

Report on

“The Contribution Of Brand Equity in The Working Capital Management Of Maggi from Nestle Bangladesh”

Submitted By

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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration

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BRAC UNIVERSITY
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Declaration

- 1) The internship report is entirely my own work prepared for the purpose of completing my degree
- 2) The report doesn't contain any previously published information except it is cited properly.
- 3) The report doesn't contain any material from previously submitted articles or reports at BRAC university
- 4) I have acknowledged all main source of help.

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Letter Of Transmittal

Dr. Sang Lee
Professor and dean

BRAC University,

66, Mohakhali, Dhaka- 1212

Subject - Submission Of Internship Report

Dear Sir, it is a great opportunity for me to present to you my report written on “The Contribution Of Brand Equity in The Working Capital Management Of Maggi from Nestle Bangladesh” which I was appointed to as per your instructions.

I have tried my best to finish the report as per the given set of instructions by BBS and your advice.

I am confident that the report will meet your demands.

Sincerely Yours

Aminu Islam

20104143

Brac Business School

Brac University

22/01/23

Non-Disclosure Agreement

This agreement is made and entered into by and between Nestle Bangladesh and the undersigned student at BRAC University

Acknowledgment

I would like to thank my university supervisor Dr. Sang H Lee (Professor & Dean) for supporting me with every difficulty I faced while writing the report. Sir, has always been considerate about new ideas and has made himself available for every query.

I would also like to thank Khondakar Ashekur Rahman, Category Business manager - Food at Nestle Bangladesh Limited, and Mr. Hasan Sajib Brand - Manager at Nestle Bangladesh Limited for constantly supervising me and trusting me with responsibilities which have taught me a lot in the course of my internship period. I would also take a moment to thank MR. Toufique Hossain, FCA, Business Controller - Food & Chocolate for helping me with financial data and validating the data for me.

Executive Summery

This report is written with a purpose to look into the business practices of Nestle Bangladesh Limited with a combination of marketing practices along with the financial position of the organization.

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CHAPTER -1

Internship Information:

1.1 Students Information:

This is Aminul Islam, ID: 20104143 pursuing my graduation with a Bachelor Of Business Administration from Brac Business School. I started my undergraduate degree in the year 2018 and wanted to pursue EEE as my major. In the course of time, I figured out it is business that attracts the most, eventually, I switched my department from EE to BBS in the Spring semester of 2020 to pursue my dreams. I hope to conclude my graduation by the Semester of 2022. I will be completing my graduation with a Finance Major and a marketing minor.

1.2 Period, Company Name, Department/Division, Address

I was offered an opportunity to do an internship at Nestle Bangladesh Limited in the marketing department. The tenure of my internship is 3 months which will end on 1st January 2023. I have been assigned to work for the Maggi team. The corporate office of NESTLE BANGLADESH LIMITED is situated at NINAKABBO Level 4, 227/A Tejgaon-Gulshan Link Road, Tejgaon Industrial Area, Dhaka 1208, Bangladesh.

1.2.1 Organization's Supervisor's Information

I'm pursuing my internship in the organization under Mr. Khondakar Ashikur Rahman [Category Business Manager(CBM)-Food]. Alongside, I have to work with Mr. Sajib Hassan who is a Brand Manager - Foods in the Maggi team of Nestle Bangladesh. I also work with Ms. Shamina Chowdhury who is a brand Executive at Nestle Bangladesh. Finally, another Maggi team member is Mrs. Athina Islam, Senior Manager - Food.

1.2.2 Problems Faced During Internship Period-

As an intern working for an MNS (Multi-National company) the biggest problem I faced was time management. Since I was considered a resource of the Maggi team all the members of the Maggi team used to assign me work. Managing multiple functions at the same time without compromising the quality of work was the biggest challenge.

1.2.3 Recommendations to the company on future internship

NESTLE BANGLADESH LIMITED, offers one of the finest work environments to its employees. The team building and work culture of NBL is outstanding in my opinion. I've seen the practice of respect in the organization. The motto of the organization building of NDL is “Rooted In Respect” which the organization believes and follows. The only recommendation I would like to give to the organization is to update the intern-assigned electronic devices.

1.3 Internship Outcomes

1.3.1 Background of the Study

Information leads to knowledge and knowledge leads to wisdom. The bridge between knowledge and wisdom is the implementation of knowledge. In short, theoretical knowledge gets validated when implied in work. Educational institutions and organizations both benefit from a program known as an internship. It is the responsibility of the University to offer the most impliable knowledge to its students and the learning of the students is brushed up through hands-on experience via an internship. It also serves the purpose of building the students to become the best fit for real-world problems and a sneak peek into the world of jobs. I have done this internship as a requirement of Brac Business School to complete my BBA degree under my supervisor Dr. Sang Lee, I've left no stone unturned to make this report as informative as possible with the most recent data, interpretation, and research.

1.3.2 Origin of the Study

This report is required to complete my internship as per the course curriculum and mandate of BBS (BRAC BUSINESS SCHOOL). With the suggestions and guidance of my supervisor Dr. Sang H Lee, I've done the internship report on the topic “ The Contribution of Brand Equity In The Working Capital Management Of Maggi From Nestle Bangladesh”. I've been serving this company as an intern for the last 3 months now. For the purpose of writing my report, I've used the most updated information possible since I could get engaged with multiple activities of Maggi. My Supervisor Mr. Ashekur Rahman along with my co-supervisor Mr. Sajib Hassan has been guiding me throughout the entire time. Also my report has a financial analysis to validate the financial data. I took the help of Mr. Taufiq (Financial manager Of Maggi).

1.3.3 Objective Of The Study

The study's objective is to focus on the broad objective i.e. “ The Contribution of Brand Equity In The Working Capital Management Of Maggi From Nestle Bangladesh”. I will primarily look to figure out the relationship between Brand Equity and sales of Maggi. Since we know that sales are one of the primary indicators to identify how the company is utilizing its current assets and current liabilities to support its Specific products. Maggi is a star brand of Nestle having the highest sales among all the products. The research question of this report does the brand equity of Maggi have any impact on sales leading to Working capital Management for the brand? I'll also look at the strength of Brand equity for Maggi in the consumers of the Brand.

Specific Objectives

- ★ To know about Nestle Global & Nestle Bangladesh
- ★ To Know about nestle's current Mission, Vision, Goal, and objectives
- ★ To have a practical idea about the brand Maggi, and its position in the market
- ★ To have an inside into the marketing campaigns of Maggi to retain the growth
- ★ To have an understanding of the working capital management of Maggi
- ★ To understand the Bangladeshi food market for Nestle Bangladesh
- ★ To understand the consumer perception regarding Maggi
- ★ Finally to measure the strength of the Brand Equity of Maggi

1.3.4 Scope of Study

This paper talks about the current position of the brand Maggi of Nestle Bangladesh. This paper has insightful detailed information regarding the Brand Equity of Maggi and the position of the brand in the current Bangladeshi market. Moreover, it also gives multiple insights regarding campaign building and execution of Marketing campaigns. This report will also contain my experience at Nestle including a Modern Trade visit, participation in 3 market surveys and research, and my active participation in organizing Maggi ICP (Integrated Commercial Plan).

Moreover, in this report, I'll try to build a relationship between Brand equity and sales of Maggi leading to the effect of Brand Equity on the working capital management of Maggi.

1.3.5 Methodology

The study is done in a systematic order. The data for this report has been collected mostly from the consumers of Maggi. Moreover, I've prepared this report on the basis of my experience and involvement with Maggi during my tenure at Nestle Bangladesh. I've conducted mostly primary research for the purpose of my report and most importantly I've made this report on the basis of my practical experience. Moreover since the data of the organization were restricted I had to use the help of the financial and the marketing managers in order to help me out with the data of the organization. Besides knowing about the perception of the brand in the minds of people I did primary research on 57 participants. I've used SPSS software to do regression analysis and prove the correlation between the data and my topic.

Selection Of Topic

My initial proposed report had to be changed with a descriptive discussion with my supervisor considering my limitations of time and access to resources. Finally, Dr.Sang lee assisted me to take “ The Contribution of Brand Equity In The Working Capital Management Of Maggi From Nestle Bangladesh” as my topic.

Source of Data

Primary data - During my tenure at the organization I've had several discussions of the assigned topic and the way of working at Nestle Bangladesh. I could get a lot of information as a part of my learning from the organization. My Co-supervisor Mr. Sajib Hasan has been my guide throughout the entire learning phase of mine.

Secondary Data -Since Nestle Bangladesh is not a listed company I had to depend on the annual report of the nearest economy which is Nestle India, since Bangladesh, India & Sri Lanka are considered to be one market by Nestle global, the mode of operations of Nestle India helped to understand the organization better.

1.3.6 Limitations Of the report

I've worked on the report on the basis of correlation and facts to prove my point “ How the Brand equity of Maggi Influences Working Capital Management “. The best research is the research that has ample amounts of data to support the claim of the writer. Since Nestle

Bangladesh Limited is not a listed company, data collection was one of the biggest limitations. The data had to be collected in such a way that the confidentiality of the position of the organization was not compromised. I've collected the data from the Marketing and Financial managers of the organization respectively. On the other hand for the purpose of survey I've done

a survey on 57 people. For a report like this 57 participants are limited but since the time and resources as well as people's interest were limited I decided to go with 57 participants. In order to retain the confidentiality of the organization's internal data I constantly had to cross check my information with the company managers for which was an obstacle.

To retain the authenticity and credibility of my report I had to work on the basis of QUALITATIVE DATA other than quantitative Data. It would have been more feasible and contributed to my report if I could have derived the data from scratch which in this case was not possible. On the other hand, I also had to actively participate in the collection of primary data in a very short span of time. I've taken the data of 57 respondents which is a small sample size to strongly prove my point.

1.3.7 Contribution To Nestle Bangladesh-

It was a great opportunity for me to work with Nestle Bangladesh Maggi team as a marketing intern. I've been assigned to multiple projects during my internship tenure and my contribution has been appreciated by my line Manager Mr. Asheku Rahman.

A list Of Projects I've worked on is as follows -

- POP Status Modern trade
- Maggi Hot Cup Sampling
- Maggi Hot Cup Survey
- Maggi Masala Blast survey
- Blind test Survey Of Maggi VS Competing Products

POP Status Modern Trade

Refers to the super stores in Bangladesh. Modern trade is one of the biggest locations for on-shelf branding. Other than organic sales Nestle also pushes its products through on-shelf branding. Modern trade is a very strong strategy to drive customers' instant decision-making on purchases.

As a part of my assignment, I've visited 33 superstores all over Dhaka city to see the POP(Point Of Purchase) status of Maggi products. Maggi pays a handsome amount of money to these stores for their visibility program to display their products on the shelf with proper branding and lighting. I was given the task to evaluate the present condition of modern trade and finally report to the sales and marketing teams of Maggi. A few pictures from my project are displayed bel

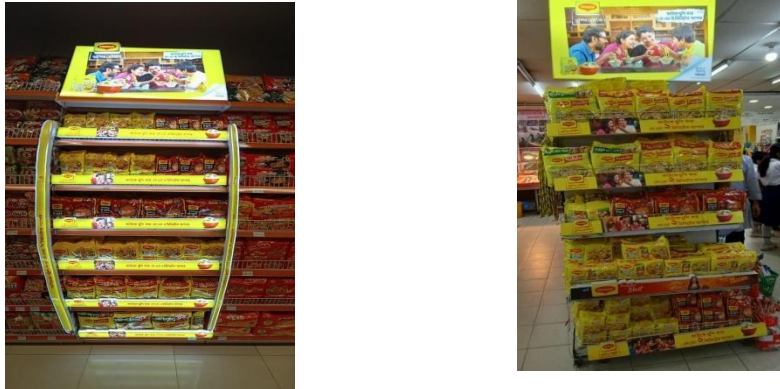


Figure-1 MAGGI Market Visit

Maggi Hot Cup Sampling

Hot Cup is a newly launched instant soup of Maggi which Maggi is planning to relaunch in a modified form for which I did a free soup sampling at Prime University Bangladesh. Here the soup was distributed for free among our TG which is university students to know their feedback on the product. The brand takes the feedback of its consumers very seriously and complies according to the demand of the consumers when it comes to building a new product.

Maggi Hot Cup Survey

I also had to do a survey on the Hot Cup soup of Maggi collecting data regarding the likability of the product for consumers.

Maggi Masala Blast survey

Maggi is quite concerned about its position in the market with its new creation “Maggi Masala Blast”. The biggest competitor of Masala Blast is “Mr.Noodles Korean Spicy” which has gained

a better position in the market recently after the modification of the product. Maggi always goes for a 60:40 test with its competitors where Maggi wants at least 60% of the consumers to like Maggi products then the product goes for final production.

Blind test Survey Of Maggi VS Competing Products

I was also a part of the experimental new upcoming product of Maggi against its existing competitors and its competing Maggi product. Maggi wanted to know the insight of the consumers which led to the final decision on whether or not to launch the product.

CHAPTER-02

2.1 Overview of the Organization

2.1.1 History Of Nestle

Nestle was set up in 1904 when Henri Nestlé's Farinelactée Henri Nestlé Company merged with the Anglo-Swiss Milk Company. Nestlé initially concentrated on rich milk and baby food products, but its product range expanded during and after World War 1.

Following World War 2, things changed fundamentally once more. In its 152-year history, Nestlé has acquired numerous businesses, some of which are extraordinary and have helped the company expand its product line. Child nutrition, breakfast cereals, coffee, tea, ice cream, frozen food, pet nutrition, confections, dairy products, snacks, filtered water, and a variety of other products are all included in Nestlé's extensive product line. Since 2014, they have had the distinction of being the largest nutrition organization in the world. Nestlé influences several organizations with its dominance and incredible success.

Nestlé reached its peak after World War II. During this time they launched the series of highly successful brands Nestle introduced Nesty and Nesquik under Nestle He Alimenta.

Some of the brands Nestlé launched immediately after the war were among others Serac, fondor, canned ravioli, Frisco, findus, Vittel, and chambray. The company welcomed the opening up of Central and Eastern Europe, China, and beyond the movement toward the liberalization of international direct investment. On the other hand, Nestlé GLOBE (Global Corporate Excellence) was established in July 2000 for the entire Group to streamline business processes. During this period NGL had two other acquisitions Merger acquisition of American Ice Cream Group with Dreyer's and the acquisition of Chef America, Inc. America's leading manufacturer of portable frozen foods. The Nestlé Institute for Health Sciences was founded by Nestlé in 2011 to study nutrient-density meals to strengthen its dominance in baby nutrition . Nestlé later acquired Kraft Foods, Wyeth Nutrition, and Pamlab. With sales of 91.6 billion in 2014, Nestlé was the largest grocery store beverage company in the world. The company has been offering for 155 years safe, high-quality, nutritious food. The company sells 1 billion everyday items around the world. According to Nestlé research, there are currently 376 factories in 81 countries.

In terms of global brand importance, Nestlé ranks number 54. In May 2017, Nestlé saw its market value at \$11.2 billion and its share of the \$229.5 billion global sector makes it the 54th most valuable brand on the planet. Nestlé closed out its whole business in 2016 for \$90.82 billion. Nestlé comes before eBay and after JP Morgan on the list, respectively. Nestlé also ranks 26th on the list of the world's best managers, 18th in publicizing respect, and 41st in benefit.

Their powdered and fluid drinks were their best-selling product category in 2016. Nestlé works in several different industries, but powdered and liquid beverages were their most successful

ones in 2016. Due largely to Nescafe and its other espresso products, Nestlé had nearly \$20 billion in sales in this sector. Additionally, they sold \$14.5 billion worth of milk products and frozen yogurt, nearly \$12 billion worth of pet supplies, \$9.1 billion worth of desserts, and \$7.5 billion worth of water bottles. The portfolio of Nestlé includes almost 2,000 brands. The Nestlé Company is in charge of putting together more than 2,000 brands in a diverse range of categories. These businesses range from household names to local favorites, and only 29 of them generate annual sales of \$1 billion or more. Nescafe's introduction enabled the company to survive World War 2. The organization was greatly impacted by the outbreak of World War 2, as payments decreased from \$20 million in 1938 to \$6 million in 1939. When Nestlé's favorite espresso brand was introduced in 1938, the soluble espresso powder quickly became a standard libation for the US military. Nestlé's company really took off after the success of its new espresso brand.

Their first venture outside of the food industry was L'Oréal. In 1974, Nestlé made the decision to further strengthen its business by taking a significant stake in L'Oréal. In 2014, Nestlé returned to L'Oréal \$48.5 million of their offering, reducing their ownership from 29.4% to 23.29%. For the third year in a row, L'Oréal was recognized as the most significant excellent brand in the world in 2016 with a total brand valuation of \$13.7 billion.

Every year, Nestlé invests more than a billion dollars in food research. The largest six covertly funded nutrition research organizations in the world, it invests more than \$1 billion a year in cutting-edge research. The Nutrition Research Division is responsible for such achievements as the release of the first infant formula sold in a can in a long time and

2.1.2 The Man Behind Nestle -

The name Nestle came from the last name of the founder of the company Henri nestle. Initially Henry Nestle started the company as an infant food producer. Back in the 1800s', the infant death rate was quite high due to lack of nutrition. Breast milk was not enough to provide sufficient nutrition needed to satisfy the need of nutrition in babies. Henry Nestle through his experiments came up with the first infant product and that's how today's giant Nestle was born. He, later on, exports the recipe to the UK and expands the business outside Switzerland for the first time. In 1901 Nestle opened its first UK production line independent of import with the coverage of an Anglo-Swiss milk company. The product quality and solution to the prevailing



problems made Nestle a success in the UK leading to widespread recognition of Nestle from London to all over Europe. Now was the time of opportunity for Nestle as many local European

companies were trying to join hands with Nestle. English confectioneries join hands with the company and Nestle starts producing KitKat, Aero, Black Magic, Dairy Box, and many other confectioneries. Nestle is now one of the leading confectionery manufacturers in the world. Besides confectionery, Nestle is worldwide known for its signature seasoning Maggi. Maggi has been a cult in the Indian subcontinent since it was a solution to instant hunger.

2.1.3 Mission & Vision of Nestle

Mission -

Nestle is one of the most reputed food companies in the world. It is the market leader in food and beverage in multiple countries of the world. Nestle has the iconic tagline “Good Food, Good Life” to which they comply and stick to. The company provides a large variety of healthy food options for its consumers to choose from in the field of food, confectionery, dairy, and beverage to better the lives of the consumer in all aspects of consumption.

Vision -

The aim of Nestle is quite clear from its activities that the organization is committed to providing the best possible product ensuring the right health benefit within the right possible price. Nestle is also very serious about its commitment to becoming an ally for its consumers in the pursuit of Good Food and a Good Life. The values of Nestle are very much persistent with the aim of impacting the future through contribution in the present, ultimately contributing to the community, country, and the entire globe as a whole.

2.1.4 Nestle Bangladesh Limited -

NGL (Nestle Global Limited) has spread itself throughout the entire country in 191 nations. NGL stepped into Bangladesh as Nestle Bangladesh Limited (NBL) , a joint venture between Nestle S.A and Transcom Beverage LTD in the year 192. NBL started its first-ever commercial operations in Bangladesh in the year 1994. The organization set up its one-only factory at Sreepur Dhaka. Nestle Bangladesh became a 100% subsidiary of Nestle S.A. in 1998.

Since then the organization has been very much committed to delivering quality food to consumers to impact their lives positively. Moreover, the MNS has created opportunities for work for a lot of people within the country. Besides, Nestle engages deeply with the community

where they operate, ensuring training sessions for farmers, educating them, educating their children, enhancing livelihood, and actively promoting environmentally sustainable operations. Nestlé has been actively participating in building its relationship with the consumers to learn

about the core desire of the consumers for its products. NBL has also built a culture of consuming healthy and nutritious food for its consumers. Its products like breakfast cereals and infant cereals have added a lot of nutritious options to the consumer's plate and products like Maggi instant noodle and instant soup have been a savior for mothers to prepare something instantly for their children.

2.1.5 NESTLÉ Bangladesh Timeline

Event of Nestlé

1992- Nestlé Bangladesh started commercial operation.

1994- Started production of sweetened condensed milk.
Started subdivided packaging of powdered milk, powdered milk, and infant cereals.

1997- Commissioning of the first pasta line.

1998- Nestlé Bangladesh becomes his 100% subsidiary of Nestlé SA. Started production of breakfast cereals, and opened a distribution center.

2002- Started production of local infant cereals.

2004- Stopped production of breakfast cereals Switching from the local repackaging of infant formula to imported FG.

2007- Expanded distribution center and obtained ISO 14001 and OHSAS 18001 certification.

2008- Obtained QMS and ISO22000 certification.

2009- Commissioning of the second pasta line.

2010- Nestlé Healthy Kids (NHK) program started.

2012- Commissioning of the third pasta line moving to a mechanized distribution center.
Received Standard Chartered Financial Express CSR Award 2010-11.

2013- Started confectionery production digitizing warehouse monitoring system "WMS".
Launch of knowledge sharing pilot program.

2014- 2030 Partnership with the Water Resources Group (WRG).

2016- Started dairy production and tea enhancer bulk repackaging.

2017- Released fruit drinks and nectar.

2.1.6 Management practices

Nestle Bangladesh Limited is the subsidiary of Nestle Global. As an MNC Nestle Global has divided its market into different regions . Nestle Bangladesh limited falls under the South Asian Region. Having the similar kind of market Nestle has clustered the Indian , Sri-Lankan and Indian market together. Most of the management decisions of the Nestle Bangladesh Private



Fig - Organogram

limits are taken by the board of directors and the department head. The managing director and the key directors play a very significant role in making and approving the decisions. Then the decision is approved by the Country and South Asian Regional director before approval.

2.1.7 Marketing practices

Nestle Bangladesh Limited goes for two kinds of marketing practices. The marketing campaigns are Thematic and Tactical campaigns. Since my report is based on Brand Equity of Maggi a detailed discussion is done on the marketing practices of Maggi in ch-03

2.1.8 Operation Management and Information System practices

The Nestle Corporate Business Principles and the Nestle Management and Leadership Principles are two key papers that regulate how the corporation conducts business. The company's policies and plans are governed by a code of ethics that is provided by the two. They clearly out the attitude and method to conducting business. The company's business strategy is to produce and market its goods in a way that generates long-term value for all parties involved, including its workforce, customers, and business partners in the regions in which it conducts business. The company does not prioritize short-term financial success over long-term business goals. The firm values cultural and socioeconomic diversity because it understands that customers have a real stake in how it operates and how well it does business.

2.1.9 Objectives Of Nestle Bangladesh -

Quality and safety of food is the prime objective of Nestle Bangladesh Limited. Nestle takes its quality policy very seriously



- Nestle SAR is committed to ensuring product safety and full compliance with all applicable regulatory standards and to providing safe products.
- Nestlé SAR is dedicated to providing consumers and customers with goods and services that satisfy their needs, match their preferences, and deliver wholesome food to help them accomplish their preferences with consistency.
- Nestlé SAR has adopted a continuous improvement culture and always strives for Zero Defect and No Waste Attitude in whatever they do.
- All value chain operations under Nestlé SAR's control are completely accountable for adhering to the laws, regulations, and rules that are necessary to uphold the agreed-upon standards of quality and to continuously improve them. Quality, in NBL's opinion, is a commitment shared by all.

2.1.10 Products Offered by Nestle Bangladesh -

The current product portfolio of Nestlé Bangladesh includes Brands like

- NESCAFÉ
- NESTEA
- MAGGI (Noodles, Soup, and Seasoning)
- KOKO KRUNCH
- MILO
- CORNFLAKES
- COFFEE MATE
- EVERYDAY
- NIDO (FORTIGROW, 1+, 3+)
- CERELAC
- LACTOGEN (1, 2, 3, 4, and RECOVER)
- NAN (1, 2, AL110 and PRENAN).
- KitKat
- Nestle Classic
- Munch
- BarOne
- NESTLÉ FRUITA VITALS

2.1.11 Product Overview

Maggi is a signature food brand of Nestle Global Limited. Maggi has a lot of offerings under it including Instant Noodles, Soup, Sauce, and Seasoning. Though Maggi is worldwide known for its seasoning Maggi has gained a corner of reliability for its instant noodle and Soup in the Indian subcontinent. The origin of Maggi goes more than 100 years back to Switzerland in the year when Swiss entrepreneur Julius Maggi had the vision to make a cheap, quick, and nutritious meal for busy working families. The organization came into being in the year 1872 when Julius Maggi started producing Maggi industrially. In 1947 Nestle acquired Maggi and today even decades later Maggi is still one of the leading instant food brands of the world satisfying the needs of millions of its consumers all over the world. At present Maggi has the biggest customer base in the instant food industry of Bangladesh with a 30% market share(The Daily Star, 2021).

Maggi constantly updated itself with the evolving taste of the consumers in noodles, soup, seasoning, and in every industry, they entered. In Bangladesh, Maggi offers both seasoning and instant food.

2.1.12 Maggi Product Group

Maggi Masala

Maggi Masala is the classic Maggi 2-minute noodle, the first Maggi noodle, which is considered to be the biggest ally of mothers in the kitchen to present the children with something “healthy”, “tasty” and “yummy” within minutes. Classic Maggi masala holds 90% of the market share of all Maggi noodles. Maggi has targeted children from ages 5-14 as their primary target group (TG) for the Noodle. The product is fortified with Vitamin A, Iron, and Iodine alongside a mouth-watering taste. The tastemaker is the complete solution for the product enhancing the taste of the food a couple of times more. Maggi masala is available in multiple packs of noodles starting from 4 packs to 16 packs of noodles.



Maggi masala Blast

Maggi Masala Blast is one of the new launches of the Maggi family targeting consumers who love spicy food. In recent years the teenagers of our country have changed their pattern of food to spicy snack items. Maggi immediately noticed the opportunity and came up with its wonderful-tasting product enriched with Vitamin A and Iodine like the classic Maggi



masala without sacrificing a bit of quality, taste, and health benefits. With the introduction of the product, it has taken a special place on the plates of consumers.

Maggi Choto -

Maggi Choto has been launched by Maggi taking the economic aspect of its consumers. Maggi has taken the initiative to make the product accessible to people of every economic status. Maggi Choto costs only BDT10 which is affordable to the target group which is middle and lower-middle-income people in the country. Maggi Coto is made to give people of all income levels the amazing experience of instant food that Maggi gives.



Maggi Healthy Soup-

Besides Noodles Maggi also has soup in its basket. Families may enjoy healthy, light meals every day with the aid of MAGGI Healthy Soups, which are dehydrated soups that are ready to cook. Each serving contains fewer than 50 kilocalories and is low in fat and cholesterol. It serves as a nutritious alternative to fried food and snacks between meals, and you can add fresh veggies to make it even healthier.



Each pack of MAGGI Healthy Soups feeds two people and comes in three delectable flavors that are restaurant-inspired: Thai, Corn with Chicken Flavour, and Vegetable

Maggi Shaad-E-Magic

Shaad-E-Magic is one of the complete solutions of Maggi to enhance the consumption of Vegetables in a tastier and healthier way. Shaad-E-Magic holds 5% of the entire branded spice industry of the country. MAGGI Shaad-e Magic, the first of its kind in Bangladesh, is a distinctive mixture of roasted spices that can improve the flavor of regular dishes.



2.1.13 Current Market position of Maggi in Bangladesh -

To analyze the current market position of Maggi in the country we will look at the SWOT analysis for Maggi. SWOT is the acronym for

Strength
Weakness
Opportunity
Threat

Strength

The biggest strength of Maggi is the first mover advantage in the country. Maggi was the first brand to introduce instant noodles and instant soup in the country. The brand could successfully position itself as one of the trusted and credible brands manufacturing healthy food in the country. The brand value of Maggi being an international and globally accepted brand is stronger than every other of its competitors. On the other hand, the trust that Maggi has gained over a period of time has made it the market leader over the course of time.

Weakness

The first weakness of Maggi is the limited flavors offered in the market. Maggi Noodles offers only two flavors of noodles and soup has only 3 variants whereas local competitors like MAMA and Pran's Mr.Noodles have multiple offerings of flavors for noodles.

Another weakness of Maggi is the price range, Maggi prioritizes quality over anything, and to ensure profitability the price is a bit higher compared to the competitors.

Maggi gives lower net revenue to the retailers though the volume of sales is way higher than the competing brands. On the other hand, Maggi does not avail its products to the retailers on credit. It is always cash payment Maggi expects.

Opportunities

If we consider the opportunities in the Bangladeshi market Maggi has a lot of opportunities. Increasing purchasing power and a desire for a better quality of life among consumers. Family units are spending more to live in higher quality things due to the recent increase in per capita income. This would make it easier for MAGGI to enter more family groups that were previously looking for low-effort options.

Current competitors lack the expertise to present MAGGI with challenging circumstances. They could fall short in terms of originality, flavor, quality, or having the right distribution method. For instance, FU-WANG and MAMA have high-caliber products, but their distribution methods

are flimsy. On the other hand, Maggi has the best sales team and the correct distribution method in practice.

Threat

There are 10–12 players in the instant noodles classification present in the Bangladesh showcase. They all essentially charge the same price.

Traders receive larger net income from competitors like PRAN and MAMA than MAGGI. Therefore, retailers are more eager to hold onto their goods than MAGGI.

One of the biggest threats for Maggi soup is Knorr from Unilever which has improved its taste and sells within the same TG as Maggi. The improved taste of Knorr is more appealing to consumers than Maggi and consumers are more inclined towards Knorr than Maggi.

2.1.14 Porter's 5 Forces

To understand the Bangladeshi Noodle market more precisely we are going to analyze it with the help of Porter's Five Forces. Porter's five forces is the most preferable way to analyze the level of challenges in any industry,

The Five Forces are -

- Threat of new entrants

- The threat of substitute products or services

- Bargaining power of customers (buyers)

- Bargaining power of suppliers
- Competitive rivalry

The threat of new entrants

Given that the Bangladeshi market is very auspicious for snack and culinary items every FMCG and FMC whether local or global is constantly trying to enter the market with innovative ideas and products. At present, there are more than 7 renowned brands producing instant noodles alone and 2 brands producing a soup with considerable market share. Besides, the threat of international competitors is increasing every day. International Korean brands like Samyang ,

Nissin, etc are constantly entering the market through importers since the product has a high demand in the market.

Brands like Mr.Noodles, MAMA, and Bashundhara are constantly coming up with new innovations in the instant noodle industry to grab the most possible market share. The competition is so intense here that despite Maggi being the market leader Mr. Noodle stands in 2nd position with a 22% market share(The Daily Star, 2020).

The Threat Of Substitute Products

Bangladeshi consumers are snack-loving people with an appetite for fast food and deep-fried items. The threat of substitute products is quite intense in the country for which the noodle brands try to offer their product within the price range of the snack items.

The direct substitute product for noodles is pasta. In Bangladesh Kolson controls most of the market share when it comes to pasta manufacturing and selling.

Bargaining power of customers (buyers)

In a highly competitive industry, the bargaining power of the customers is always high. Given the market is quite concentrated with multiple direct and indirect competitors the bargaining power of the customers is quite high in the culinary business.

In this, the bargaining power of the customer is quite HIGH.

Bargaining power of suppliers

In Bangladesh, the bargaining power of suppliers is relatively low compared to other countries. For pasta, the supplier is the flour and spice supplier. Companies can easily switch

to another provider. The cost of switching providers is negligible. Because the number of suppliers is huge you can always choose the lower-cost option. For MAGGI, most shipping destinations are outside the country. Therefore, the bargaining power of suppliers is low, as MAGGI can easily change suppliers

In most industries, the intensity of competition is the most important determining factor. Industry competitiveness. Competition in Bangladesh's noodle industry is fierce. As already mentioned, the entire Bangladeshi noodle industry is divided into two categories. Stick noodles and instant

noodles. Mr. Noodles and MAGGI Noodles are big giant competitors in the Bangladeshi noodles industry.

Conclusion

From the above analysis it is quite evident that the culinary industry of the country is very concentrated with all local and international competitors. Considering the present condition of Maggi in the country the brand is doing quite well in comparison to its competitors in the industry other brands are following Maggi in almost all categories. The only limitation that Maggi has is it has minimum options to choose from in comparison to its competitors. Maggi is already working to increase its variations in products.

Chapter 3

(Project part)

3.1.1 BRAND EQUITY OF MAGGI

Introduction

Maggi is the most trusted and renowned instant noodle brand in the country. Besides varieties of Maggi noodles like Maggi masala, masala blast, and Maggi Choto the brand Maggi has a lot of other products like soup, cup soup, and seasonings. The brand has been successfully running its campaigns for the past decades with great success and celebrations. Being a Fast Moving Consumer Goods (FMCG) brand marketing campaigns had been the biggest contributor to building the brand with burgeoning success and have successfully penetrated Maggi in multiple households. As per the academic terms, Maggi follows two types of marketing campaigns keeping short-term and long-term goals in mind with a motive to achieve the highest possible market share. These marketing campaigns have made Maggi the market leader in the midst of multiple local and global competitors.

In this chapter my key concern is to figure out the correlation between the Brand Equity and Sales for Maggi and finally whether there is any contribution of Brand Equity on the Working Capital Management of Maggi or not.

3.1.2 Marketing Campaign methods Of Maggi

The type of marketing campaign Maggi follow are-

- i) Thematic Campaign
- ii) Tactical Campaign

Thematic Campaign -

Thematic Campaigns are the campaigns that are directed with a long term plan to add to the brand health and improve the Brand Equity.

Thematic Campaigns have been one of the most influential types of campaigns to strengthen the brand equity of Maggi in the Bangladeshi consumer market. The campaigns are directed and launched from the inception of the brand to build a strong health position for the brand in the market resulting in a very positive and far-reaching brand equity and trust of the customers of Maggi. Maggi has been running a successful brand for the last 25 years in the country. Maggi has successfully built its brand with the desired consumer base with repetitive campaigns and providing the best quality goods available within the affordability of the consumers.

As a part of its success over the last 25 years, Maggi has recently launched its 25 years campaign as a part of its Thematic campaign. The campaign is designed to portray the age-long trust of the consumers pon Maggi and how Maggi has ensured and committed to the consumers as well as evolved itself with the age. The campaign was a huge success for Maggi resulting in sales growth of the signature Maggi Masala (Ashekur Rahman, Category Manager, Maggi, Nestle Bangladesh).



Figure 2- Thematic Campaign of Maggi

One of the biggest marketing initiatives that Maggi has taken since the time it placed its foot in Bangladesh is free sampling of Maggi products. Maggi has served millions of consumers with a free sample of its instant noodles and soup. It was and is still a very popular picture in different schools in Bangladesh where students are served free Noodles and soup since these students are the primary TG (Target Group) of Maggi. This strategy has enhanced the brand presence of Maggi in the minds of consumers from a very early age resulting in creating a very loyal and strong customer base that Maggi still holds. This strategy still works in favor of Maggi even after 25 years of launching the brand.



Figure 3 - Maggi Free Sampling

Tactical campaigns -

Tactical campaigns are designed to instantly boost sales immediately with attractive offers and gifts (Premiums). Maggi's tactical campaigns mostly include attractive gifts and discounts on purchases.

Tactical campaigns always show an immediate impact on sales. Since the market competition for culinary is very concentrated and the competitors are always in next-to-neck competition Maggi has to do Tactical campaigns to retain its consumers and hold on to the market share. On the other hand Tactical campaigns also



Maggi has chosen Mothers as its customer base since Maggi noodles/soups are mostly consumed by children and conscious mothers are the prime consumers of the brand. Maggi has been branding itself as a companion of the housemaker in the kitchen to make their life easier. Maggi is deliberately focusing on two categories of products.

- i) Instant Solution
- ii) Taste enhancer.

3.1.3 Maggi Instant Noodle

Maggi is the first ever brand in Bangladesh to come up with instant ready-to-eat Noodles and soup. Instant solution refers to something which could be made instantly without the hustle of making or measuring every bit of the ingredient. An example could be Maggi noodles itself. Before the arrival of Maggi in Bangladesh, rice-based noodles like Cocola and Dragon almost had all the market shares of stick noodles. With the advent of the first-ever instant noodle in the country by Nestle Bangladesh, the market has seen another dimension of the Noodles Industry. Gradually Nestle's Maggi grew into one giant of the noodle industry in Bangladesh. Maggi has been the market leader for the past few years now. Maggi holds a market share of 30% of the entire noodle industry of Bangladesh (The

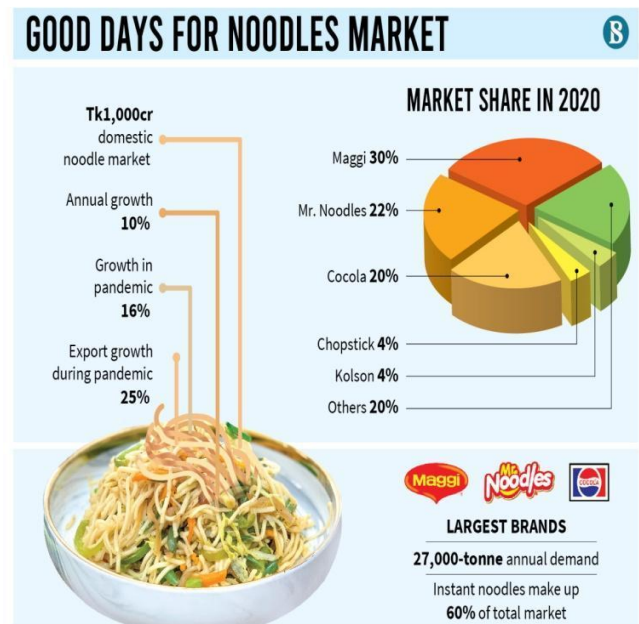


Figure 4 – Position of Maggi

Business Standard, 2020). The instant noodle industry of the country is at 10% growth now. Maggi itself is leading the growth of the industry by a huge share with the purpose to be an ally with the consumers in the kitchen with the purpose of making healthy and tasty food for loved ones (Naquib Khan, Director Corporate Affairs, Nestle Bangladesh Source- The Business Standard 2020)

3.1.4 Maggi Taste enhancer

Maggi shared-e-magic

Maggi is also staying caught up in the taste enhancer (Seasoning) industry too. In the midst of several rival competitors like Shaan, Pran, and Ruchi Maggi is constantly standing out and proving itself to be a market leader in the Seasoning industry.

The Spice industry of the country is huge if we consider the branded products alone. The volume of the market itself is around 14.5 thousand tons (Athena Islam, Sr.Brand Officer, Maggi Nestle Bangladesh). The market is divided into three groups as per segmentation

- i) Mono Grind (Single Spice)
- ii) Recipe mix
- iii) Seasoning mix

Maggi shared-e-magic is leading the market alone for seasoning with a 5% market share alone without any significant competitor in the market (Athena Islam, Sr.Brand Officer, Maggi Nestle Bangladesh). Shaad-E-magic came to market in the year 2011 and it's been 11 years since the brand is leading the market of seasoning mix.

Maggi soup

Maggi is known worldwide for its soup. Maggi soup has one of the biggest consumer bases in the country. Maggi is committed to providing a healthy, ready-to-cook dehydrated soup for its consumers which sums up to only 50 calories or less. It serves as the best healthy snack in between meals. Maggi Healthy soup comes in 3 varieties.

- i) Maggi Healthy soups -Thai
- ii) Maggi healthy soups - corn with chicken flavor
- iii) Maggi healthy soups - Vegetables.

The idea of making Maggi soup was introduced by Julius Maggi during the industrialization revolution to support the working people by preparing something nutritious, cheap, and easy to make. Till now Maggi has been branding its soup as an instant solution for its customers and easy

to make a recipe. Maggi has branded itself as a home brand for every homemaker. With the motive of being an ally in the kitchen for its customers, Maggi has been making its customers happy and satisfied.

Maggi is very fast to adapt to the market and customer base. In the soup category, Maggi has introduced its instant cup soup known as the Hot cup for the youth-centric Bangladeshi customers with a view to making the youth-centric nation eat a healthy and balanced snack. Maggi soup is currently facing intense competition from its rival Knorr. Maggi soup is in a very sensitive position now more than ever due to the burgeoning competition in the market. The branding and positioning of the product had to be strengthened and everything starting from taste, nutrient count, packaging, and pack size had to be changed to compete with the rival Knorr.

Achievements Of Maggi

Maggi has been satisfying the needs of millions of customers for the past 25 years. Maggi is winning the best brand award for the last 12 years in a row. This year Maggi own the best brand award in snacks category and Maggi has stood 8th among all the brands .



Fig - Maggi best Brand Award

3.1.5 The BRAND EQUITY OF MAGGI

Brand equity is described as a brand's value. Brand equity is the information derived from the customer's perception regarding a brand and its current position in the market. The indicators of brand equity are the most crucial and critical elements for a marketing manager to make a marketing decision and drive the marketing campaigns in the right direction.

Moreover, Brand equity is the result of repetitive marketing campaigns and strategies implied by a brand to build a strong brand image and value in the minds of the consumers.

To understand the brand equity and the position of Maggi in the mindset of the consumers we take the help of academic learning from my academic course "Strategic Brand Management". For the analysis of the brand equity of Maggi, I'll use Keller's Brand equity model to prove the point of whether Maggi has strong brand equity among the consumers or not.

The elements of brand equity are as follows.

- i) Brand Salience
- ii) Brand performance
- iii) Brand imagery
- iv) customer Judgment
- v) Customer Feelings
- vi) Brand Resonance

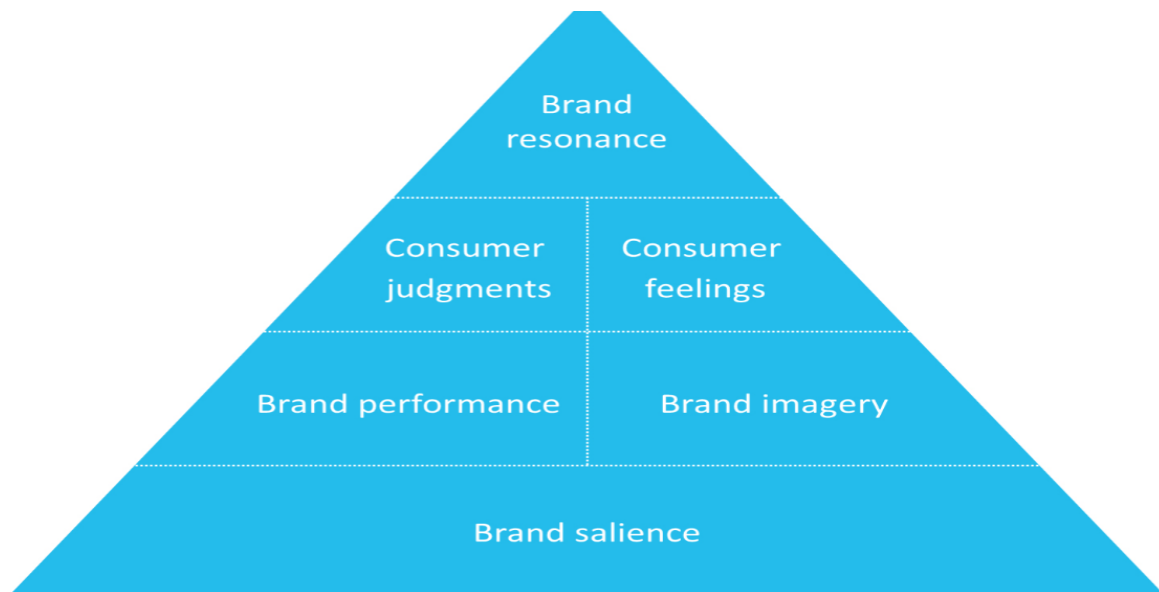


Figure 5- Brand equity

To understand the brand equity of Maggi I've done primary research keeping some questions on the basis of the parameters to figure out the relationship of the consumers with Maggi. For the purpose of proving my point, I'll now take a look at the survey questions and the analysis of the questions.

3.1.6 Survey Analysis

Which brand comes to your mind when thinking about ready to eat food ?

 Copy

57 responses

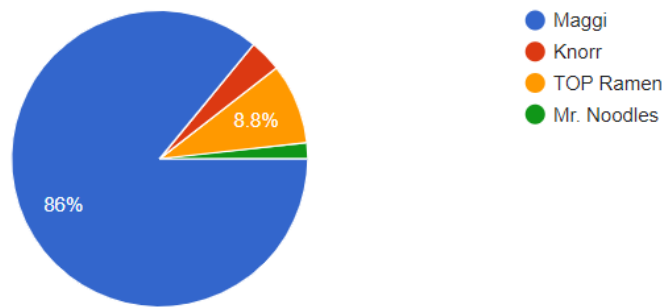


Figure 6- Maggi Survey

The question was directed to trace the preference of consumers for ready-to-eat food. It is clear that more than 86% of people's first thought is Maggi. It could be due to the reason that the market presence and the quality of Maggi are unmatched when it comes to ready-to-eat food. Maggi has certainly been leading the Instant noodle soup Industry.

Rank the following Maggi product as per your purchase

 Copy

57 responses

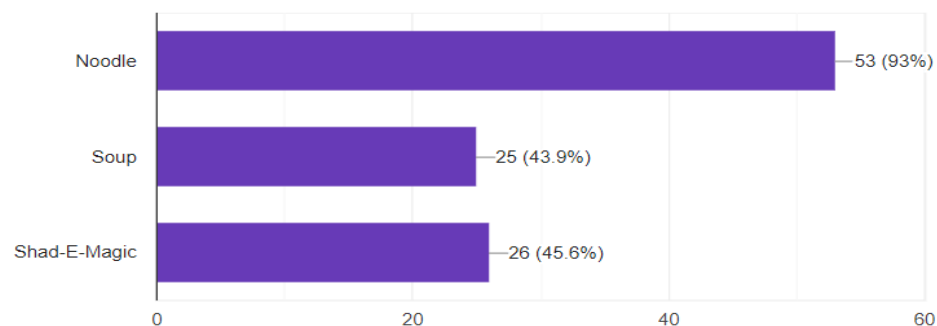


Figure 7- Maggi Survey

The question has been directed to understand the purchase pattern of the consumers of Maggi products. Maggi instant noodle ranks first with a consumer choice of 93%. This gives us a clear

understanding that the preference for Maggi instant noodles is quite high among consumers than all other Maggi products.

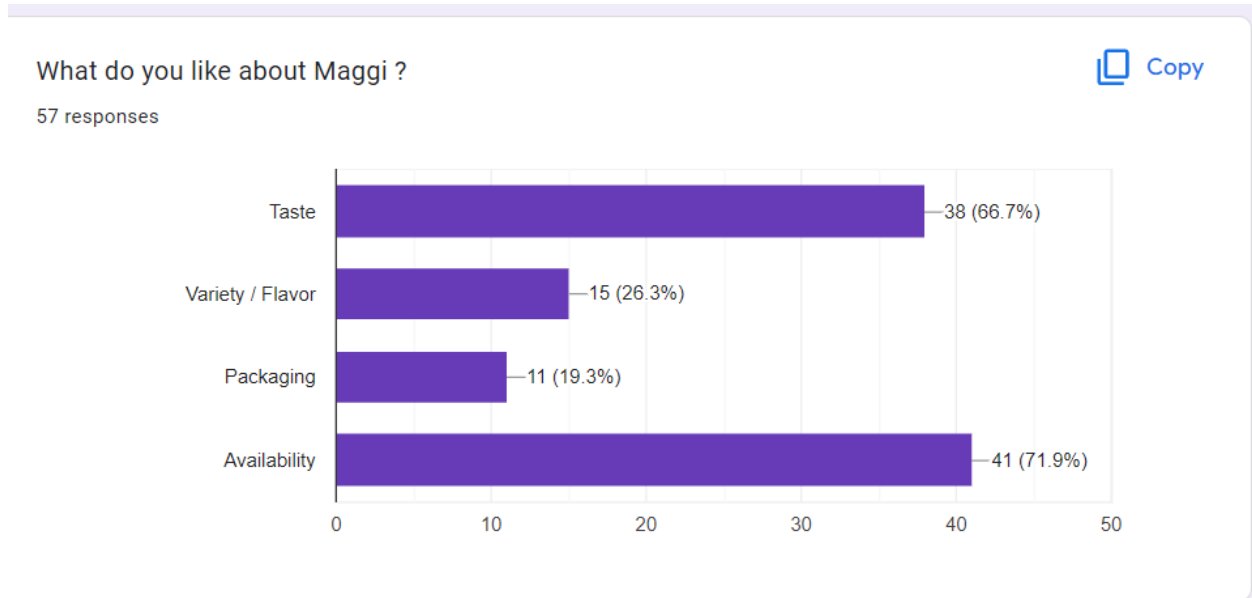


Figure 8- Maggi Survey

This question was asked to understand the reasons why consumers prefer Maggi over all other brands. Most of the answers were in favor of Taste and availability. Maggi has made itself available among mass consumers in various sizes and price ranges. Maggi is the first-ever brand in the country to come up with a different pack size and price range to make Maggi available to consumers/customers both in B2B and B2C markets. On the other hand, the rate of Maggi is taken care of with utmost sensitivity and care by the Nutrition and Recipe experts.

Rate Maggi as per your liking

Copy

57 responses

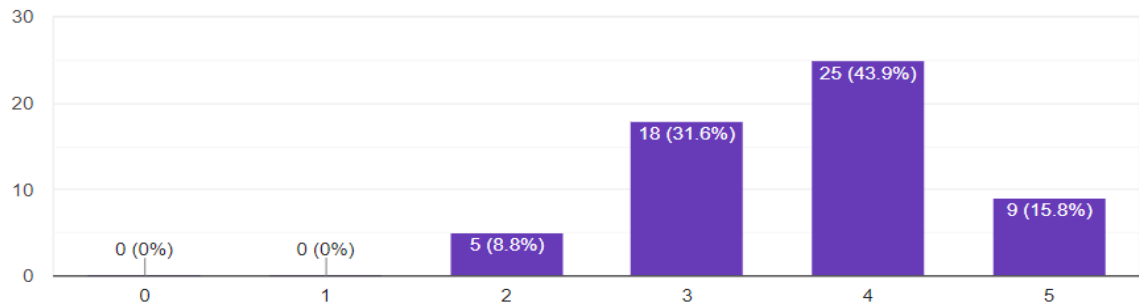


Figure 9- Maggi Survey

The liking scale is set to measure the satisfaction level of the consumers with Maggi products. The scale of 0-5, with 0 being the lowest Satisfaction level and 5 being the highest. The satisfaction level of most of the consumers stands at 4 which is quite satisfactory to the consumers. On the other hand, the ranking of 4 out of 5 is quite high as per the perception of the consumers.

Which Maggi logo do you see often ?

Copy

57 responses

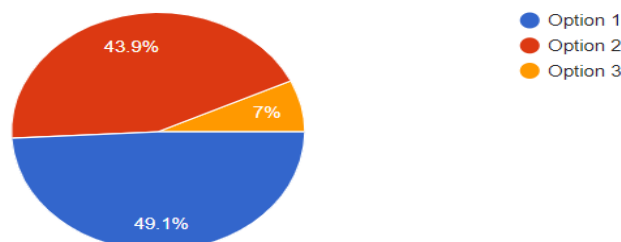


Figure 10- Maggi Survey

Among All the questions this was the trickiest possible question. This question was set to understand the Brand identification of Maggi. The question consists of Three identical brand logos of Maggi which were contemporary. 49.1% of the people were able to identify the present logo of Maggi used in packaging, branding, and campaigns.

The question was set to test the identifiability of the brand by Maggi consumers to prove whether the brand can survive in the memory of the consumers or not.

Is Maggi expensive for you ?

Copy

57 responses



Figure 11- Maggi Survey

This is a straightforward question to the consumers on their satisfaction level with the price of Maggi. It is clear that the consumers are quite satisfied with the product's price since Maggi offers value for the price. Above 89.5% of the people responded that Maggi offers the right value for the price.

Do you recall any Maggi advertisement ?

Copy

57 responses

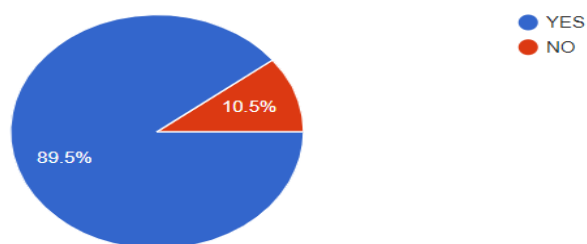


Figure 12- Maggi Survey

This question gives us a clear understanding of the presence of Maggi in consumers' minds since almost 90% of the people could recall Maggi ads, which means the brand's position is quite far-reaching in the minds of the consumers when it comes to the memorability of the brand.

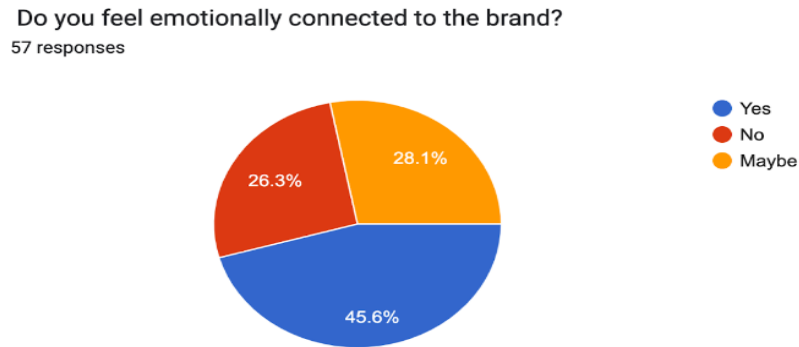


Figure 13- Maggi Survey

From the above question, we see that 45.6% of the people feel emotionally connected with Brand Maggi followed by 28.1% of people who said maybe. We can see that a huge number of consumers feel an emotional connection with Maggi.

3.1.7 Hypothesis Building

In order to prove my point from the Questionnaire responses, I've come up with a correlation test on the basis of two hypotheses.

H1= The Brand Equity of Maggi is very Strong among its consumers

H0 = Maggi does not have a strong Brand equity among its consumers.

The Hypothesis is built on the basis of the following parameters. To prove the hypothesis the independent variables are given below.

- Awareness
- Memorability
- Emotional Satisfaction

The dependent variable for this case is Value for Price working as a substitute of Brand Equity.

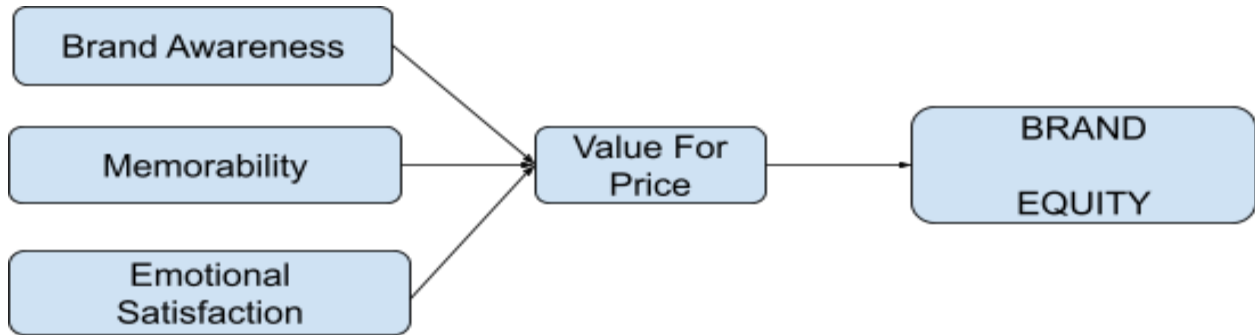


Figure14 - Variable Diagram

For a better understanding of my point, I would like to explain the analysis assumptions. Since I cannot use the word Brand Equity directly in my questionnaire I will take the price to be the dependent variable leading to the Brand Equity for Maggi. Since price is one of the most important driving factors for sale of any good I have chosen the Value For Money as a substitute of Brand Equity. Value For Money would be used as a proxy for Brand equity.

Similarly from this I also can build a relationship with the dependent and the independent variables of a relationship of sales. Since the sales data is not disclosed I would take the value for money as a proxy for sales as well since the sales of any good mostly depends on the price as well the value the commodity is offering to the consumers. The variable diagram is shown below. The diagram shows the dependent variable which is value for price leading to both Brand Equity and Sales.

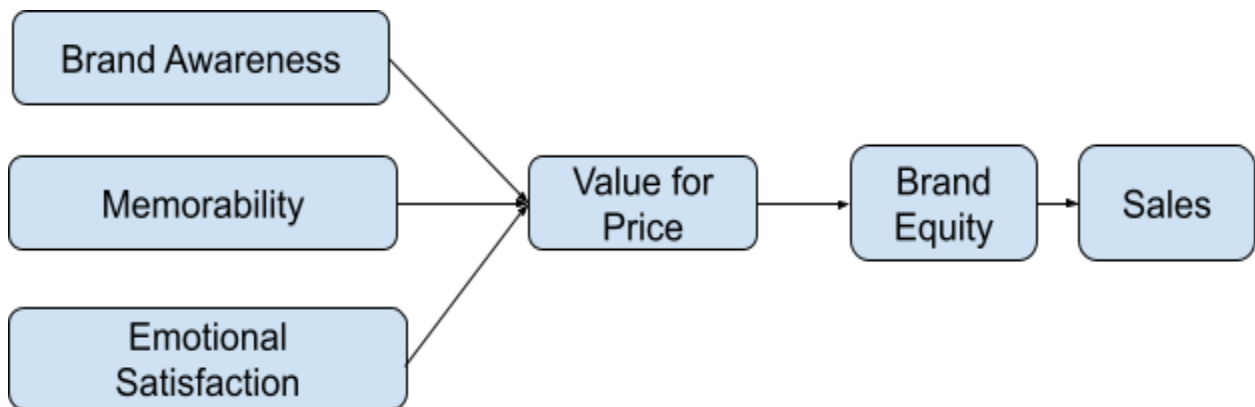


Figure 15- Variable Diagram

SPSS- REGRESSION ANALYSIS

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.791 ^a	.626	.614	.24976

a. Predictors: (Constant), Do you recall any Maggi advertisement ?, Do You Feel Emotionally Connected to maggi ?, Which Brand Comes To Your Mind When You Think About Ready To Eat Food

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.011	3	3.337	53.497	.000 ^b
	Residual	5.989	96	.062		
	Total	16.000	99			

a. Dependent Variable: Is Maggi expensive for you ?

b. Predictors: (Constant), Do you recall any Maggi advertisement ?, Do You Feel Emotionally Connected to maggi ?, Which Brand Comes To Your Mind When You Think About Ready To Eat Food

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.596	.076		34.107	.000
	Do You Feel Emotionally Connected to maggi ?	-.334	.033	-.680	-10.053	.000
	Which Brand Comes To Your Mind When You Think About Ready To Eat Food	-.058	.021	-.193	-2.842	.005
	Do you recall any Maggi advertisement ?	-.058	.035	-.103	-1.635	.105

a. Dependent Variable: Is Maggi expensive for you ?

I will develop a regression equation from the above analysis. The regression equation is given below -

$$Y = \beta_0 + \beta_1 (0.33x_1 + 0.33x_2 + 0.33x_3) + e_i$$

Y = Brand Equity

X1 = Recalling Maggi Advertisement.

X2 = Emotional connection With Maggi

X3 = Memorability of Maggi

B₀ = Regression coefficient representing a value in the perception of the price if the brand did not have memorability, brand awareness, and emotional satisfaction.

e_i = Error term

From the regression analysis we see that the value of R is 0.791. We can say that the independent variable can explain 79.1% of the change in the dependent variable which is significant at 0% (0.00). From this, we can reject the null hypothesis and conclude that this is a good regression model. The standardized beta for emotional satisfaction for Maggi shows -0.680 which indicated price and emotional satisfaction has a negative correlation. If price increases the emotional satisfaction decreases. If we see the market price Maggi products are comparatively higher priced than the competitors. Though people are satisfied with the value for price as per my questionnaire response they may not be emotionally satisfied with Maggi.

3.1.8 Interpretation From the perspective of Sales

The above regression is also able to interpret the impact of Brand equity on Sales. The figure given below might help to figure out the mapping.

H₁ = The sales Of Maggi is dependent on Brand Equity of Maggi

H₀ = The sales of Maggi is not dependent on Brand equity of Maggi

Since we do not have any quantitative sales data we are considering sales to be the dependent variable instead of Brand Equity and the factors of Brand equity to be independent variables.

The regression equation is given below.

$$Y = \beta_0 + \beta_1 (0.33x_1 + 0.33x_2 + 0.33x_3) + e_i$$

Y = Sales

X₁ = Recalling Maggi Advertisement.

X₂ = Emotional connection With Maggi

X₃ = Memorability of Maggi

β₁ = Beta Coefficient.

B₀ = Regression coefficient representing a value in the perception of the price if the brand did not have memorability, brand awareness, and emotional satisfaction.

e_i = Error term

Using a similar regression model we can figure out the impact on sales by Brand Equity.

From the regression analysis we see that the value of R is 0.791. We can say that the independent variable can explain 79.1% of the change in the dependent variable which is significant at 0% (0.00). From this, we can reject the null hypothesis and conclude that this is a good regression model.

From the above regression analysis it is quite evident that the relation between brand equity and sales is quite strong and the sales of Maggi has been showing improvements having a positive impact on the working capital management due the presence of strong Brand Equity of the brand. We will further see the impact of sales on working capital management in the next topic. The standardized beta for emotional satisfaction for Maggi shows -0.680 which indicated price and emotional satisfaction has a negative correlation. If price increases the emotional satisfaction decreases. If we see the market price Maggi products are comparatively higher priced than the competitors for the value they offer. Though people are satisfied with the value for price as per my questionnaire response they maynot be emotionally satisfied with Maggi.

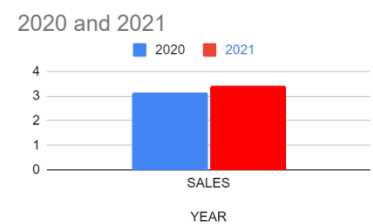
3.1.9 Working Capital Management for Maggi, Nestle Bangladesh -

The bookish definition of Working Capital Management refers to the collective Short-term activities of a corporation. Every company wants to ensure effective working capital management which indicates the accessibility to cash for day-to-day operating expenditures. Besides making sure that the asset of the firm is being used in the most efficient ways. Achieving the goal of effective Working capital management requires a balance of priorities keeping the goodwill of the company aligned with the management of cash. Effective management requires assembling and coordinating several within the firm including short-term investment, credit terms, granting credits, maintaining payables, and maintaining receivables. Effective working capital management also requires credible cash forecasts and easy access to required cash when needed.

As per Mr . Taufiqur Hossain, CFA, the year-to-year sales of Maggi have increased up to 10% from the year 2020 to the 2021

Sales	3.125	3.4375
YEAR	2020	2021

Table -1 Sales Data in Billion



Measuring Liquidity

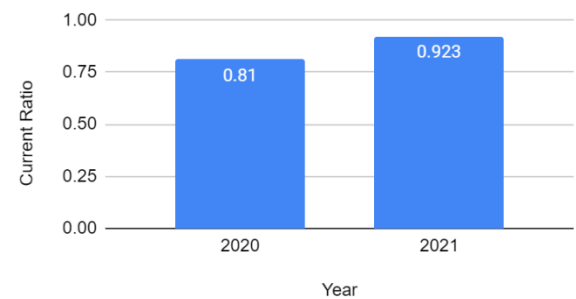
Current Ratio - Current Asset / Current Liabilities

Year	2020	2021
Current Ratio	0.81	0.923

Table2- Current Ratio

In the above-given table we see the current ratio of Nestle for the years 2020 and 2021. We see that the ratio has increased from the past year in 2021. A higher current asset is always preferred by a company since it represents that there are more quick assets than liabilities. In the case of Nestle Bangladesh limited the royalty payment is considered a current liability under Accounts payables. NBL pays its royalty to its parent company once every 2 years. NBL paid its royalty for the tenure at the beginning of 2021(Toufique Hossain, FCA, Business controller-Food & Chocolate, Nestle Bangladesh limited). On the other hand, the liabilities for the firm increased due to the COVID pandemic in 2020 since the supplier payment was delayed due to production delay for certain tenure.

Current Ratio vs. Year



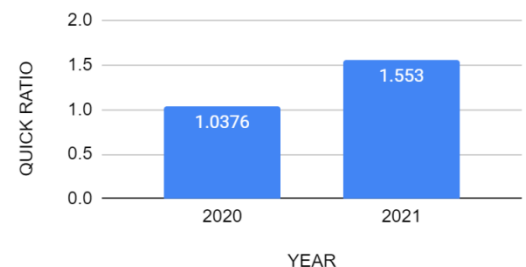
Quick Ratio - (Current asset-inventory)/Current Liability

YEAR	2020	2021
QUICK RATIO	1.0376	1.553

Table 3- Quick Ratio

We also see that the current liability ratio has improved from 2020 to 2021 given the decrease in current liability due to the workplace coming back to normal after the pandemic. The current assets, especially cash flow from sales, increased since NBL does not sell its products to retailers on credit. Moreover, payment to suppliers was possible due to the situation recovery.

QUICK RATIO vs. YEAR



Account Receivables Turnover - Credit sales/Average Receivables

Year	2022	2021
Accounts receivables	0	0

Table 4- Account receivables

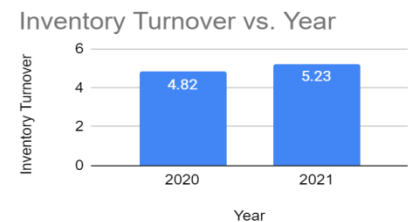
NBL does not sell its products in credit as per its credit policy. This a demonstration that the company has a Monopoly power over its retailers given that Nestle could establish a very strong Brand Equity in the mind of its consumers.

Inventory Turnover - COGS/Inventory

Year	2020	2021
Inventory Turnover	4.82	5.23

Table 5 - Inventory turnover

Inventory turnover has improved in the year 2021 with respect to 2020 since the sales of goods started moving to normal after the effect of the pandemic in the year 2021. The inventory remained almost the same, and the cost of goods sold increased due to an increase in sales and the impact of a disrupted supply chain leading to a positive impact on the Inventory turnover Ratio.



Number Of Days receivables - Accounts Receivables /Average Days sales on the credit

Year	2020	2021
Number Of days Receivables	0	0

Table 6 - Number Of Days Receivables

The Organization NBL does not sell its products on credit as per its credit policy. This demonstrates the company has a Monopoly power over its retailers given that Nestlé could establish a firm Brand Equity in the mind of its consumers.

Number Of Days of Inventory - Inventory / Average COGS

Year	2020	2021
Number of days of Inventory	75.72	73.44

Number Of Days Of inventory

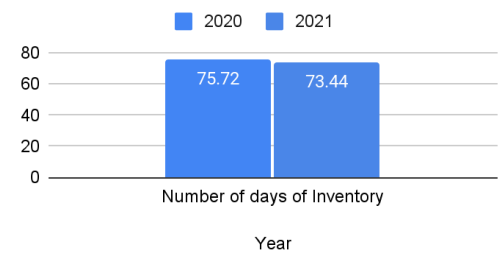


Table 7 - Number of days of Inventory

It is quite clear from the ratio that the average COGS have increased in 2021 and impacted the Number of days of inventory positively.

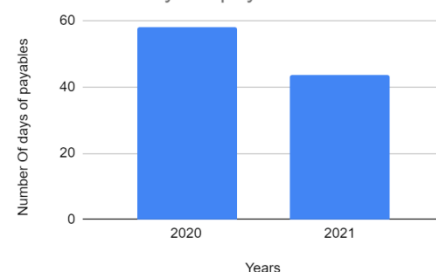
Number Of Days of payables - Accounts payables / Average Day's purchase

Years	2020	2021
Number Of days of payables	58.23	43.56

Table 8 - Number of days of Payables

In the year 2020 the accounts payables had increased for NBL due to the COVID pandemic which impacted the company's number Of Days of Payables. Gradually the company could get back on its feet ensuring the payment to its suppliers within the limit of around 40 days without losing its suppliers.

Number Of days of payables vs. Years



3.1.10 OBSERVATION-

From the ratio analysis for the years 2020 and 2021 we see that the firm has started regaining its position in the market with the sale of its products. The current and Quick ratio gives us the indicator that the organization has enough liquidity to support the short-term expenses of the organization.

The most interesting ratios of the organization are the Account Receivables Turnover & number of Days receivables ratio. Both of these ratios are zero. It clearly indicates that the demand for Maggi in the market is quite high and the sale generated from Maggi supports the retailer even if they have to avail of Maggi products without any credit facility. From this, we can clearly understand that Maggi somewhat has monopoly power over its retailer.

The number of days of inventory and the Number of Days of Payables are quite aligned with each other since Maggi's production requirement is more or less stagnant given the Brand is quite mature in the industry. The suppliers of Maggi is quite fixed in home and abroad which ensures special relationship and the advantage of credit terms and facilities (Taufique Hossain, FCA, Business Controller - Food & chocolate, Nestle Bangladesh)

3.1.11 Summary, Conclusion & Recommendations

This report consists of two parts combining marketing and financial parts for the Maggi team of Nestle Bangladesh. This report focuses on the connection between the finance and marketing operations of the Maggi team for Nestle Bangladesh. The prime motive of the report was to find out how strong the brand equity of Maggi was and to find the impact of the brand Equity on the sales as well as the working capital management of Maggi Nestle Bangladesh Limited.

From the above discussion, we see that the Brand Equity of Maggi is quite strong and Maggi could successfully pull off a very strong impact of its Brand equity on sales which has shown almost a 10% growth from the past year. Maggi has left no stone unturned in order to build this strong brand image in the country from scratch.

This increase in sales has impacted the maintenance of Working Capital management for the organization. Since sales have a direct impact on the Working capital management for NBL, an increase in sales could very much impact the working capital management of the organization. The SPSS analysis of the report shows a direct correlation between the dependent and the independent variables which proves that Maggi is the market leader in the industry for their outstanding marketing practices.

The finance department plays one of the biggest roles in supporting the marketing team with everything they need. Consequently with the contribution of all the teams in the organization Successfully operates their operations in the market.

My recommendation for Maggi would be to come-up with a new product line and new segmentation for better market capture. Since the brand is facing tough competition from its competitor Maggi should come-up with products that are not introduced in Bangladesh by any competitor yet like Pasta , Spaghetti etc. On the other hand Maggi should improve the taste and quality of their soup since the market of soup has very few players , the only player from which Maggi is facing a threat is Knorr. If Maggi can overcome the threat from Knorr through its product quality and market share Maggi soup will run along with the Brand.

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7. Noyon, A. U., & Ali, S. (2021, August 2). *Noodles market growing rapidly amid urbanisation, pandemic*. *The Business Standard*. Retrieved January 14, 2023, from <https://www.tbsnews.net/economy/bazaar/noodles-market-growing-rapidly-amid-urbanisation-pandemic-282208>

Questionnaire

1) Which brand comes to your mind when thinking about ready to eat food ?

Maggi
Knorr
Top Rammen
Mr. Noodles

2) How often do you consume Noodle/soup ?

Everyday
Every Week
Never

3) Which Culinary (Noodle , soup) brand do you prefer ?

Maggi
Knorr
Mr. Noodles
MAMA

4) Do you recall any Maggi advertisement ?

Yes
No

5) Rank the following Maggi product as per your purchase

Noodle
Soup
Shaad-e-Magic

6) Rate Maggi as per your liking

Ranking (0-5)

7) What do you like about Maggi ?

Taste

Variety/Flavor

Packaging

Availability

8) Is Maggi expensive for you?

Yes, it does not offer value for price

No, it offers value for price

9) Which Maggi logo do you see often?



10) Do you feel emotionally connected to the Brand?

Yes

No

Maybe