the final communication or the action stage. The company must always include an evaluation on the effectiveness of the communication/action in such cases.
- The company's perception about communication research should be more on the outcomes of the research rather than just outputs.
- The company is focused and committed to educating, training and developing its PR and communications professionals or spokesperson.

5.1.3 Corporate communication at Nestle Bangladesh Limited (NBL):

Objective:

The main purpose of corporate communications at NBL is to ensure a positive effect on the corporate brand / corporate reputation of Nestle. The effect is entitled to complement the company's strategic and performance goals and objectives. The main ambition of Nestle is to provide Good Food, Good Life to all its consumers alongside making its place as the leading Nutrition, Health and Wellness Company that is referred to for their sustainable financial performance. This makes Nestle a brand trusted by its stakeholders. Nestle is also committed to Creating Shared value for all its stakeholders and the society as a whole in a sustainable method. The company follows strong compliance culture.

Strategy:

When it comes to field of communications, Nestle tends to keep the best practice competencies and skills in the field. Nestle is ever aware and concerned about:

- The political environment
- The economic environment
- The societal environment

NBL follows strategic communications planning and aligns all its communication activities properly with that of benchmark at the Centre and also at the local and global markets.

Key priorities of Corporate Communications at NBL (updated):

- Strengthening credentials as the leading Nutrition, Health and Wellness Company engaging its key stakeholders.
- Being recognized as a pioneer in Creating Shared Value.
- Strengthen the NBL corporate communication with the global corporate communication strategy.
- A passionate team to be created for both internal and external credibility.

All sorts of Media communication, such as the:

- Press release
- Corporate advertisements
- Handling media reactions and comments
- Internal communications
- External issues and queries related to corporate brand
- Crisis management and communication
- Security of Physical
- Informational element of Nestlé
- Dealing with agents, delegates (local or foreign), foreign country operations, communication with different ministries, etc.

are all responsibilities of the Corporate Affairs and Communications department of NBL.

The work type of the department is generally very sensitive and can affect the corporate brand and the company significantly. For this reason, the department works closely with the Managing

Director of NBL and follows up with country director at a regular basis. Infact, the only medium for processing information and circulate it through internal website to Nestlé Global is the Corporate Affairs and Communications department.

To analyze if the company is practicing excellence in communication, we will compare NBL corporate communications policy with that of expert identifications mentioned previously.

Expert identification of features to identify a company is practicing excellence in communication	Communication policy, strategy and practice at NBL
Full commitment and support from the senior management in regard to excellence in communications.	Nestle culture is committed to ensure effective communication that has positive impact on the company and its brands. (as defined in the objective of NBL corporate communication)
Communication is a sensitive matter and the Chief in charge of communication must be directly communicating/reporting to the CEO or MD.	The Corporate Communications department works closely with the MD and country director.
The company must be committed to be transparent to its stakeholders and it must be proved by action.	Nestle is committed to transparency to stakeholders and providing sustainable practices from all aspects.
The company's Public Relation should be committed to being more preventive rather than reactive.	At any crisis moment, NBL identifies the crisis and gathers authentic and sustainable response to it rather than right away reacting to any issue. We will learn more in this paper how Nestle does that.
PR efforts should begin with researching about the situation, followed by a proper strategic planning and end with the final communication or the action stage. The company must always include an evaluation	The PR communication, specially in case of crisis has set principles at Nestle. The first and the foremost step to be followed is to identify and gather information about the situation - meaning research, then analyze the situation with higher management and develop a communication/action plan, and lastly communicating and monitoring and

on the effectiveness of the communication/action in such cases.	evaluating the effectiveness of the communication.
The company's perception about communication research should be more on the outcomes of the research rather than just outputs.	In case of Nestle, the company is more focus on the impact of their communication and not just merely output or outcomes.
The company is focused and committed to educating, training and developing its PR and communications professionals or spokesperson.	According to Nestle Corporate Communication guideline and crisis management guideline, only designated spokesperson sale

While many assumes that communication is the only function of Corporate Affairs, whereas one significant function of a professional in this department is to identify the various signs that remains in our external environment which may directly or indirectly affect the company. A corporate affairs professional would study the external environment and since the department works closely with the senior management, these professionals give advices that helps company into decision making for the future benefits on the whole.

The image of Nestlé is maintained in the market through the Corporate Affairs and Communications department which helps assist all sorts of communication required to project a healthy image of the company.

The department is responsible for everything starting from all sort of government relations to working on the latest public relation campaigns for brands like MAGGI, KOKO CRUNCH, NESCAFE, etc. and from all internal communications to social responsibility activations.

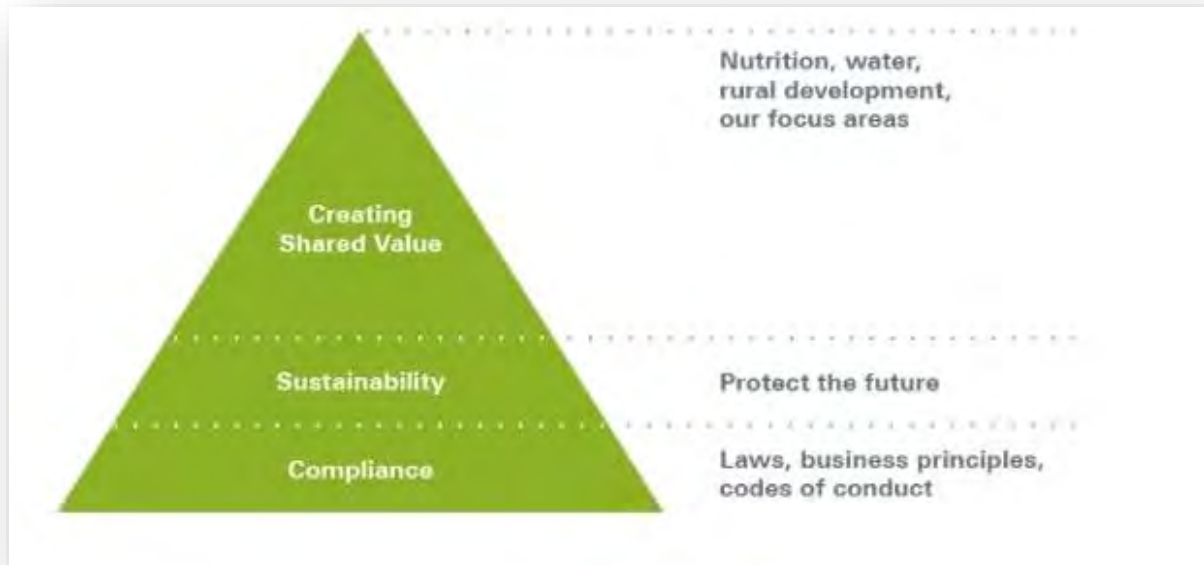


Fig- CSV Pyramid of Nestlé

One of the most integral parts of CA & C of NBL is CSV, which is Creating Shared Value. Nestlé sees value creation as a basic requirement for successful business, but it doesn't stop there. Being a global leader brings not only a duty to operate responsibly, but also an opportunity to create long-term positive value for society, and Nestlé calls this Creating Shared Value, and that is embed firmly in the holistic management thinking across all parts of our business. Nestlé aims to create shared value by focusing on improving nutrition in food through research and leadership, working on projects for rural development, facilitating sustainable management of water, performs business that ensures environmental sustainability, values and complies with human rights, and understands the importance of responsible and respectful treatment of their employees and other stakeholders.

Corporate Affairs and Communications is relatively a small department with huge responsibility and impact on the company as a whole. The organogram of the department follows as such:

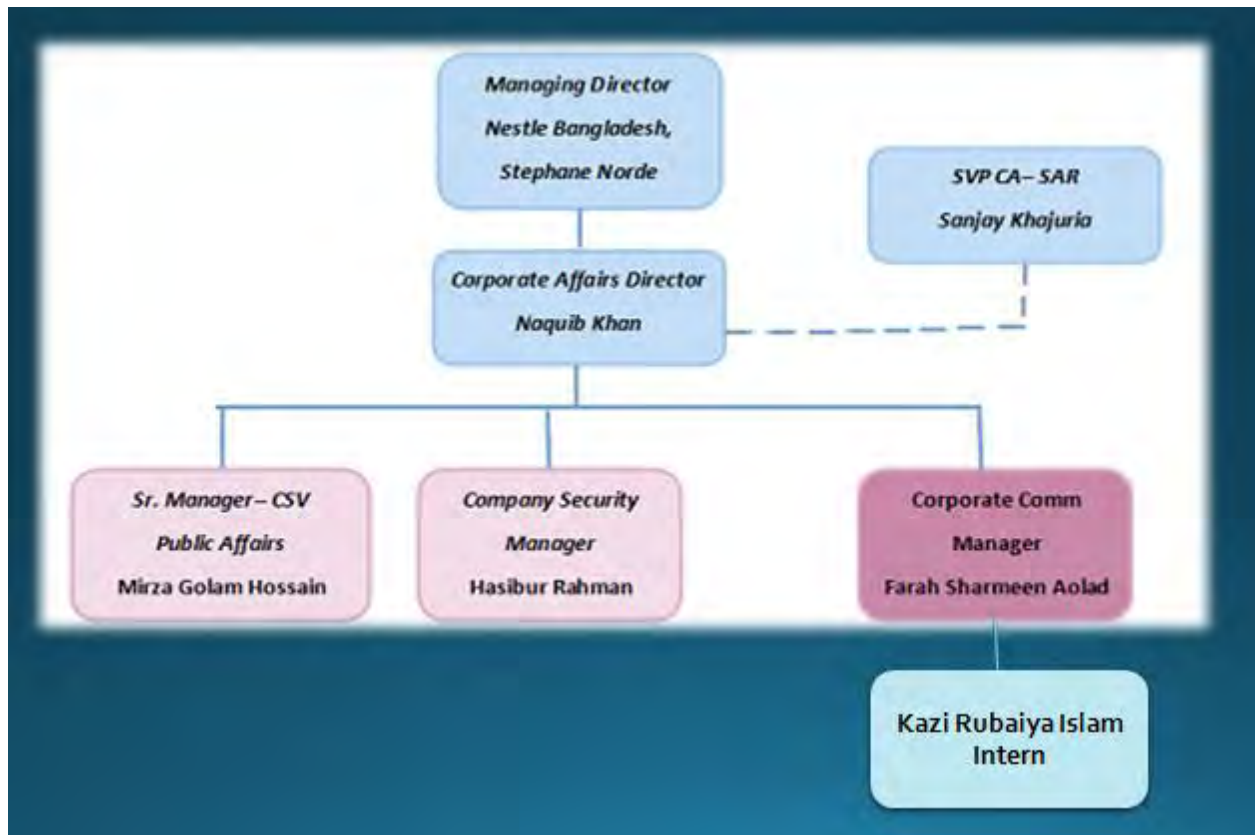


Fig: Organogram of Corporate Affairs and Communications of Nestle Bangladesh Limited.

5.1.4 Crisis Communication

According to (Pearson, 2002) the following steps are the best way to respond to any crisis that your organization faces:

- Taking the threat seriously and acting accordingly.
- To not lie at time of crisis.
- To explain the truth and at earliest.
- Preparation for crisis should be an ongoing process in the company.
- Make clear communication with the employees.
- Evaluate and analyze the outcomes once the crisis is over.
- Companies must have one designated spokesperson backed up by necessary experts.
- Create environment of easy sharing to receive any crisis news at earliest from anyone.
- Positive relationship building should be a priority at all times.
- Patience at and after crisis is a blessing.

At Nestlé, the corporate communication guideline clearly mentions proper guideline for corporate communication during crisis as well as guideline for employees during times of crisis.

If we compare the guidelines for Nestlé with that of what Pearson (2002) has to say, we find this:

Suggestions by Pearson (2002)	Nestlé crisis communication guidelines
Taking the threat seriously and acting accordingly.	Nestlé has always taken every crisis seriously. They have clear and detailed guideline in regard to crisis management that is circulated through intranet ensuring every employee to understand and prepare themselves for any crisis.
To not lie at time of crisis.	The communication should reflect transparency. Accurate information to be shared both internally and externally.
To explain the truth and at earliest.	Establishing the facts at earliest however ensuring to resist any communication unless known clearly what is being dealt with.
Preparation for crisis should be an ongoing process in the company.	Everyone should be prepared for a crisis anytime. Recommended to follow the Nestlé Standard for crisis preparedness and management and all relevant documents available in company's intranet.
Make clear communication with the employees.	Usage of internal communication (intranet / emails) to inform various groups among the company about whatever is going on.

Evaluate and analyze the outcomes once the crisis is over.	Assessing the impact of the crisis and coming up with long-term measures. A post mortem session to be conducted to be prepared for the future.
Companies must have one designated spokesperson backed up by necessary experts.	Only designated spokesperson and/or the regional Managing Director is eligible to speak on behalf of Nestlé. This largely includes communication at times of crisis by spokesperson only.
Create environment of easy sharing to receive any crisis news at earliest from anyone.	Nestlé is a listening company that encourages 360 degree listening ensuring to receive information from everyone.
Positive relationship building should be a priority at all times.	Provide timely and accurate information by respecting deadlines of journalists/media individuals.
Patience at and after crisis is a blessing.	Nestlé asks to go slow but accurately ensuring sustainable solution and measures to the crisis.

From the above comparison, we can identify the reason why Nestlé is one of the great companies of the world. It has kept its 150 years image of Nutrition, Health and Wellness shining through a very effectively planned crisis management strategies and guidelines. These documents are applicable at all Nestlé existence, so it is for Nestlé Bangladesh Limited. However, even the best of the companies may sometimes make a wrong move or delay their move which can cost them significantly. Such was the case for Nestlé when the MAGGI crisis happened in India. We will consider a brief case study and later try to identify Nestlé Bangladesh communicated at time of crisis and impacted the brand.

5.1.5 Maggi crisis in India –

effect on the brand from context of Bangladesh and role of corporate communication during the crisis

In 2015, MAGGI was accused to have exceeded the lead content and also labeling rules by the Indian government. The Government sought Rs 640 crore from Nestle India as a damage compensation. (Dash & Garg, 2015)



Fig: MAGGI noodles being burned in India after Nestlé was accused to exceed lead contains in their noodles.

COMPENSATION SOUGHT	
TOTAL DAMAGE CLAIMED ₹639.96 cr to be deposited in Consumer Welfare Fund 18% interest on this amount till actual payment is made	
CALCULATION 10% of 2014 Maggi noodles sale: ₹284.55 cr & 30% of 2014 profit from Maggi noodles sale: ₹355.41 cr	
GROUND FOR COMPLAINT	
<ul style="list-style-type: none">➤ Nestle sold hazardous and defective goods➤ False representation of one of its products, sold Maggi Masala Oats without product approval➤ The misleading advertisements targeted children and mothers, who	<ul style="list-style-type: none">are more vulnerable to unsafe, hazardous and sub-standard food➤ Misleading consumers about presence of MSG➤ Sold defective goods with presence of lead➤ Sold unsafe goods hazardous to life and safety

Fig: Government seeks Rs 640 crore in damages from Nestlé over MAGGI

Nestlé sold MAGGI in the Indian market for more than 30 years and gained trust and market share throughout these years.

While the food safety commission of India’s Uttar Pradesh called back MAGGI by claiming to have found excessive lead content in the noodles, The corporate affairs executives of Nestlé India thought they can close the matter by immediately providing facts and figures to the commission regarding the safe consumption of MAGGI noodles. However 10 days later, Sanjay Khajuria, the head of Corporate Affairs at Nestlé India was informed that the news went viral in all local media and an immediate response is required. Instead of directly addressing the public/media, Khajuria decided to send a delegation of experts to talk the matter through with the health officials of Uttar Pradesh.

Meanwhile within a week, the news spread like wildfire and consumers started to show their anger both on and off the digital platform. Nestlé India did not publish any public statement then yet.

MAGGI lost \$277 million in missed sales and further \$70 million in execution of the food recall (Fry, 2015)

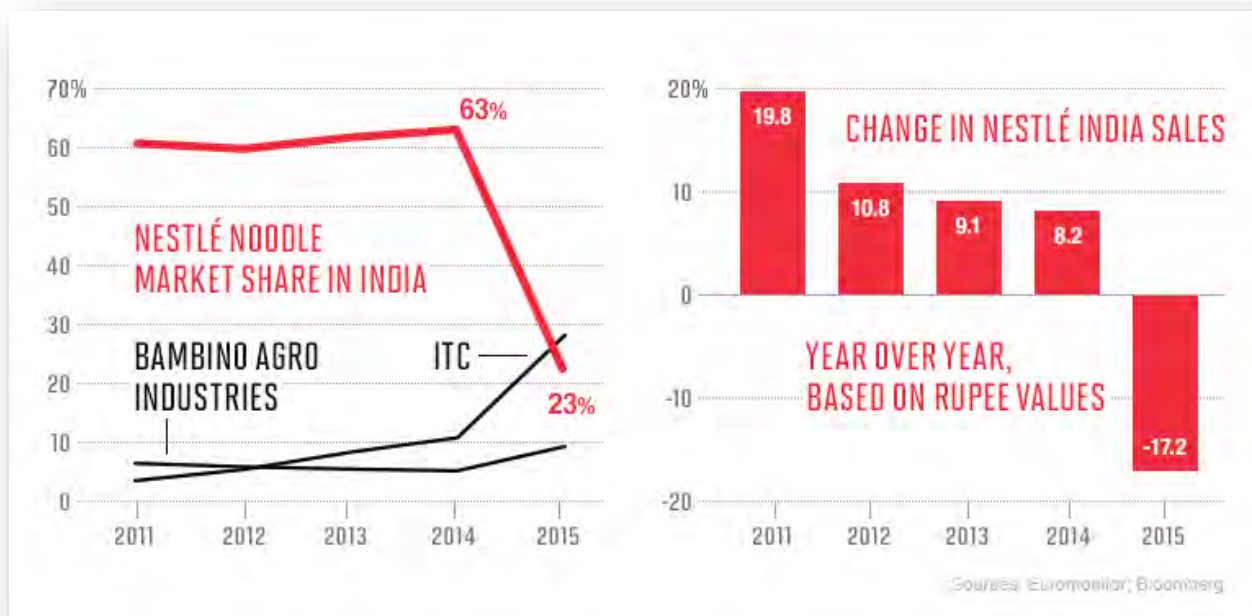


Fig: Changes in Nestlé India’s sales and market share as result of the MAGGI crisis.

Source: (Fry, 2015)

Nestlé did not make any statement until May 21st, and by then consumers took the company's silence as a sign of their wrongdoing.

Expert says that the corporate communication was not effectively done by Nestlé India which made the issue more significant and lead to one of the disastrous crisis for the company. MAGGI is back on shelves after almost a year now and still regaining its lost value among people.

While the MAGGI crisis happen to have occurred in India, consumers in Bangladesh got alarmed upon receiving the news about it. However, Nestlé Bangladesh immediately sent their samples to Bangladesh's food testing authority BSTI (Bangladesh Standards and Testing Institute) and received certification that there is no harmful ingredient in MAGGI. BSTI claimed that the products are regularly tested and monitored, however after the MAGGI crisis in India, the special testing was conducted to ensure consumers about the food safety. ("BSTI gives Maggi, four other noodles clean chit, says no ingredients in them above harmful levels", 2015)

According to Coombs (2007), the best crisis preparation practices follows as such:

1. Have a crisis management plan and update it at least annually.
2. Have a designate crisis management team that is properly trained.
3. Conduct exercise at least annually to test the crisis management plan and team.
4. Pre-draft select crisis management messages including content for dark web sites and templates for crisis statements. Have the legal department review and pre-approve these messages.

Table: Crisis Preparation Best Practices

While Nestlé has all the above mentioned practices, however it largely depends upon each designated team to face crisis effectively. As for the effect of MAGGI crisis in Bangladesh, it

was significantly minor and experts believe one main reason for this to happen is the effective communication that Nestlé Bangladesh Limited made during the time of crisis.

We interviewed Farah SharmeenAolad, the manager of Corporate Affairs and Communications at NBL to get a clearer insight in this regard.

6. Interview with Farah SharmeenAolad

(Manager - Corporate Affairs and Communications, Nestle Bangladesh Limited)

1. What was your immediate action after you learned about the MAGGI crisis?

When we heard about the MAGGI India news initially, we did not expect that our consumers in Bangladesh will be misguided thinking MAGGI that are sold in Bangladesh are manufactured in India. Therefore, initially to handle the situation we planned all our communications surrounding MAGGI relating to the fact the MAGGI that Nestlé brings for its BD consumers are totally manufactured in BD at our own factory at Sreepur, Gazipur.

2. How do you think your decision has affected the brand?

The consumer perception that MAGGI was manufactured in India for BD market was the key to create the chaos in the BD market and when we started responding to the queries to our consumers directly as well as to media, it took a while for people and stakeholders to understand the facts and that MAGGI was completely safe to consume.

3. Do you think you could have made any better form of corporate communication at that crisis moment?

During that crisis we have done what was needed the most. However, in future we surely would like to communicate to the mass earlier than before with proper facts and figures.

4. We would like to know about your insights regarding the importance of corporate communication in any organization.

Well, the primary responsibility of corporate communication for a company is to engage with the stakeholders. Corporate communication is the platform from where effective systems of stakeholder communication are in place to ensure transparency and accountability on behalf of the company. The department serves all the significant stakeholder groups which includes customers, owners, employees, suppliers and other trading partners, local communities, media, KOLs, etc. In total corporate communications communicate the intention to run the company under systems of good corporate governance, and in particular it has very specific objectives in relation to each target group. Corporate communication includes the four elements of a company which are: ethics, objective, value creation and reporting to the key internal and external stakeholders. Considering today's environment, corporate communication has significant importance in any organization.

5. Do you have any suggestion for individuals who are looking forward to career in corporate communication?

It is undoubtedly an important position for any organization and a very important role for an individual to perform with multi skills. From this position, an individual is fortunate to understand and share about the business perspective of the company as well as its invaluable asset which is the corporate brand. Corporate communication person is generally the face and the voice of a company, therefore the depth and the responsibilities of the person is beyond what is written in any job profile.

From the above interview, we can identify that Nestlé India was late with making their statement to the public, which however was taken negatively by the consumers.

The CEO said that Nestlé takes liability for all its actions, thus before making any statement, Nestlé wanted to make sure a sustainable solution is identified for the crisis. Also, Nestlé wanted to re-check the MAGGI ingredients again before making any statement.

However, if we take a look at the communication process at Nestlé Bangladesh Limited, the team identified immediately what they are dealing with and what might the major concern be of the consumers. Because this whole storm started at India, Nestlé Bangladesh immediately

informed its consumers that they are eating the noodles that is made at Bangladesh and not in India. This ensured people that unless we find something wrong at our factory at Sreepur, Gazipur or unless our food safety authority declares anything, we need not to worry. Alongside Nestlé Bangladesh sent product samples to BSTI to re-check and declare the result among the general people.

Many says that a failed communication at time of crisis has cost Nestlé India in millions. After that the corporate director was changed at Nestlé India.

Although Nestlé has pre-defined guidelines and maximum possible precautions, practices, and strategies to face any crisis properly, it seems like it failed largely during the MAGGI crisis in India. However, Nestlé India is now back with MAGGI on the self and is regaining trust of many.

7. Conclusion

In this report we have identified that Nestlé Bangladesh Limited is meeting all the qualities of proper corporate communication and has extensive practice and strategies embedded in the company culture. Although Nestlé faces crisis sometimes, but it is the commitment and planning of Nestlé that helps it to overcome any obstacle.

The main purpose of corporate communications at NBL is to ensure a positive effect on the corporate brand / corporate reputation of Nestle. The effect is entitled to complement the company's strategic and performance goals and objectives.

Regardless the fact that Nestlé has proper structure, the implementation of the strategies must be made a common phenomenon in all markets where Nestlé operates. Nestlé has a history of 150 years. People trust the brand when it comes to Nutrition, Health and Wellness. Nestlé must abide by the expectation of its consumers.

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10. Appendix

- Nestlé Corporate Communications Guidelines, May 2012
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