



Inspiring Excellence

INTERNSHIP REPORT ON CONSUMPTION PATTERN OF BREAKFAST CEREAL IN BANGLADESH

Course ID: BUS 400

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Letter of Transmittal

7th December 2017

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Subject: Submission of Internship Report

Dear Madam,

I, Khadija Rahman, student of BRAC Business School, would likely to submit my internship report on Nestlé Bangladesh Limited as a requirement for Bachelor of Business Administration Program of BRAC Business School.

I have completed my three months and done my report on “**Prospects of Nestlé Breakfast Cereal in Bangladesh**”. According to your requirements and instructions, I tried to make the project more informative, effective and creditable rather than making it too bigger. I have found the study quite interesting, beneficial and insightful. Through market survey and work experiences I get to gather some authentic data regarding future success of breakfast cereals in Bangladesh.

I hope you will find this report valid, precise and valuable. I shall be available to answer any question for clarification. Thank you for your sincere support.

Thanking you,

Khadija Rahman Prianka
ID: 13304109

Acknowledgement

It is a real pleasure to thank those who made this project possible. First of all my humble gratitude goes to the Almighty Allah for helping us stay dedicated towards creating this project.

It would be unkind to forget to say thanks to my beloved parents for all their support and co-operation while I gave our effort in the project. Without them I would not be able to proceed much farther in my project.

I would also like to convey special thanks to my course instructor, **Humaira Naznin** for giving us an opportunity to enhance my knowledge by working on this project. My respected faculty has given me enough knowledge and understanding on the proposed topic and that is why I was able to proceed so far with my project. I really want to express my gratitude to her for giving valuable advice and time, which helped immensely in preparing this project.

I am also grateful to my supervisor Mr. Abid Mahmood of **Nestlé Bangladesh limited** who have guided me in this new journey of my corporate life. Their advice and guidance have proven to be a priceless tool against the challenges that I had to face during my internship.

At last but not the least, I would like to thank the entire Marketing team of **Nestlé Bangladesh limited** who have stood beside me whenever I needed them from start till the end.

I will always be grateful for the support and blessing of all. For that now I have been able to successfully complete the initial stage of my career life.

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Executive Summary

Nestlé, a leading Multi-National Company started its operation in Bangladesh in 1994 with a goal to enhance lives with science-based nutrition and health solutions for all stages of life, helping customers care for themselves and their families. “Cereals” is one of the product categories of **Nestlé Bangladesh limited**. It starts with a ‘whole grain’ guarantee and a promise that every Nestlé Breakfast Cereal with a green banner is made with whole grain. Cereal includes products like Nestlé CORN FLAKES, Nestlé KOKO KRUNCH, Nestlé KOKO KRUNCH DUO, MILO AND Nestlé HONEY STARS.

Sustained economic growth in Bangladesh has led to higher disposable incomes among consumers. Along with growing income levels, there has also been a rise in health and wellness awareness. Manufacturers of breakfast cereals have been carrying out campaigns highlighting the positive health benefits of their products. As a result, Bangladeshi consumers are gradually realizing the importance and benefits of functional breakfast cereals, such as high-fiber products aiding weight maintenance, and products high in whole grain content being beneficial to the heart. As a result consumers who are health conscious are replacing their traditional breakfast with a bowl of functional breakfast cereals in order to maintain good health. Breakfast cereals are expected to continue growing. Growing awareness of the health benefits associated with breakfast cereals along with the rising health and wellness trend among consumers in general, will drive sales of breakfast cereals. Leading players, such as Nestlé, Kellogg, Sajeeb, Cocola, are expected to continue carrying out consumer awareness programs regarding the health benefits associated with breakfast cereals over the forecast period. Rapid urbanization and growth of modern retail outlets will also help propel sales of breakfast cereals. Now the question is what is the prospect of Nestlé Breakfast Cereals in Bangladeshi market?

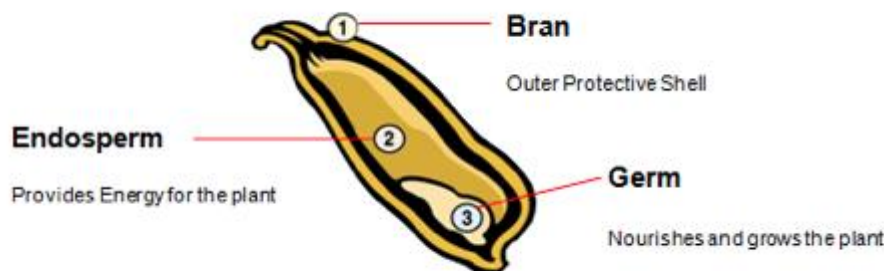
2.1 INTRODUCTION

Nutritionists consider breakfast the most important meal of the day. Yet, too many of us go without breakfast on a regular basis. When we wake up in the morning, it's likely that we haven't eaten for up to 12 hours. So the first meal of the day is crucial, because it helps provide the body and brain with energy and nutrients after a night's sleep. For this, the team at Nestlé works hard to ensure that our breakfast cereals are both nutritious and delicious. Breakfast cereals are made with whole grain, typically providing carbohydrates and fiber. It contains vitamins and minerals as well, which provide 25% of the recommended daily allowance (RDA) of certain vitamins and minerals per serve. **Breakfast cereal** is a food made from processed grains that is often eaten as the first meal of the day. It is eaten hot or cold, usually mixed with milk and sometimes yogurt or fruit. Nutritionists recommend that breakfast can provide 25% of your daily calorie needs. Like any other meal, a good breakfast is one that is balanced, and includes foods from a few of the food groups. Breakfast can also be a good time to choose foods made with whole grain for a good start to the day. Grains are considered 'whole' if they contain all three edible and nutritious parts of the grain.

When a grain is refined, usually to create "white" products like white flour and white rice, only the middle section of the grain is used. The outer and inner sections are discarded, along with many of the grain's nutrients. Whole Grain therefore contains more nutrients than refined grains. This is one of the reasons why many authorities recommend choosing whole grain over refined grain in diets.

The 3 parts of the whole grain

As little as it is, a grain has 3 sections: the bran, the endosperm and the germ. These three components of a grain contain different nutrients, which play an important role in helping the cereal plant to grow and stay healthy.



- The Endosperm

The endosperm forms the biggest part of the cereal grain. Its main component is carbohydrates. It is the reserve on which the young plant lives until it has developed a root system. The endosperm is the part of the grain milled to make white flour.

- The Germ

The germ is the embryo or plant organ from which a new plant develops. The germ is present in whole grain flour; white flour does not contain the germ.

- The Bran

The bran is the outer layer of the grain. It protects the seed. The bran is rich in fiber. Whole grain flour contains the bran, but white flour does not.

2.1.1 WHY CHOOSE BREAKFAST CEREAL FOR BREAKFAST?

1. A lower fat choice: Many breakfast cereals, eaten with semi-skimmed milk, are lower in fat than many other breakfast options. Check the nutrition panel on the pack to find out the fat content of individual breakfast cereals.
2. A source of important nutrients: Nestlé breakfast cereals are fortified with vitamins and minerals such as B vitamins, calcium and iron, which are important for health. In many countries they have become a primary source of key nutrients including calcium and iron.
3. A great way to consume more milk: Milk is a perfect accompaniment to breakfast cereals and provides a significant amount of calcium to the diet.
4. Grains in the morning: Grains make up the biggest part of breakfast cereals. Grains are an important food group in the morning. Like fruits and vegetables, whole grains are an important part of a healthy balanced diet. Authorities worldwide and many experts recommend that people increase their consumption of whole grains, including the World Health Organization.

2.2 PROBLEM STATEMENT

Breakfast has been described as the most important meal of the day. There is considerable evidence that individuals who consume breakfast, including ready-to-eat cereals, have better overall nutrition profiles, show improvements in cognitive functioning, and might be less likely to be overweight. Despite the reported benefits of breakfast consumption, there has been an increase during the past few decades in the number of children who go to school without having breakfast. Currently, 6.5% of 4- to 8-year-olds, 20.5% of 9- to 13-year-olds, and 36.1% of 14- to 18-year-olds do not consume breakfast regularly. There have recently been both public health and food industry initiatives aimed at increasing breakfast consumption among children, particularly the consumption of RTE (ready to eat) cereals. According to some researcher,

between one quarter and one half of children aged 4 to 18 years regularly consume cereal for breakfast.

And that is the reason Nestlé Bangladesh launched Breakfast cereals in Bangladesh in 2003. But until 2008 it was not in focus. In 2008 Nestlé Bangladesh started working on their Breakfast Cereal items. They started different promotional activity, different sampling program.

2.3 PURPOSE OF THE STUDY

There main purpose of preparing this report is:

- To relate the learning from all the marketing courses, as I was involved in the core marketing department of Breakfast cereal in **Nestlé Bangladesh limited**.
- To relate to the marketing concepts from the courses with real life experience and understanding brand well.
- To know more about practical procedures of products allotment and operation.

Objectives:

- To find out who consumes breakfast cereal.
- To find out the reason behind consumption.
- To find out Frequency of consumption.
- To understand the reason behind not purchasing breakfast cereal.
- To know the source of awareness.

Through the survey on breakfast cereal consumption, two objectives are achieved, those are:

- I. Understanding the breakfast cereal habit in the country.
- II. Understanding consumer's consumption level and attitudes regarding BFC.

2.4 TIMELINE

The internship tenure in Nestle is 3 months. The tasks assigned in last 3 months were different in level of difficulties and importance. The task of writing a report that has been assigned to me is mentioned below specifically:

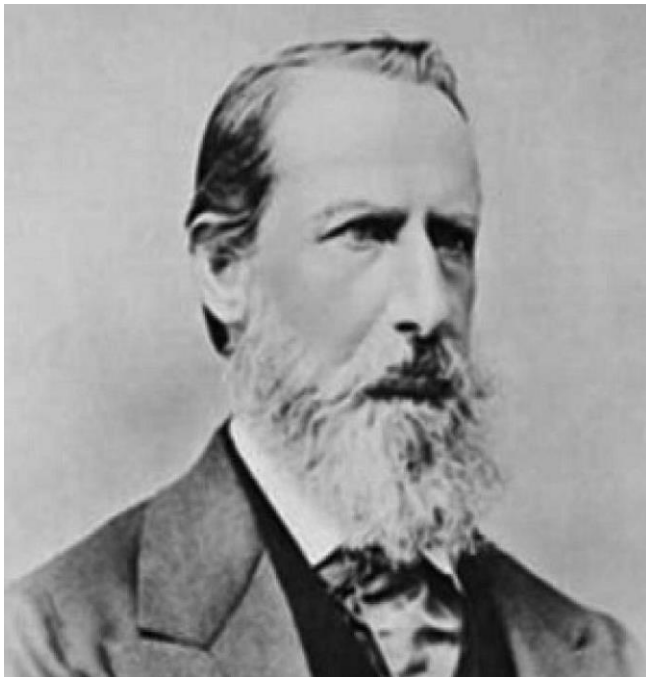
- Topic Selection: 1 week.
- Doing Survey, analyzing and interpreting data: 3 week (as the sample size is 300).
- Report writing: almost 4 weeks.

2.5 LIMITATIONS

A few confronts that I had to face during my internship and accomplishment of my report are time and limited access to updated information. The time provided for my internship and research of my report was pretty tightly scheduled and hence further analysis of facts and data became a tough challenge during the preparation of this report. Moreover, I being an intern had limited access to updated material of **Nestlé Bangladesh limited** regarding my subject matter of study. It was a slight drawback for me, which I overcome with the assistance of my colleagues and supervisor.

2.6 ORGANIZATION PART

2.6.1 HISTORY OF NESTLE



Description about the company is quite incomplete without defining the history of Nestlé. Nestlé and its employees are very much honored to speak about its notorious history.

Henri Nestlé, the originator of Nestlé, began as a pharmacist's assistant in Vevey between 1839 and 1843. He understood the importance of branding from the very beginning. The distinctive logo of Nestlé, which features small birds being fed in a nest, Henri Nestlé, the originator of Nestlé, began as a pharmacist's assistant in Vevey between 1839 and 1843. He understood the importance of branding from the very beginning. The distinctive logo of Nestlé, which features small birds being fed in a nest, was based on his family's crest. Moreover, his training in chemistry and his scientific background changed his outlook towards business. He was an innovator and he had gone through many experimentations before his first product were invented. (Company-founder-Henri- Nestlé n.d.)

It was the year 1866, when the Anglo-Swiss Condensed Milk Company was established by US brothers Charles and George Page. On the other hand, it was the originator of Nestlé, Henri Nestlé who developed an innovation infant food 'Farine Lactee' (flour with milk) in Vevey, Switzerland. This infant formula was made with cow's milk, wheat flour and sugar for those infants who were unable to be breastfed. This controlled infant mortality rates highly. He decided to export this fruitful new product to various countries and distributed to Europe, Australia and South America and in 1870s, it was sold in Egypt, Russia, Mexico and Indonesia.

Then he traded his company and factory to three local businessmen, who eased to expand production and sales manifold. In 1882, the death of George Page disturbed their business plans and afterwards they ended up by merging with Nestlé. The company then was called the Nestlé and Anglo-Swiss Company. In 1907, the company started manufacturing in Australia in full-fledged whereas in Brazil it was in operation since 1921 and in South Africa since 1927. In 2007, in Pakistan, Kabirwala Nestlé established the world's largest processing plant and its total investment was CHF 90 million. (Nestlé- company-history, n.d.)

The company had its first loss in 1921 due to an economic slowdown during and after the First World War. Then the company Nestlé and Anglo Swiss Condensed Milk Company merged with Peter, Kohler Chocolats Suisses S.A. in 1929. In 1934, Milo was launched and in 1938, Nescafé

was launched. In 1947, it merged with MAGGI and changed the name to Nestlé Alimentana S.A. In 1948, it launched Nestea and Nesquik.

In 1969, it started with Vittel and in 1971 it merged with Ursina-Franck. In 1973 it started Stouffer and in 1974, it initiated L'Oreal (associate). In 1975 and 1977 the price of coffee bean increased three times along with the price of cocoa. As a result, Nestle went for a second venture outside the food industry gaining the pharmaceutical and ophthalmic product producer Alcon Laboratories Inc. of U.S.A. That led to an increase of competition and lessened the profit margin.

In 1977, the company changed its name to Nestlé S.A. The company faced problems for the second time during World War II, which led to decline of profit from \$20 million to \$6million in 1939. This sudden loss came up with the idea of establishing factories in developing countries. In 1980s, Nestlé bought American food giant Carnation and became one of the leading companies of food industry. This was one of the strategic moves of this company, which boosted the company's profit to a great extent. (history_detailed, n.d.)

In 1990s, Nestle acquired San Pellegrino, and Spillers Pet foods of the UK. Again there was an acquisition of Ralston Purina in 2002 where Nestle owned pet care businesses that joined to form the industry leader Nestle Purina Pet Care. In between the years 2003 to 2009, the acquisition of Movenpick Ice Cream, Jenny Craig and Uncle Toby's heightened the position of this company. In 2007, Novartis Medical Nutrition, Gerber and Henniez joined the company. Frozen Pizza of Kraft Foods was integrated in 2008 into the Nestle group.

The whole journey of Nestle has gone through many ups and downs. It had believed in the branding that links with the general people and their needs in daily life. Gradually it developed and it covers every food and beverage category globally.

Previously said, Nestlé Bangladesh started its operation in 1994. Its factory is situated in Sreepur, Gazipur. Nestlé Bangladesh employs around 650 people directly. Moreover, around 1000 people are employed by suppliers and distributors in indirect connection with Nestlé. The products by Nestlé Bangladesh are NIDO, MAGGI noodles and soup, MAGGI Shad-e-Magic, Nescafé, Cornflakes and Koko Crunch, Coffee-Mate. Basically, some popular brands started entering this part of sub-continent during the pre-independence days of Bangladesh. One of the

top industrialists of the country, Mr. Latifur Rahman has been the chairman of the company. His firm Transcom used to import products of Nestlé.

2.6.2 PRODUCT OF NESTLE GLOBAL

Nestlé has 8,000 brands, with a wide range of products across a number of markets, including coffee, bottled water, milkshakes and other beverages, breakfast cereals, infant foods, performance and healthcare nutrition, seasonings, soups and sauces, frozen and refrigerated foods, and pet food.

Brands	Products
Appliances	BabyNes, Dolce-Gusto, Nescafé Alegria, Nescafé Barista, Nespresso
Baby Nutrition	Cerelac, Gerber Graduates, Mucilon, Natures, Nestum, Nidal (Brand), Nido P'tit
Baking	Libby's Pumpkin Toll House
Bottled water	Arrowhead, Buxton Comtrex, Deer Park, Hépar Ice, Mountain Ozarka Panna, Perrier Poland, Spring, Pure Life, Quézac, San Pellegrino, Vittel Zephyrhills
Cereals	Cheerios, Chocapic Chokella, Cini Minis, Clusters Cocoa, Crisp Cookie, Crisp Corn Flakes, Country Corn Flakes, Curiously Cinnamon Fitness,

Fitness Fibra Gold Flakes, Golden
Grahams, Golden Nuggets, Honey
Gold Honey

Chocolate and desserts

Blue Riband, Breakaway Butterfinger,
Cailler Caramac, Carlos V Chico,
babies Choclait Chips, Choco Crossies,
Chocolate Log Chokito, Chunky Club,
Coffee Crisp, Crisp Crunch, Die
Weisse, Drifter Golden Rough
Goobers

Coffee and beverages

Abuelita, BabyNes, Carnation Caro,
Chuckie (beverage), Coffee- Mate,
Dolce Gusto, Juicy Juice, Klim La
Lechera, Lion Menier, Milo, Nescafé,
Nescau, Nesfruta, Nespresso, Nesquik
(mix), Nesquik, Ready-To-Drink
Nestea, Nestlé Chocolate, Nestlé
Dessert, Ovaltine, Ricoré Sjora,
Sublime Sweet Leaf, Nescafé Gold,
Nescafé 3 in 1, Nescafé Cappuccino,
Nescafé Classic

Health and nutrition

Nutramen, Junior Nutrament, Pamlabn
Peptamen, Boost Resource.

Ice cream

Camay, D'Onofrio, Dibs (ice cream),
Dreyer's/Edy's, Drumstick Eskimo Pie,
Extreme Fab Frosty Paws, Haagen-
Dazs, Hjem-IS Ice creamers, Kit Kat

	La Cremeria, La Laities Lanvin (chocolate), Maxibon Mövenpick
Prepared and Packaged Food and Snacks	Buitoni, California Pizza, Kitchen DiGiorno, Garden Gourmet, Herta Hot Pockets Jack's, Lean Cuisine, Libby's Lean Pockets, Maggi, Maggi noodles, Mousline, Nestlé Starz Roll Ups, Stouffer's Thomy, Tombstone.
Dairy Products	Actiplus, After Eight Carnation Cerevita, Coffee-Mate, Dancow, Everyday Kit Kat, La Lechera La Laitère Milkmaid ,Nesquik, Nesquik Minis ,Rolo SKI
Milo	Milo granules, Milo Chocolate Bar, Milo Cereal
Pet care	Alpo Bakers, Complete Beggin' Strips, Beneful Bonio, Cat Chow, Chef Michael's Dog Chow Fancy, Feast Felix Friskies

The products available from **Nestlé Bangladesh Limited** are: At present popular Nestlé brands in the domestic market include Nescafé, NIDO, Cerelac, Much Rollz, Lactogen, Maggi and so forth.

2.6.3 MISSION

While Nestlé's mission is to be the world's leading nutrition, health and Wellness Company,

Nestlé Bangladesh Limited has set its target aligned with Nestlé's mission of "**Good Food, Good Life**" by providing consumers with the best tasting, most nutritious choices in a wide range of food and beverage categories and eating occasions, from morning to night.

2.6.4 VISION

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

2.6.5 OBJECTIVES

The objectives of Nestlé Bangladesh Limited are:

- a) To satisfy consumer requirements and expectations.
- b) To produce safe packaged food.
- c) To use the most suitable packaging materials that:
 - Gives the least weight and volume of packages.
 - Uses the latest packaging materials and technologies so as to reduce the impact on the environment.
 - Avoids the use of substances during the packaging of products and disposal of wastes, which may be harmful for the environment.
 - Results in the least amount of waste during packaging.
 - Uses recycled materials whenever possible.

2.6.6 STRATEGIES

The strategies of Nestlé Bangladesh are:

- Good products
- Strong relationships with consumers

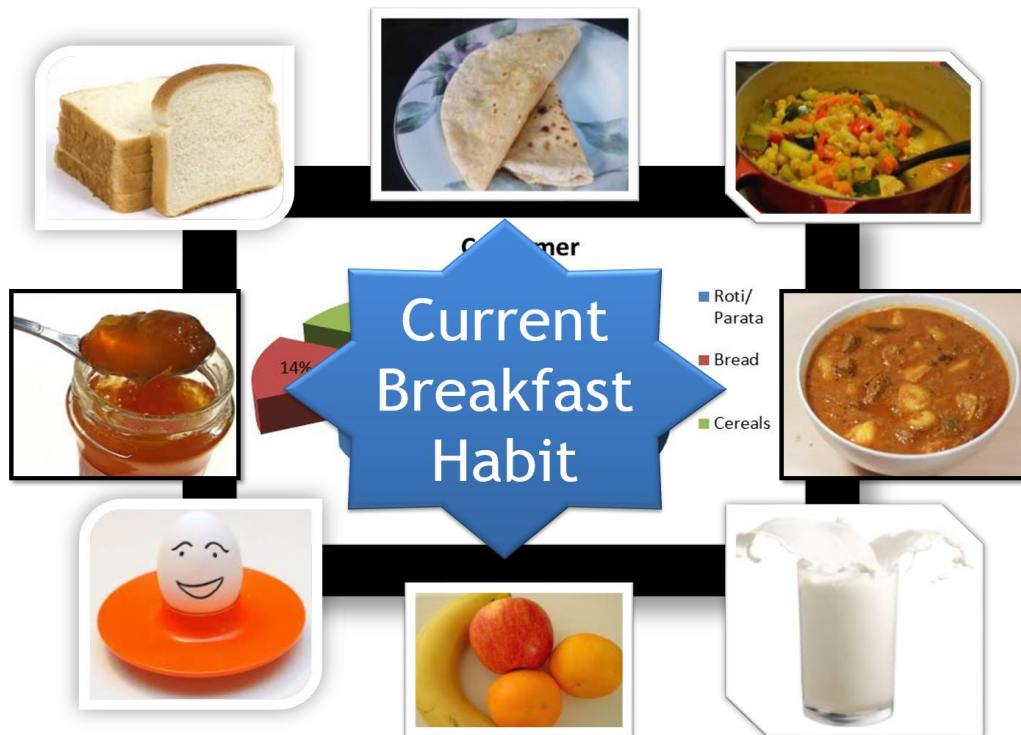
- Research and development
- Innovation and renovation
- Availability of Product
-

2.6.7 BUSINESS AND FUNCTION

Currently, there are 80 distributors of Nestlé Bangladesh Limited 76 of them are retail distributors and remaining 4 are Nestlé Professional's distributors who provides products for the out of home consumptions. The whole country is divided into seven regions. They are:

- a) Dhaka North b) Dhaka South c) Chittagong d) Bogra
 e) Khulna f) Sylhet g) Barishal

2.6.8 CURRENT BREAKFAST TREND IN BANGLADESH



In our country People generally consume the traditional food items like Paratha, Rice or bread. Apart from that most people go for the time saving way like consuming the following food category :

1. Portable Food
2. Ready to eat/heat & eat food
3. One dish Meal
4. Custom quick food
5. Innovation
6. Snack and mini meals



People in our country are being habituated in this food categories as the busy schedule of life but they are forgetting about the nutritious values of their breakfast Consumers don't have enough time to prepare healthy breakfast then again need nutrition at the same time and to balance this tow in 2003 Nestlé Bangladesh has launched breakfast cereal in our country.

2.6.9 JOURNEY OF NESTLÉ BREAKFAST CEREAL IN BANGLADESH

Nestlé Bangladesh launched breakfast cereal in Bangladesh on 2013 with Nestlé Cornflakes and Nestlé Milo serial under dairy category. Initially it was very difficult generate the demand as Bangladeshi are very much used to with the traditional breakfast items, apart from that the price was still a problem. But fight against all the difficulties Nestlé breakfast cereal started doing good. In 2008 Nestlé launched another cereal item named Nestlé KoKo Krunch, a chocolate-coated cereal item especially for the kids. In 2011 Nestlé Bangladesh separated the breakfast cereal items from dairy category and started a new category name BREAKFAST CEREAL or Breakfast cereals.

2.6.10 SALES ANALYSIS OF NESTLÉ BREAKFAST CEREAL IN BANGLADESH

The volume of breakfast cereal increased almost ten times from the launching year till 2017. The reason behind the increment in sales is generating demand among people through different promotional activity, promoting in trades and informing mass people about the nutritious values of Nestlé breakfast cereals.

2.6.11 NESTLÉ BANGLADESH BREAKFAST CEREAL PORTFOLIO

Nestlé Portfolio



Nestlé Bangladesh has SIX different brands in its Breakfast Cereal category, those are:

1. Nestlé Milo cereal
2. Nestlé KoKo Krunch
3. Nestlé Corn Flakes
4. Nestlé HONEY STARS

There are different SKU of these brands, like; Nestlé cornflakes have 150g, 275g pack. Nestlé KoKo Krunch has 80g, 150g and 330g packs. Nestlé KoKo Krunch DUO has 330g packs. And Nestlé HONEY STARS has 300g packs.

The most commonly accepted quantitative recommendation for adults is to eat 48 grams of whole grain per day (US Dietary Guidelines, 2010*).

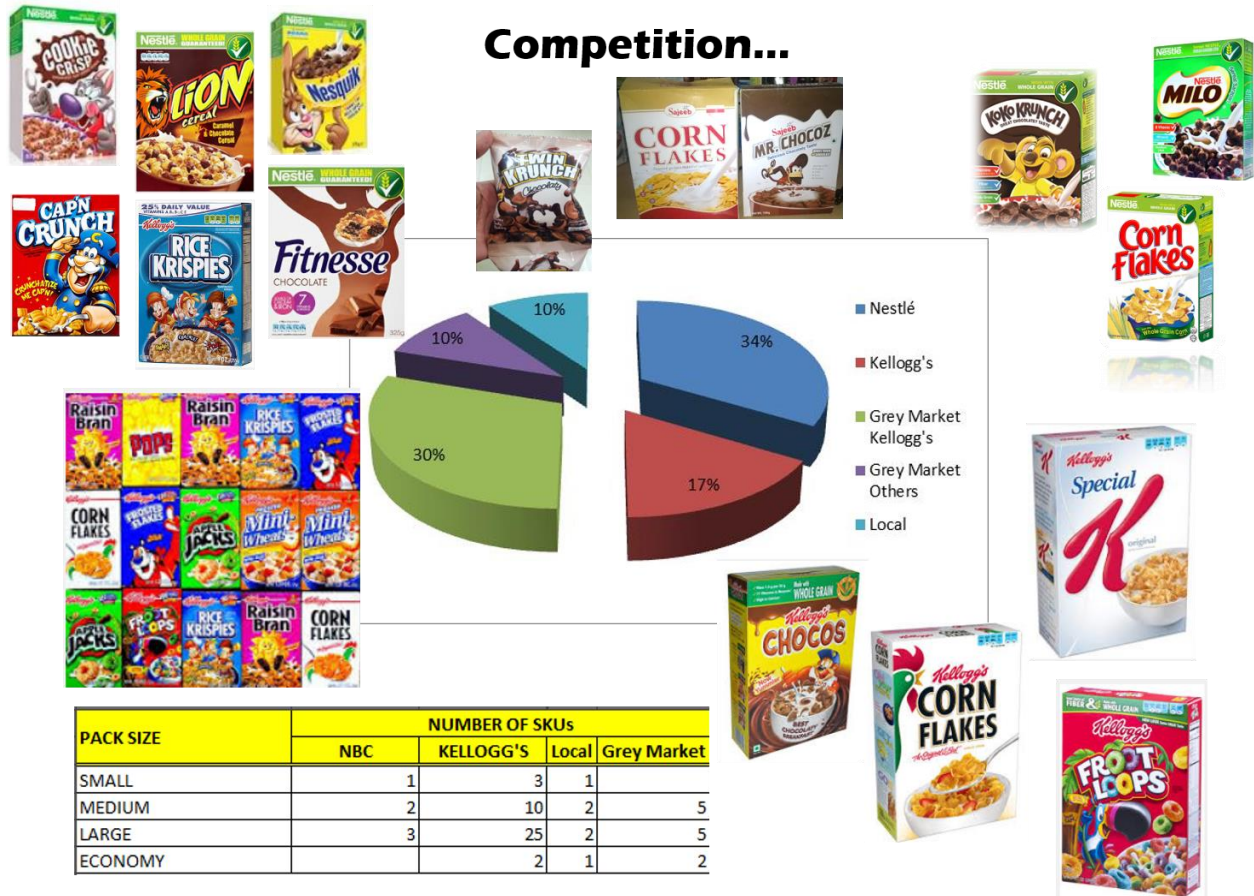
By choosing 3 options from the list below, one can satisfy the 48 grams of Whole grain recommendation:

- 1 medium slice of whole grain bread
- 1 small whole grain roll
- 1-2 bowls of breakfast cereals made with whole grain
- 3 heaped tablespoons of whole wheat pasta
- 2 heaped tablespoons of boiled brown rice
- 2-3 cups plain popcorn
- 3-4 small whole grain rice cakes or rye crisp breads

All Nestlé Breakfast Cereals are made with whole grain, not all cereals are. This is the Nestlé Whole Grain Guarantee. Every serving of Nestlé breakfast cereals is made with 8 grams or more of whole grain.

2.6.12 COMPETITION FOR NESTLÉ BREAKFAST CEREAL IN BANGLADESH

Baggiest competitor Nestlé breakfast cereal in Bangladesh is the gray market products. In Bangladesh there is not fixed law to stop the gray market so this gray products are highly available in our market and because of the foreign product buying tendency among our consumers, these products moves very fast. Let's have a look on the competitiveness of BREAKFAST CEREAL in Bangladeshi market



According to the figure it's very clear that breakfast cereal market is very in competitive in Bangladesh but still Nestlé is leading the market with 34% market share and the gray market is in the second position with 30%. In the third position there is Kellogg's with 17% market share. There are some local cereals with 10% market share, though they are not yet a threat for Nestlé but because of the local manufacturer government are imposing barrier to the imported products, which is a problem for Nestlé.

2.6.13 SWOT ANALYSIS OF NESTLÉ BREAKFAST CEREAL

SWOT analysis for Nestlé BREAKFAST CEREAL in Bangladesh are as follows:

S



- BFC being backed by Nestle banner.
- Product Benefit, Taste and Quality.
- Nestlé Distribution and Trade relationship.
- Dazzling Character of the brand: Mr. KOKO

O



- Growing Category.
- Competition not active or limited either on ATL, resources spent for trade activity
- Continue to drive Consumer engaging activities.

W



- Trade margin is low with a higher MRP.
- Import Duty is very high 108%
- Metro based Business.
- Being a developing market, new variants cannot be justified easily.

T



- Shifting to Chembong with a increased TP.
- Spill over effect of Kellogg's.
- Credit facility by Competition.
- Local firms are producing with a low price.

2.7 METHODOLOGY

My study on this report is based on both primary and secondary resources. I have mainly used the secondary information to write the organization part and product information of my report, the rest, all through my experience and survey. I have gathered the secondary information regarding the organization from the internal website and also used official website of Nestlé Bangladesh Ltd. Consequently certain journals, sites on the Internet also helped me better understand the overall process. The primary data involves my practical work experience.

I have gathered information from a relatively large number of participants. (Sample size- 300)
Therefore two distinct methods are approached in collecting data. The methods, which are utilized to collect data, are exhibited below:

PRIMARY DATA

My line manager initially described the basic information required for this report. I took his interview to collect sophisticated information of the organization. I also consulted with Sales director of Breakfast cereal department to collect the information relevant to my topic. Major data was collected through the customers. Basically to gather raw data, interview with shoppers were conducted.

SECONDARY DATA

1. Internal organizational documents
2. Intranet of Nestlé, known as ‘The Nest’
3. Nestlé Global directory
4. Nestlé Journals
5. Websites

2.8 SURVEY & FINDINGS

Survey	
Dhaka Metro	165
Chittagong Metro	102
Sylhet Metro	33
Total	300

To talk about the prospects of breakfast cereals in our country it's important to know the usage pattern of breakfast cereal. To understand that I conducted a survey in Dhaka metro, Chittagong metro and Sylhet metro, where the sample size is 30.

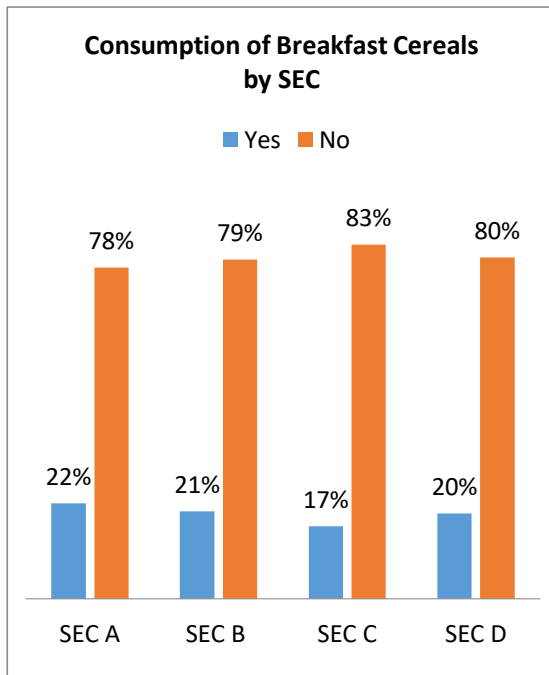
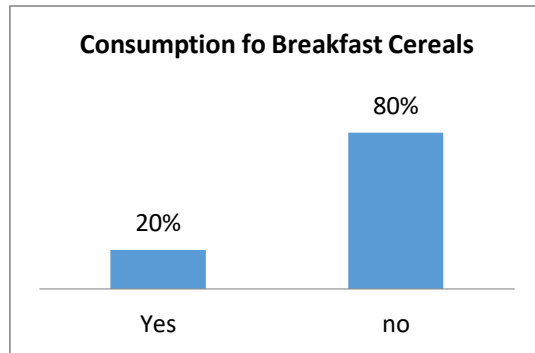
7.1.1 Consumption of Breakfast Cereal in Households

Yes	60
no	240

When asked 300 people whether they consume breakfast cereal or not 60 people replied yes they do.

Consumption of Breakfast Cereal - by SEC

	SEC A	SEC B	SEC C	SEC D
Yes	15	32	8	5
No	52	124	39	20



To understand the social class of breakfast cereal consumer I divided the sample size into four social economic class based on their education and income. For example people who are graduate and monthly earning in fifty thousand or above is SEC A.

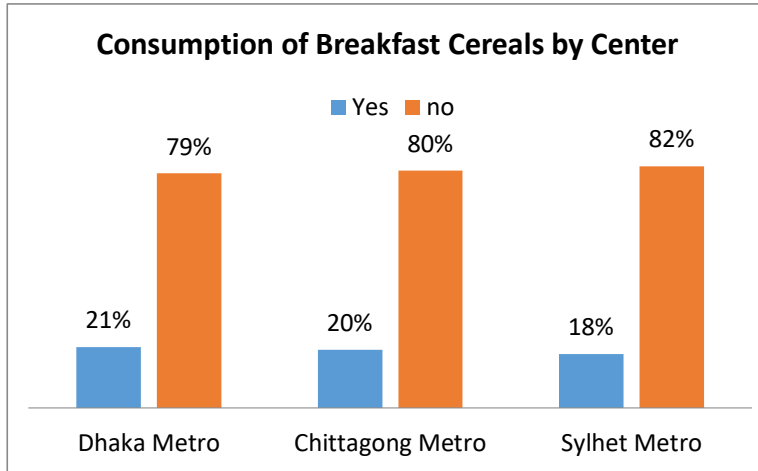
SEC	Education	Income
A	Graduate	50,000 or above
B	HSC	35,000 or above
C	SSC	20,000 or above
D	Below SSC	10,000 or above

The findings 22% from SEC A, 21% from SEC B, 17% from SEC C and 20% from SEC D consume breakfast cereal.

Consumption of BREAKFAST CEREAL – By center

	Dhaka	Chittagong	Sylhet Metro
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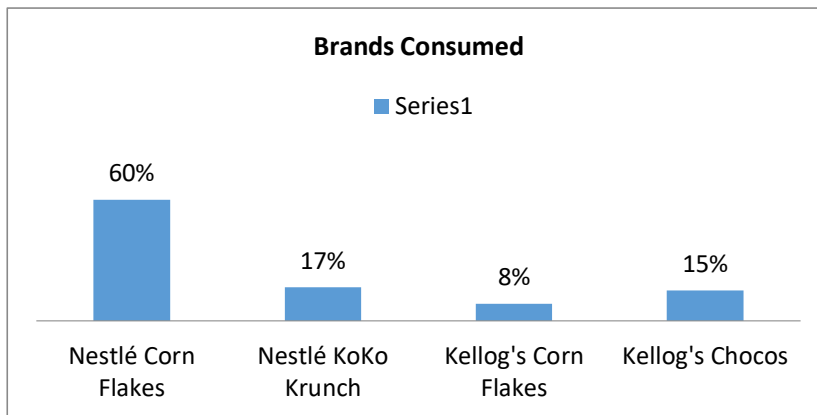
	Metro	Metro	
Yes	34	20	6
no	131	82	27



If we see centrally 34 from 165 in Dhaka Metro, 20 from 102 in CTG metro and 6 from 27 in Sylhet metro consume BREAKFAST CEREAL.

Brands consumed

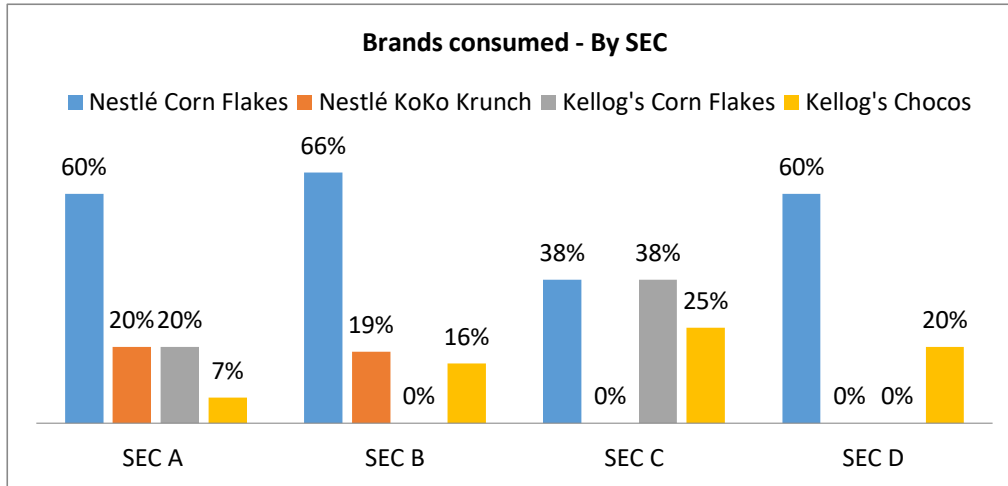
Nestlé Corn Flakes	36
Nestlé KoKo Krunch	10
Kellogg's Corn Flakes	5
Kellogg's Chocos	9



Among all the consumer of breakfast cereal most of them have Nestlé Cornflakes and it is 60%. In the second position there is Nestlé KoKo Krunch with 17% and in the third there is Kellogg's chocos.

Brands Consumed by SEC

	SEC A	SEC B	SEC C	SEC D
Nestlé Corn Flakes	9	21	3	3
Nestlé KoKo Krunch	3	6	0	0
Kellogg's Corn Flakes	3	0	3	0
Kellogg's Chocos	1	5	2	1

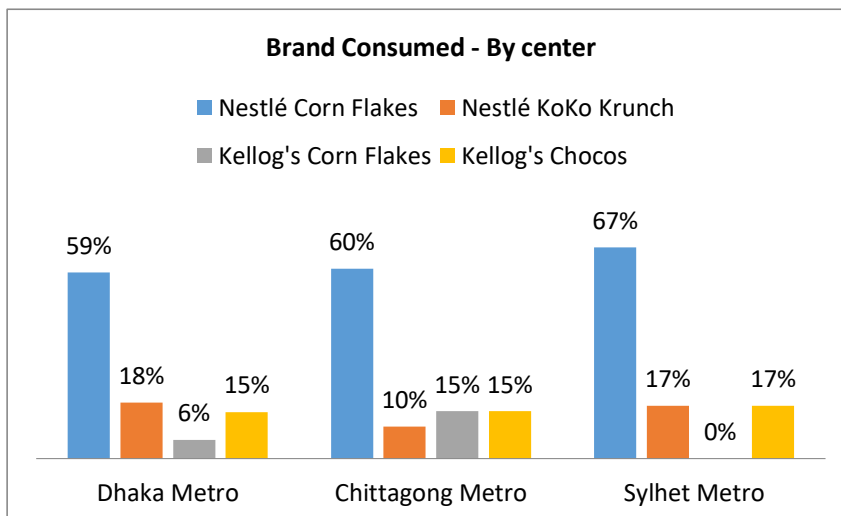


Nestlé corn flakes is mostly used in each and every category. If we see the graph in the second position there is Nestlé KoKo Krunch in SEC A & B but for the SEC C&D Kellogg's is there

second choice.

Brand Consumed by Center

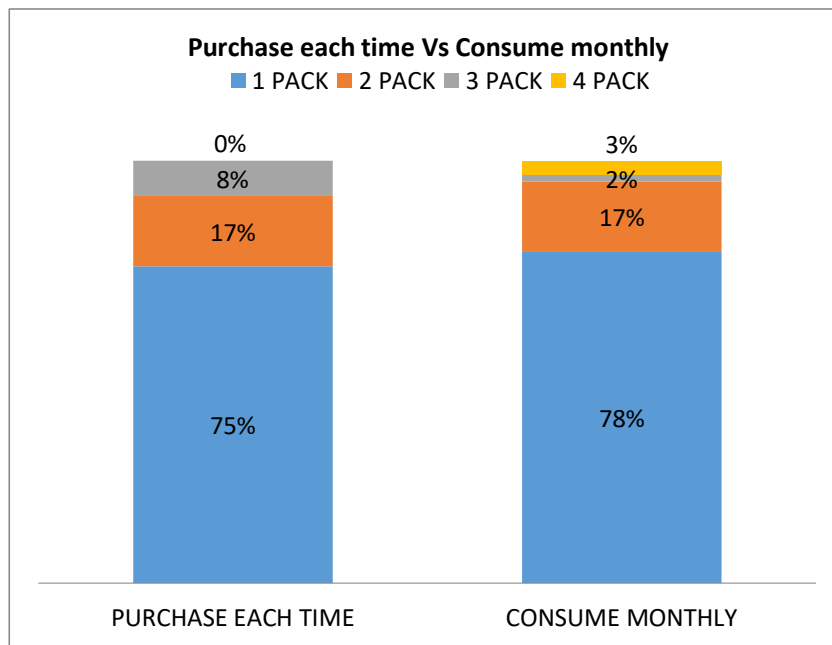
	Dhaka Metro	Chittagong Metro	Sylhet Metro
Nestlé Corn Flakes	20	12	4
Nestlé KoKo Krunch	6	2	1
Kellogg's Corn Flakes	2	3	0
Kellogg's Chocos	5	3	1



Among all the consumers of Dhaka metro about 77% consume Nestlé BREAKFAST CEREAL, 70% in CTG and 84% in Sylhet.

Consumption Behavior

	PURCHASE EACH TIME	CONSUME MONTHLY
1 PACK	45	47
2 PACK	10	10
3 PACK	5	1
4 PACK	0	2

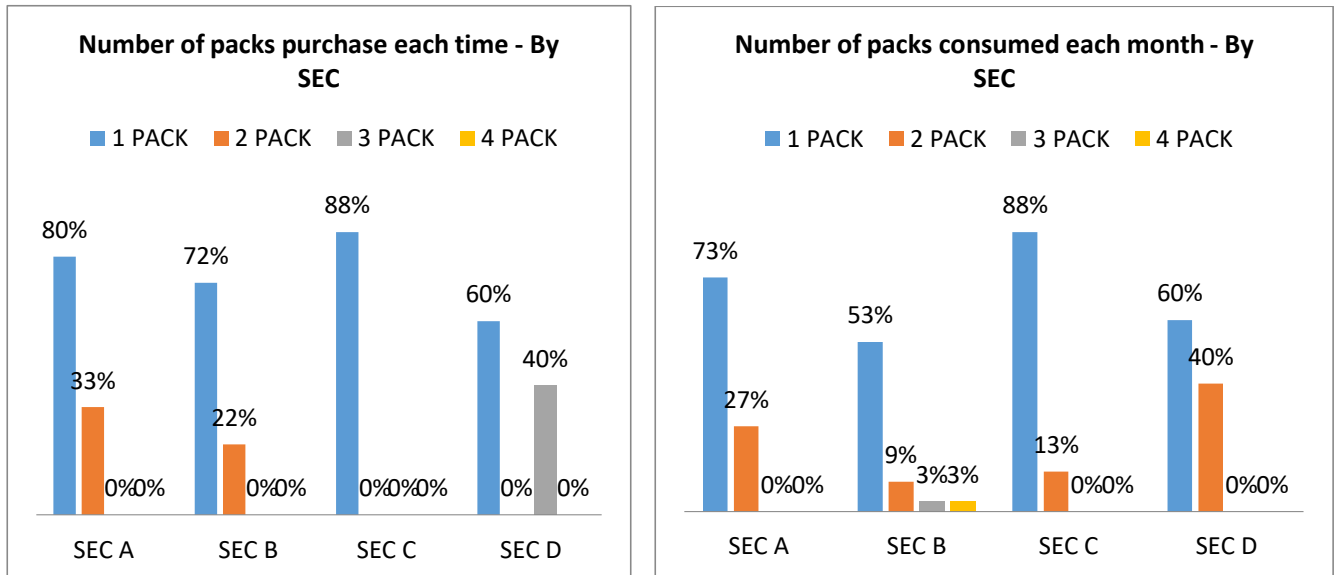


Most of the Breakfast cereal consumers purchase 1 pack each time and most of them consume 1 pack in a month. But there are few consumers who purchase 3pack in a single purchase and consume 3 packs monthly.

No of packs purchased each time Vs no of packs consumed each time – By SEC

Purchase	SEC A	SEC B	SEC C	SEC D	Consume	SEC A	SEC B	SEC C	SEC D
1 PACK	12	23	7	3	1 PACK	11	17	7	3
2 PACK	5	7	0	0	2 PACK	4	3	1	2
3 PACK	0	0	0	2	3 PACK	0	1	0	0
4 PACK	0	0	0	0	4 PACK	0	1	0	0

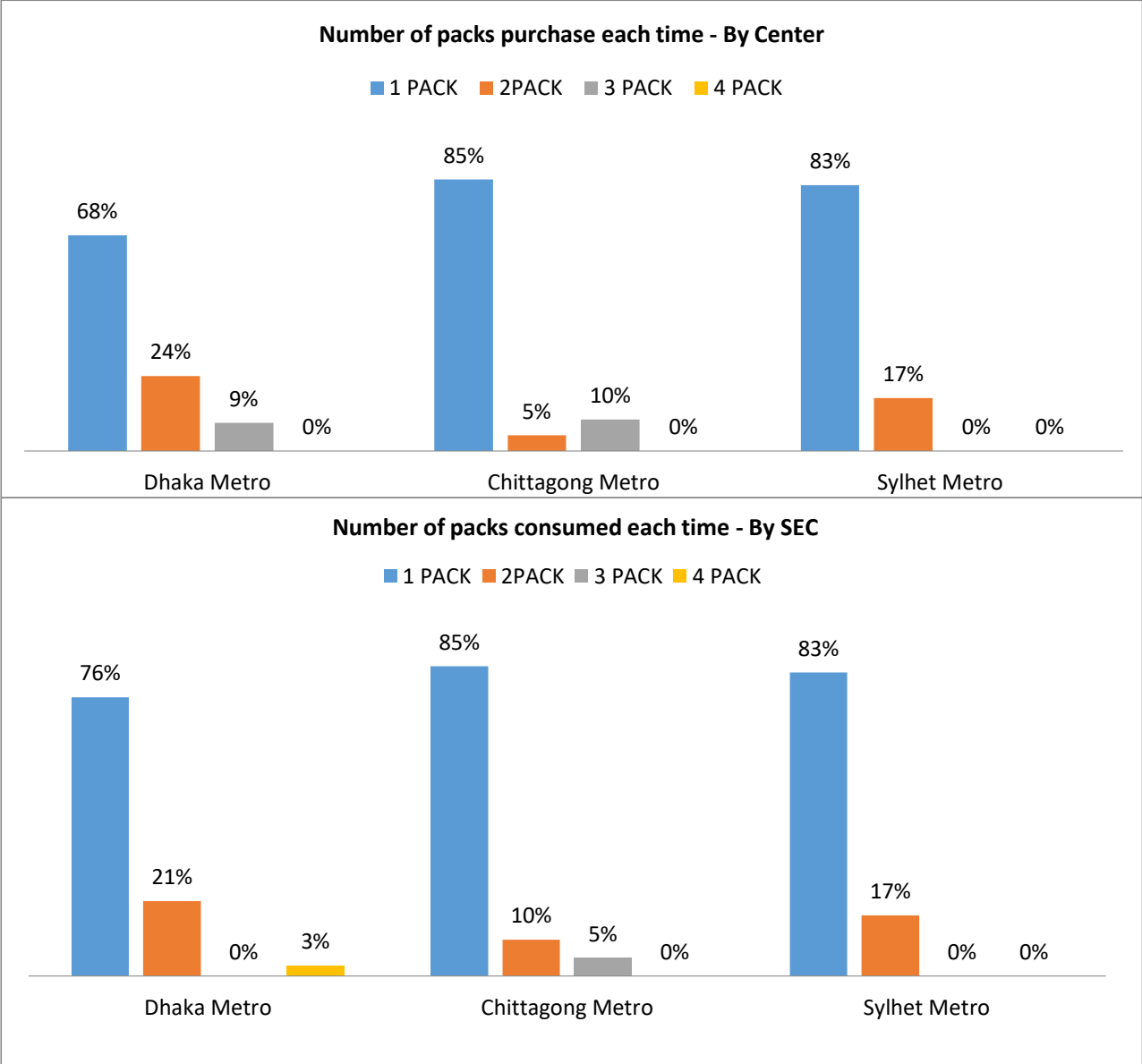
If we analysis the table or observe the following graphs it will very clear that all the consumers form each social economic class are habituated to purchase 1 pack in time and consume 1 pack in a month. Purchasing 1 pack each time is very high among SEC C consumers.



No of packs purchase each time Vs no of packs consume each time – By Center

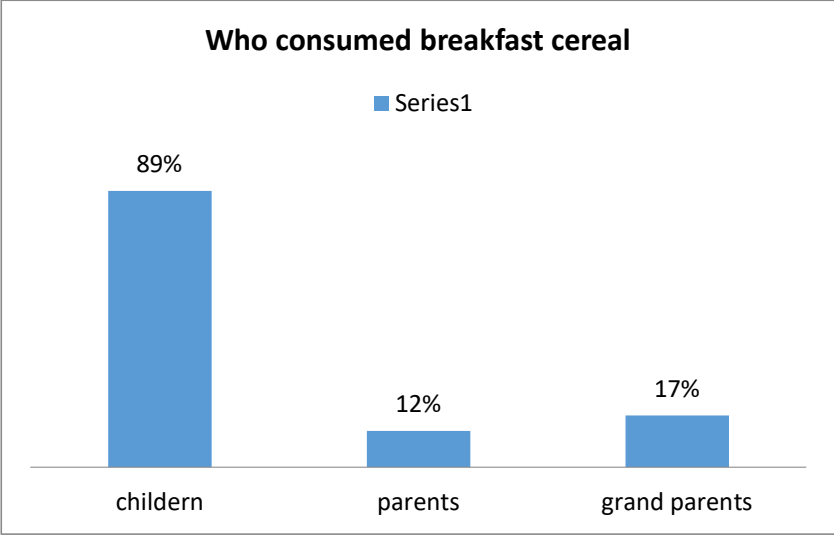
<u>Purchase</u>	Dhaka Metro	Chittagong Metro	Sylhet Metro	<u>Consume</u>	Dhaka Metro	Chittagong Metro	Sylhet Metro
1 PACK	23	17	5	1 PACK	26	17	5
2PACK	8	1	1	2PACK	7	2	1
3 PACK	3	2	0	3 PACK	0	1	0
4 PACK	0	0	0	4 PACK	1	0	0

By observing the following graph it is very clear that people outside Dhaka metro has more tendency to purchase 1 pack each time and consume 1 pack in a month. Beside that in Dhaka most of the consumers buy 1 pack each time but there are few exception. Few consumers buy 2 or even 3 packs each time and consume up to 4.



Who consumes Breakfast Cereal?

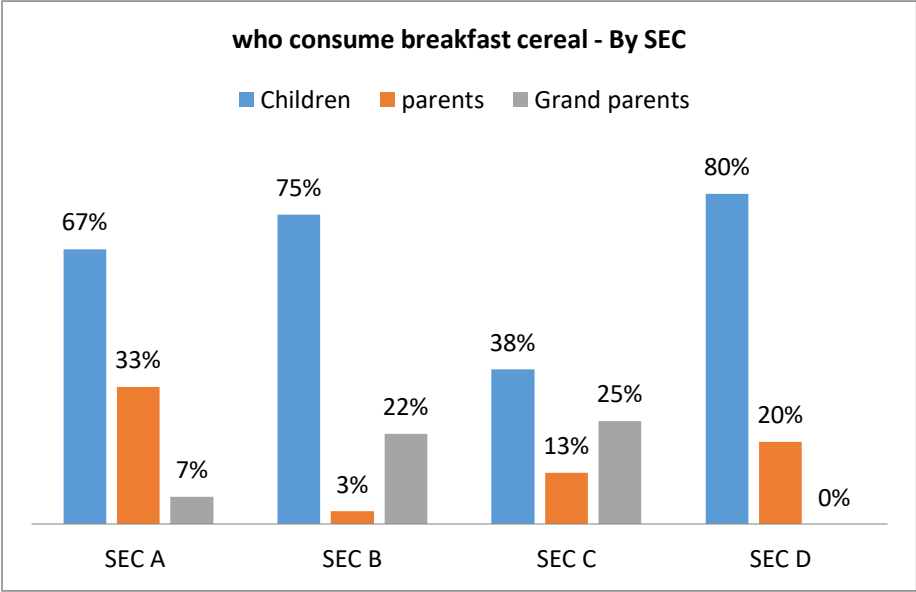
Children	43
parents	7
grand parents	10



In the question of who is the actual consumer of breakfast cereal it is found that most of the consumers are children but in some cases grandparents also consume breakfast cereals and there percentage is higher than the parents.

Who consumes Breakfast Cereal? – By Sec

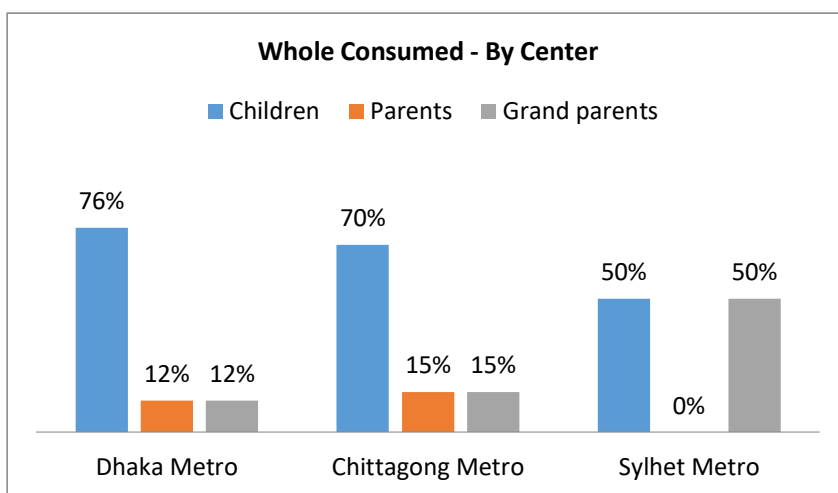
	SEC A	SEC B	SEC C	SEC D
Children	10	24	3	4
parents	5	1	1	1
Grand parents	1	7	2	0



According to the graph main consumer of BREAKFAST CEREAL is the child but in SEC A consumer of BREAKFAST CEREAL is also very high. In SEC B&C grandparents also consume Breakfast cereal because of its nutritious values.

Who consumes Breakfast Cereal? – By Center

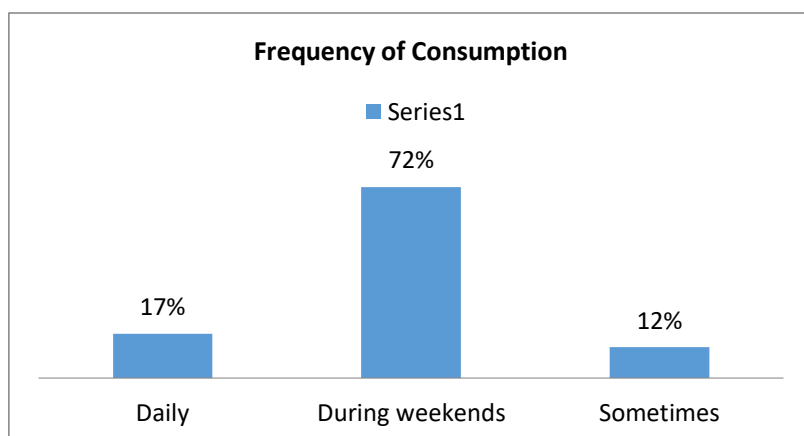
	Dhaka Metro	Chittagong Metro	Sylhet Metro
Children	26	14	3
Prents	4	3	0
Grand parents	4	3	3



If we see the graph in both Dhaka and Chittagong children are the main consumer of BREAKFAST CEREAL but in Sylhet children and grandparents consume BREAKFAST CEREAL equally.

Frequency of Consumption

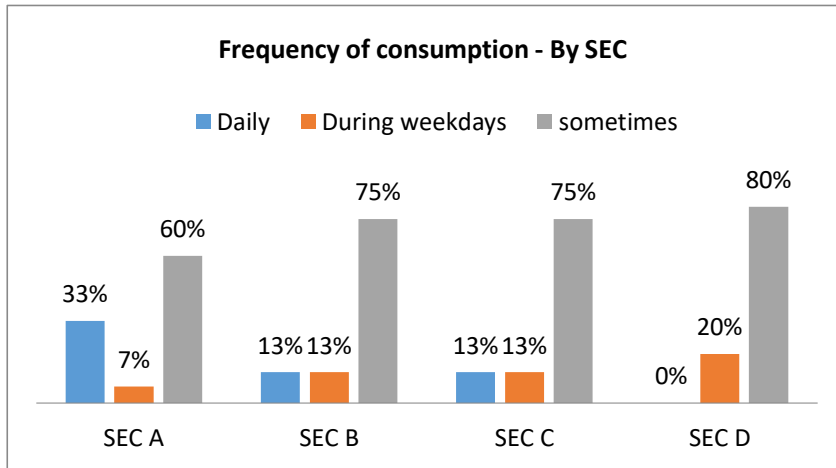
Daily	10
During weekends	43
Sometimes	7



According to the graph most of the Breakfast cereal consumers consume it during weekends. They don't prefer to have it daily.

Frequency of Consumption – By SEC

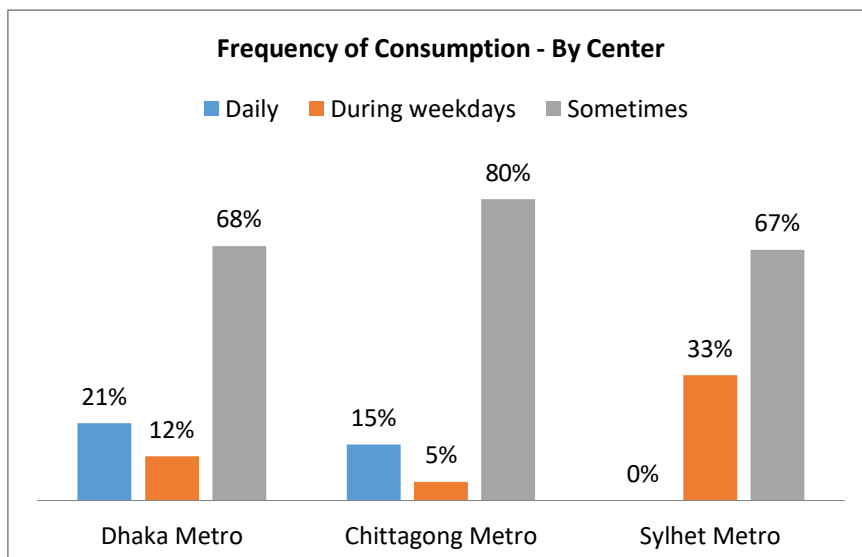
Consumption	SEC A	SEC B	SEC C	SEC D
Daily	5	4	1	0
During weekdays	1	4	1	1
sometimes	9	24	6	4



According to the graph only SEC consumers consume daily with a higher percentage. Other than that most of the consumers in all SEC consume it sometime.

Frequency of Consumption – By Center

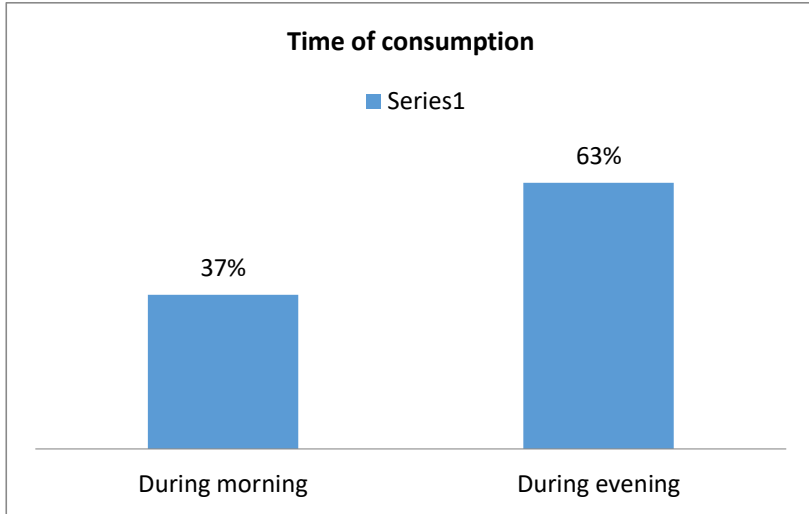
	Dhaka Metro	Chittagong Metro	Sylhet Metro
Daily	7	3	0
During weekdays	4	1	2
Sometimes	23	16	4



In Dhaka and Chittagong there are few consumers who consume Breakfast Cereal daily but in Sylhet this percentage is zero.

Time of consumption

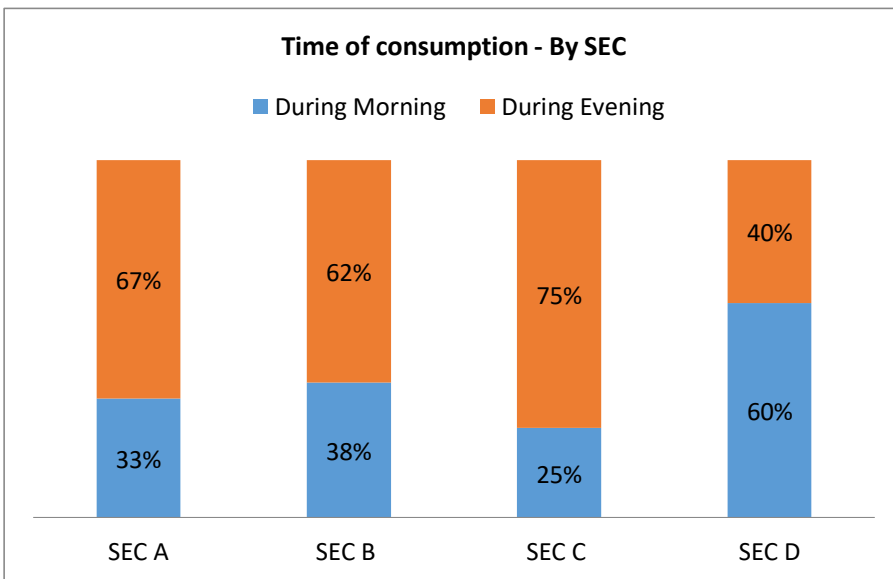
During morning	22
During evening	38



Surprisingly most of the consumers of breakfast cereal consume it during evening as an evening snack and the number is 63%.

Time of consumption – by SEC

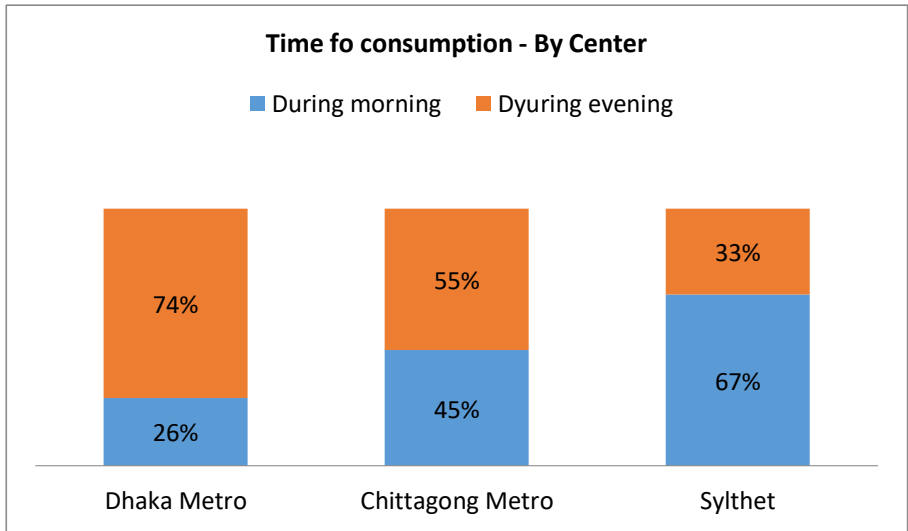
	SEC A	SEC B	SEC C	SEC D
During Morning	5	12	2	3
During Evening	10	20	5	3



Except SEC D most of the consumers consume BREAKFAST CEREAL during evening.

Time of consumption – by Center

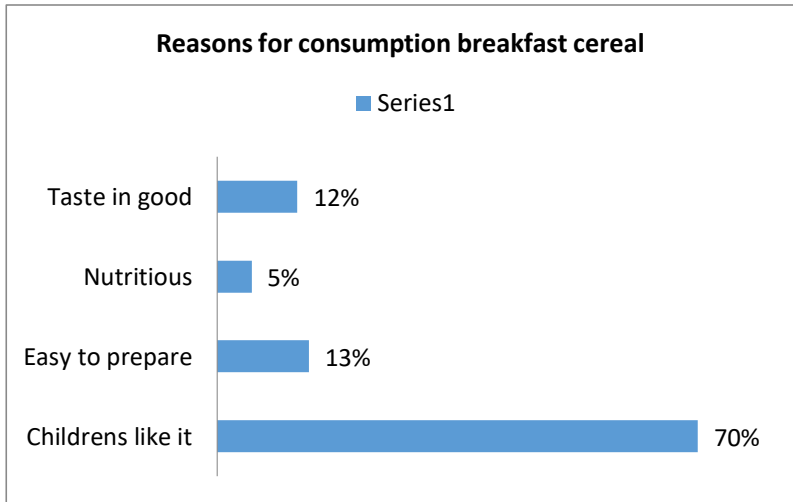
	Dhaka Metro	Chittagong Metro	Sylhet
During morning	9	9	4
Dyuring evening	25	11	2



Only in Sylhet metro majority consumer consume breakfast cereal during morning. Apart from that most of the consumer consume it during evening.

Reason of consumption

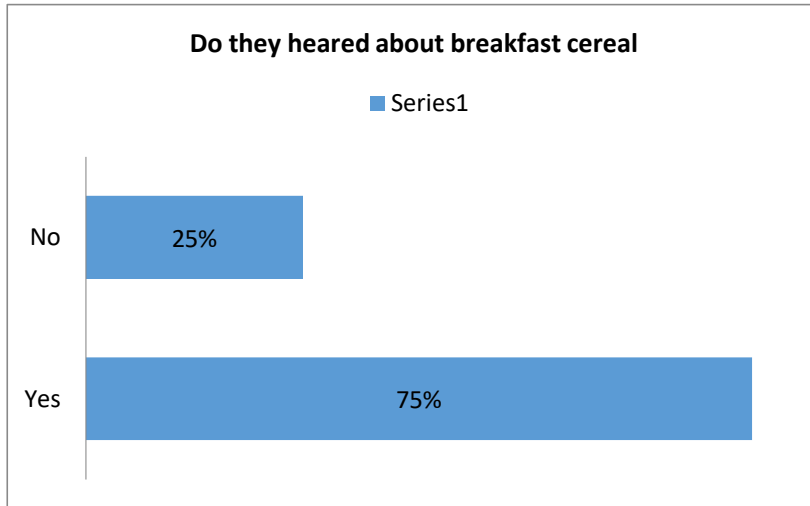
Childrens like it	42
Easy to prepare	8
Nutritious	3
Taste in good	7



As the main consumers of Breakfast cereal is the children so most of the shopper buy it only because of it.

Do they heard about Breakfast cereal? (Who do not consume BREAKFAST CEREAL?)

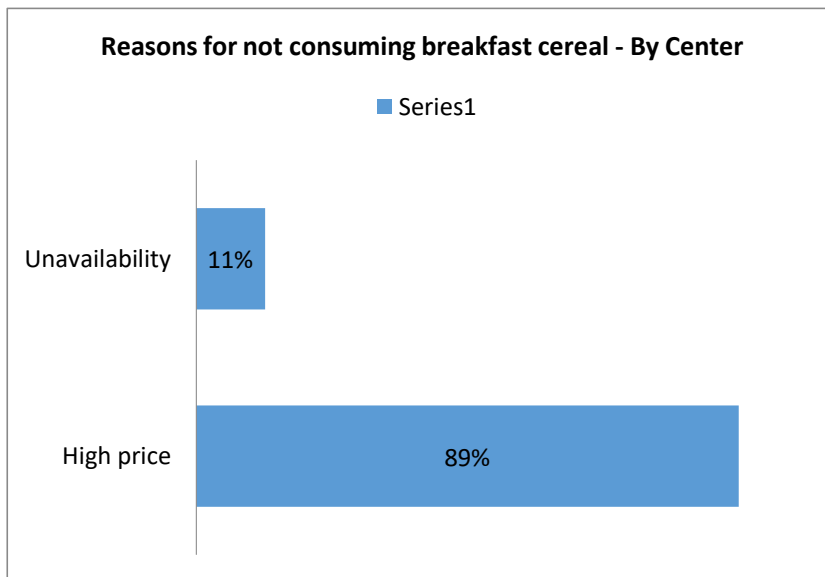
Yes	181
No	59



In the survey who answered no they do not consume breakfast cereal among them 25% have not yet heard about it.

Reasons for not consuming breakfast cereal (Those who said no)

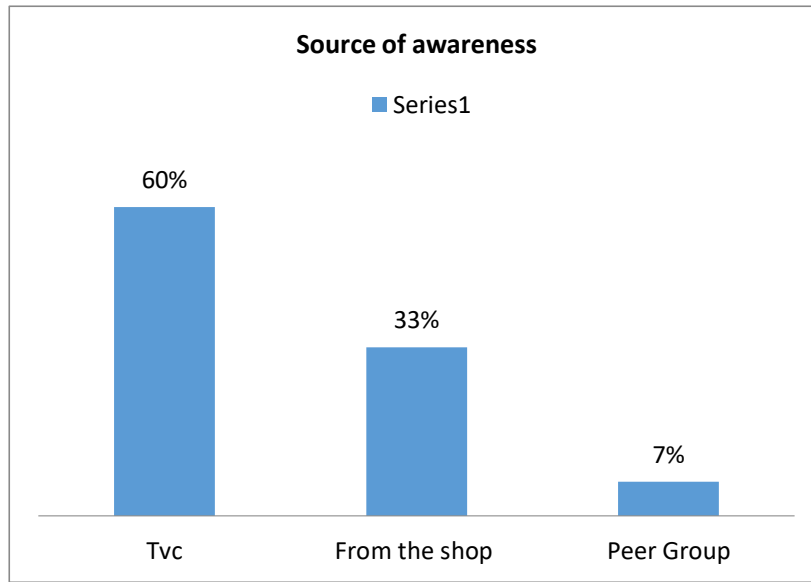
High price	213
Unavailability	27



Price is the biggest barrier in Breakfast Cereal market. Many people do not buy Breakfast Cereal product because of the high price.

What is the source of awareness?

Tvc	145
From the shop	20
Peer Group	16



The main source of Awareness is Television Commercial which is 60%. Visibility in retails also holds a good percentage.

Overall findings:

- Consumers prefer Nestle breakfast cereal rather than other competitor product. But the amount of purchase is not too high.
- 80% People consume Breakfast Cereal which is very low.
- According to Socio economic class consumption rate is negative.
- Consumption in Dhaka metro is a bit better than other metro.

All the diagram shows that as it is new in market people are not used to it. It will take some time to be familiar among consumers.

2.9 CHALLENGES TO NESTLE BREAKFAST CDREAL IN BANGLADESH

There are few challenges to Nestlé breakfast cereal in Bangladeshi market, those are as follows:

1. **Import Based Business Model:** Nestlé Bangladesh do not produce any of their breakfast cereal items in the local factory. So it is a great challenge to manage the business only based on import

2. **Import Duty:** As Nestlé Bangladesh is importing their Breakfast cereal from foreign country so it is very obvious they have enter the product inside Bangladesh through some barrier called import duty. And for breakfast cereal items the duty is very high. And because of this high import duty price of the each SKU is also more than local products which is another challenge for Nestlé.
3. **Grey Market:** In Bangladesh there are no fixed regulation to stop the grey market product. So this is a great challenge for Nestlé.
4. **Local Competition:** Because of increasing demand of breakfast cereal some local companies has also been started producing breakfast cereal and selling in a very cheaper price. So this can also be a big challenge for Nestlé.

2.10 CONCLUSION

This was my first exposure to job world. **Nestlé Bangladesh limited** definitely was one of the greatest opportunities to be blessed with. I was lucky for the fact that my starting was in such a company, which has policies and processes that, can be used as SOP (Standard Operating Procedure) for others organizations. NBL is an MNC having a very healthy working environment. I have gained many learning from this short span of time in this organization. I have learned the significance for learning anything with the utmost detailing and to work in an organized and strategic way.

Through the research I got some finding regarding Breakfast Cereal Market. Though there are a lot of difficulties in the Breakfast Cereal Market in Bangladesh but still **Nestlé Bangladesh limited** has a great opportunity in this field. If we see the so far sales trend it's doing very good. Nestlé has to create demand among people and they can do it through informing people about nutritious values of their Breakfast Cereal products and also through promotional activity like – sampling, consumer promotion or via different commercial; like Kellogg's is doing. A new product “**Nestlé HONEY STARS**” is going to launch in this month. So there is great possibility to capture the market through this product.

2.11 REFERENCE

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http://www.nestle.com/brands/allbrands/milo_foodservice

3.1 APPENDIX:

Survey Questionnaire

Instruction:

Please put a tick in the box next to the answer of your choice:

1. **Mention Your City -**
 - Dhaka**
 - Chittagong**
 - Sylhet**

2. **Educational qualification -**
 - Freshman**
 - Graduate**
 - Post graduate**
 - Others : _____**

3. **Income –**
 - Below 15000**
 - 20000+**
 - 30000+**
 - Others: _____**

4. **Do you prefer eating breakfast cereals?**
 - Yes**
 - No**

If yes,

5. **Which brand do you prefer to have?**
 - Nestlé KOKO KRUNCH**
 - Nestlé CORN FLAKES**
 - Kellogg's CORN FLAKES**
 - Kellogg's CHOCOS**

6. **You have mentioned that you eat cereals, so how many pack you purchase each time?**
 - 1**
 - 2**
 - 3 or more**

7. **How many packs do you need in a month?**
 - 1**
 - 2**
 - 3 or more**

8. Basically, who consumes cereals at your house?
- Children
 - Parents
 - Grand parents
 - Other: _____
9. Frequency of consumption –
- Sometimes
 - Daily
 - Week days
10. In which time do you prefer to have cereal?
- Morning
 - Evening
11. What is your main reason behind consumption?
-

If no,

12. What is the main reason behind not purchasing breakfast cereal?
- High Price
 - No kid
13. Do you ever heard about BFC (Breakfast cereals)?
- YES
 - NO
14. How did you get to know about it?
- TVC
 - Peer group
 - From the shop