

Internship Report

On

“Business Model and Marketing Strategy of Nescafé Alegria 510”



Submitted To

Ms. Tanzin Khan

Lecturer

BRAC Business School

BRAC University

Submitted By

Vivian Pantho Adhikari

ID: 12104157

BRAC Business School

BRAC University

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Letter of Transmittal

May 7th, 2017

Ms. Tanzin Khan

Lecturer

BRAC Business School

BRAC University

Subject: **Submission of Internship Report**

Dear Ma'am,

It is my great pleasure to submit the internship report titled **"Business Model and Marketing Strategy of Nescafé Alegria 510"** which has been prepared as an integrated part of the course requirement of BUS400 of my BBA program. My internship was held at Nestlé Professional function of Nestlé Bangladesh Limited.

I was privileged to work with the Nestlé Bangladesh Limited; the work environment here is wonderful. It was a great opportunity to learn about corporate culture and this will be very helpful in my future work life.

It will be highly appreciated if you kindly accept the report. Your positive action regarding this matter would be very much helpful for my academic career. If you need any further clarification in interpreting this analysis, I will be glad to answer your queries.

Sincerely,

.....

Vivian Pantho Adhikari

ID: 12104157

BRAC Business School

BRAC University

Acknowledgement

I would like to express my deepest gratitude to God almighty for showering me with all the blessings with which I came all the way through my entire education life. It is my greatest pleasure to be able to complete my internship at **Nestlé Bangladesh Limited**. I believe my practical experience of working at Nestlé has provided me with lots of knowledge regarding corporate life and the FMCG industry.

Firstly, I would like to thank my academic supervisor **Ms. Tanzin Khan** for her untiring help, guidance and suggestions. Without her guidance this report would not be possible to make. She constantly inspired me to make this report better.

I would also like to thank my organizational supervisor **Mohammad Masum Uddin Khan (Country Business Manager) and Debashis Barua (Officer)**. Without their direct help, suggestion, and assistance it would be impossible for me to complete this report. I was fully supported by the Nestlé Professional team members to prepare this report and I am indebted to them. They very patiently taught me a lot of things that will help me in my future career and treated me as one of them and helped me with every little thing.

I would also like to thank the authority of **Nestlé Bangladesh Limited** for giving me the opportunity to work in such wonderful working environment.

.....

Vivian Pantho Adhikari

ID: 12104157

BRAC Business School

BRAC University

Declaration

I do hereby declare that the internship report on “**Business Model and Marketing Strategy of Nescafé Alegria 510**” has been prepared by me under the supervision of Ms. Tanzin Khan, which is based on my practical working experience at Nestlé Bangladesh Limited.

I further uphold that the work is original and no part of this report has already been submitted by any other student of this university or any other university.

This report has been prepared by me for the academic purpose of my Bachelor of Business Administration degree. Therefore, permission of the author is needed to use any part of it.

.....

Vivian Pantho Adhikari

ID: 12104157

BRAC Business School

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Executive Summary

This internship report has the study of the organization Nestlé Bangladesh Limited. Nestlé started its journey in Bangladesh in 1994. I was privileged to get appointed in Nestlé Professional function of Nestlé Bangladesh Limited. I got the opportunity to acquire a closer understanding to the sales and distribution process of Nestlé Professional function.

Nestlé Bangladesh Limited has three sales wings and Nestlé Professional is one of them. While Sales and Nutrition functions focuses on in home consumption of products, Nestlé Professional function mainly focuses on out of home consumption of products. As in it deals with the consumption of products for their corporate clients. As a sales function of an organization Nestlé Professional has an increasing contribution to the whole sales part of the company. The elementary objective of this report is to analyse the processes of sales and distribution of Nestlé Professional, the way it works and its purpose. There are several findings that are creating issues as a result all the four project of Nestlé Professional is facing difficulties to create values for the function.

This report has five major parts. Primarily the opening words of the report are described in the first chapter titled Introduction that covers the history, products and services, organogram of the company, vision and organization of the report. Then job description is given which includes the description of the job and its nature, responsibilities of the job, different aspects and performance. The next segment is on description of the project “Nescafe Alegria” of Nestlé Professional, the objectives of the project, methodology, limitations, and other information related to the company. It also includes the main body which has the brief description and detailed explanation of the project, my job experience and the project part also includes details about Nestlé Professional, its projects and distribution strategy.

At the last chapter some findings are described which were observed from working in various project and provided recommendation on the findings with a short conclusion.

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Nestlé Limited

Nestlé is a Swiss multinational food and Beverage Company. The headquarters of Nestlé is situated in VEVEY, Switzerland. On the basis of revenue Nestlé is the largest food company in the world. Then it was ranked 72 on the Fortune Global 500 in 2014.

Nestlé has a primary listing on the SIX Swiss Exchanges and is a constituent of the Swiss Market Index. It has a secondary listing on Euronext. In 2011, Nestlé was listed number one in the Fortune Global 500 as the world's most profitable corporation. Nestlé held ninth place in the FT Global 500 2013 with a market capitalization of US\$233 billion.

Nestlé is the most trusted name in the food industry with high quality products. The mission of Nestlé is "Good food Good Life", which drives the company to provide the best tasting and most nutritious choices in a wide range of food and beverage categories for eating occasions from morning to night. The vision of creating collective value and the very own Corporate Business Principles formed the company culture and made them a reliable investor over 86 countries of the world. At present Nestlé employs around 328000 people and have factories or operations in almost every country of the world with total equity of CHF 89.46 billion. They have in total 418 factories in 86 countries and currently they are operating in 191 countries.

Nestlé has collaboration with many beauty and fashion brands as well. They are the majority shareholder (23%) of L'Oreal. Nestlé has more than 100+ brands, 2000+ products.

High quality is the reason for which Nestlé has become world's largest and most trusted name in the food industry. The company's strategy is guided by some fundamental principles. Nestlé segment the world in different market region to run its business. Each

region is further divided into different market segment depending on their business nature similarities.

The Worldwide operations of Nestlé have been divided into **three** zones:

Europe: Adriatic, Benelux, Iberian and Russia

Americas: Austral-America, Bolivarian, Caribbean and Central American

AOA: Asia, Africa and Oceania



Table 1: Worldwide Operational Zones of Nestlé

History of Nestlé

Nestlé started in Switzerland in the mid-1860s, when its founder a prepared drug specialist Henri Nestlé, started his experiment on trying to make a substitute of breast milk for those new-borns who cannot breast feed thus suffer from mal nutrition. It was a lifesaving invention since afterwards this substance helped millions of infants who were suffering from lack of effective breast milk alternatives.

In August 1867, the Anglo-Swiss Condensed Milk Company was founded by two brothers Charles and George Page, in Cham, Switzerland.



Henri Nestlé started his work on baby food in September, 1866 in Vevey, Switzerland and soon started marketing it. In the following years Daniel Peter started working on milk chocolate manufacturing process, where Nestlé was the crucial co-operation that was needed to substitute all the water in milk with his chocolate. In 1875, Henri Nestlé retired from the

Figure 1: Henri Nestlé

company. It started working under new ownership but they kept his name as *Société Farine Lactée Henri Nestlé*.

In 1877 Anglo-Swiss Condensed milk company added milk-based baby food to their products, and the year after that Nestlé added condensed milk to their portfolio.

In 1879 Nestlé merged with milk chocolate inventor Daniel Peter.

In 1905 the company merged with Anglo-Swiss Condensed Milk Company and became Nestlé and Anglo-Swiss Condensed Milk Company until 1947.

Taking after years of development, Nestlé discards unprofitable brands and advances those that fulfil progressively wellbeing aware purchasers, in accordance with its new 'Nutrition, Health and Wellness' desire. The organization extends in the US, Eastern Europe and Asia, and focuses for worldwide authority in water, ice cream and animal food within the times of 1986-2002.

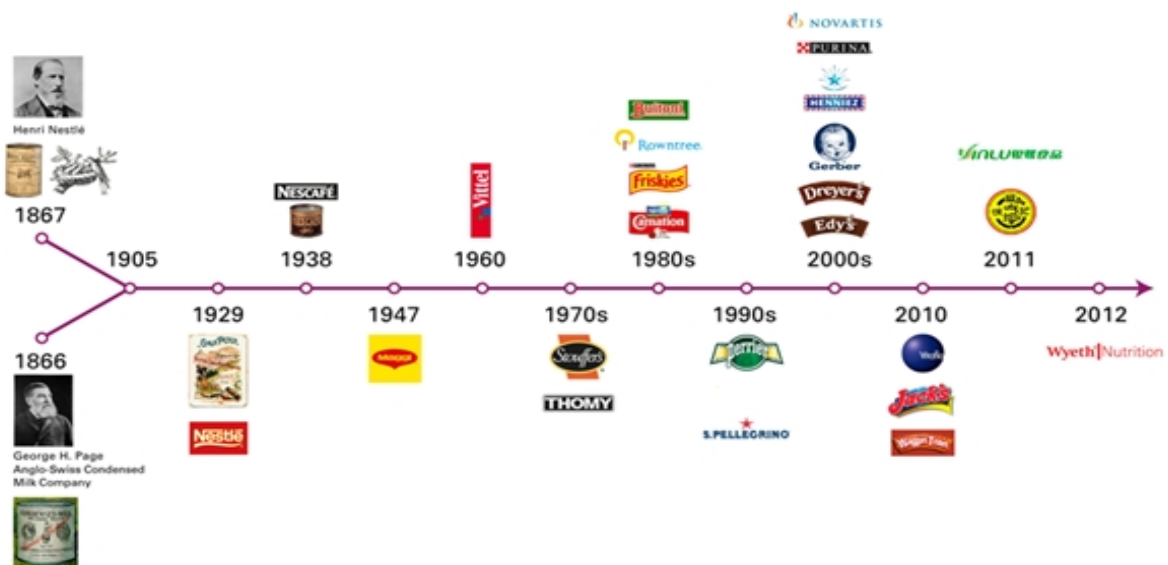


Figure 2: History of Nestlé

Products of Nestlé Global

Nestlé is best known for its products, their quality and availability in market. Nestlé has more than 5000 products in the market. From coffee, bottled water, milkshakes and other beverages to breakfast cereals, baby foods, performance and healthcare nutrition, seasonings, soups and sauces, frozen and refrigerated foods, and pet food every sort of food product for any time of the day.



Figure 3: Products of Nestlé

Category wise product's brand of Nestlé:

Category	Brands
Appliances	BabyNes, DolceGusto, Nescafé Alegria, Nescafé Barista, Nespresso, Special.T
Baby Nutrition	Cerelac, Gerber Graduates, Mucilon, NaturNes, Nestum, Nidal, Nido
Baking	Libby's Pumpkin Toll House
Bottled water	Arrowhead, Buxton Comtrex ,Deer Park, Hépar Ice, Mountain OzarkaPanna, Perrier Poland, Spring, Pure Life, Quézac, San Pellegrino, Vittel Zephyrhills
Cereals	Cheerios, ChocapicChokella, 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, CaillerCaramac, 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, Milo, Nescafé, Nescau, Nesfruta, Nespresso, Nesquik (mix), Nesquik, Ready-To-Drink Nestea, Nestlé Chocolate, Nestlé Dessert ,Ovaltine, RicoréSjora, Sublime Sweet Leaf.

Health and Nutrition	Nutramen, Junior Nutrament, PamLabPeptamen, 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), MaxibonMövenpick
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
Petcare	Alpo Bakers, Complete Beggin' Strips, BenefulBonio, Cat Chow, Chef Michael's Dog Chow Fancy, Feast Felix Friskies

Table 2: Category wise product's brand of Nestlé

Source: Nestlé Global website: <http://www.Nestlé.com/brands>

Nestlé Bangladesh Limited

Commercially Nestlé started its journey in Bangladesh in 1994. The total certified capital of Nestlé is TK1.5 billion of which the total paid up capital is TK 1.1 billion. In Bangladesh Nestlé is one the most trusted and prominent industry. It has created its place in market and in people's heart of this country by providing quality products. Popular Nestlé brands started entering this part of the sub-continent during the British rule and the trend continued during the pre-independence days of Bangladesh. After the independence in 1971, Nestlé World Trade Corporation, the trading wing of Nestlé S.A, sent regular dispatch of Nestlé brands to Bangladesh through an array of indentures and agents and some of the brands such as NESCAFÉ, CERELAC, LACTOGEN, MUNCH ROLLS and MAGGI became some very common products. 55 km north of Dhaka, in Sreepur, Gazipur the factory of Nestlé Bangladesh is situated. The number of direct employees of Nestlé Bangladesh is more than 650 but more than 10,000 people are employed by suppliers and distributors in connection to Nestlé.

Nestlé produces in the factory products like cereals and repacks milks, soups, the instant noodles, beverages and baby nutrition products. Most sold product of Nestlé in market of Bangladesh are Nescafé, Maggi noodles, Nido and Maggi soup, Maggi Shad-e-Magic, breakfast Cereals such as Corn Flakes and Koko Crunch, Coffee-Mate, Munch rolls and many more. Currently Nestlé Bangladesh is operating with only 12 brands. Nestlé Bangladesh is now in market creation phase of its operation. In Bangladesh Nestlé have 3 business functions. These functions generate the revenue for the company. They are Nutrition, Food & Beverage (F&B) and Nestlé Professional. Nestlé nutrition and F&B are the main contributors of company's earnings. Nestlé Professional started in Bangladesh back in 2012. So it is the smallest function at this moment but holds huge potential for future. Nestlé is a very high pursuable company. Quality and regulations are the first priority for Nestlé. Nestlé adopts the toughest level of compliance code by merging both global and local regulations. Today in Bangladesh market Nestlé holds a very strong position. The company is growing widely through the policy of constant innovation, concentrating on its core competencies

and its commitment to high quality food to the people of Bangladesh.

The chairman of the company has been Mr. Latifur Rahman from the very beginning of Nestlé's operation in Bangladesh. He is one of the top industrialists of the country. His firm Transcom used to import the products of Nestlé Bangladesh. Transcom is still involved in wide range of business like pharmaceutical, beverages, electronics, fast food franchises, newspaper, tea export etc. Although Transcom is no longer holding any of the shares of Nestlé S.A, Mr. Latifur Rahman is still the honorary chairman of the company. Now Nestlé S.A. holds 100% share of this company.

In Bangladesh Nestlé's vision is to be appreciated as the most successful food and beverage Company, generating sustainable, profitable growth and continuously improving results to the benefit of shareholders and employees.

Nestlé Bangladesh Organogram

Managing Director (MD)								
Administration function						Business Functions		
↓	↓	↓	↓	↓	↓	↓	↓	↓
Marketing – Director	Legal Affairs – Director	Supply Chain – Director	Human Resource – Director	Finance & Control – Director	Corporate Affairs – Director	Country business manager – NN	MD-F&B	Country business manager – NP
M3- Manager	M3- Manager	M3- Manager	M3- Manager	M3- Manager	M3- Manager	M3- Manager	M3- Manager	M3- Manager
M2- Manager	M2- Manager	M2- Manager	M2- Manager	M2- Manager	M2- Manager	M2- Manager	M2- Manager	M2- Manager
M1- Manager	M1- Manager	M1- Manager	M1- Manager	M1- Manager	M1- Manager	M1- Manager	M1- Manager	M1- Manager
Executive	Executive	Executive	Executive	Executive	Executive	Executive	Executive	Executive
Senior Offices	Senior Offices	Senior Offices	Senior Offices	Senior Offices	Senior Offices	Senior Offices	Senior Offices	Senior Offices

Officer	Officer	Officer	Officer	Officer	Officer	Officer	Officer	Officer
Trainee Officer	Trainee Officer	Trainee Officer	Trainee Officer	Trainee Officer	Trainee Officer	Trainee Officer	Trainee Officer	Trainee Officer
Intern	Intern	Intern	Intern	Intern	Intern	Intern	Intern	Intern

Table 3: Nestlé Bangladesh Organogram

The head authority of Nestlé Bangladesh is Stéphane Nordé, the Managing Director (MD). Mainly he is the CBM for Food and Beverage function but officially a company must have someone in its MD/CEO position. Since Nestlé Bangladesh has no CEO because of its not being enlisted in the capital market of Bangladesh therefore MD is the highest authority.

The second highest level of Nestlé is Directorship. All the CBM and department head fall under this grade. They are responsible to drive the growth of the company. Hence they focus on the overall business of their function. All of them together are known as MANCOM or board of directors. All the directors have to maintain their own departments which eventually lead to the improvement of the overall sales, progress and smooth operation of the company.

M3 managers are the mid-level of management. Category business managers, audit head, SC manager SVP of HR are the M3 level. M2 level has the brand managers and project champions.

Executives, senior officers, and officers are the first line of managers. Each department has people in these positions but those positions may name different as per department.

Trainee officers are the entry level position in Nestlé. This is the first position for permanent employee.

Interns are at the lowest level of the hierarchy. Each of the department has interns and they are supervised and trained by permanent employees of different levels.

Nestlé Vision

The vision of Nestlé is creating shared value a company for every moment of everyday from Day- Night, Birth- Old age.

Nestlé Mission

Nestlé is the most trusted name with high quality products. Being the leading F&B company, Nestlé's mission is "Good food, Good life". Good food is the key to a happier and healthier life. So by providing quality food items Nestlé promises their consumers a good life. Nestlé aims to meet consumers need and satisfy them with the best quality product for their daily life. They provide best tasting, most nutritious choices of food and beverages in a wide variety for the consumers to have from morning till night. Food is not only a necessity and source of nutrition it also brings pleasure, happiness and peace of mind.

Job Description

At first I had to go through an oral interview and then a written examination to get the internship opportunity at Nestlé Bangladesh Limited under their Nestlé Professional function. My duty always felt like a permanent job. While doing this internship I have got the opportunity to work with highly qualified professionals and meeting with highly prior customers. I got to insert my ideas where needed which helped me to enhance my thought process. With practical working experience I got the chance to lead a team which is really very important for building my career. Basically everybody works 5 days in a week but Nestlé Professional works 6 days in a week.

The Country Business Manager of Nestlé Professional gives his personal time for meeting with the interns every Sunday and he always try to share what he learned in his life relating to the career. Comparing with other departments of Nestlé, Nestlé Professional is totally different as in another department you are not that much flexible or independent to control any job. At the same time, Nestlé Professional gives opportunity which affects one's life very skilfully if anybody really wants to learn. I have got exclusive training sessions which I have never had before. Mohammad Masum Uddin Khan (Country Business Manager) taught us some topic entitled-

Nestle Professional Bangladesh Business Update
How to find out the Market potential
Data Management of Machine and Outlet
Customer Survey
Ensuring the productivity of the DSR
Negotiation Skill
Market Root Plan
Manage Daily fire fight

Table 4: Learning from CBM

Nestlé Professional

Nestlé Bangladesh Limited has three different sales functions. Sales functions are responsible for retail sales. Nutrition function is responsible for baby food item and Nestlé Professional function is responsible for institutional sales. Nestlé Professional is a food service department and a key growth factor for the Nestlé Group.

Vision of Nestlé Professional is **“To be an inspiring growth partner that delivers creative, branded food and beverage solutions, enabling operators to innovate and delight their consumers.”** As part of the world’s largest Food and Beverage Company with a commitment to Nutrition, Health and Wellness, Nestlé Professional is passionate about satisfying customers with branded solutions that are creative, customized and commercially viable.

Basically, as part of the world’s largest Food and Beverage Company Nestlé Professional focus on providing custom-made food and beverage solutions in out of home arena. Nestlé Professional is always prepared to meet the demand and need of the customer, whatever outlet they are in. Nestlé Professional is ready to serve at any place through channels like full service or quick service restaurant, business and industry, hospital, street, college and university, transportation etc.

Around 50%-60% of the population is going outside daily to earn their livings and to seek knowledge. They spend on an average of 8-12 hours out of home and spend almost half of their food consumption budget. Nestlé Professional being a dedicated unit of Nestlé Bangladesh Limited provides global branded solutions that are custom-made and commercially feasible for Bangladeshi market. Nestlé Professional is on a process of setting a strong set of route to market to ensure service to the people within the quickest possible time.

Combining the global thinking with the local tradition and understanding Nestlé Professional makes their innovative beverage and food solution more worthy and acceptable to their valuable customer.

Responsibilities of Nestlé Professional:

The responsibilities of Nestlé Professional are-

- Create beverages and food systems that are reliable and profitable
- Improve and develop business solutions in partnership with their customers
- Research and analyse consumer preferences and trends
- Discover the Centre's cutting-edge beverage solutions, including Nescafé Alegria, Nescafé Milano, Viaggi by NESCAFÉ, NESTEA, Vitality and others
- Market positioning, menu creation, promotions and culinary know-how
- Practical and ready-to-use tools to better manage operations
- Nutrition and healthy menu options, without compromising on taste
- Customized menu and food solutions

Nestlé Professional is currently operating four projects. Every project has different objectives and different solutions for the best consumer satisfaction.

Project Touch and Feel

Main objective of this project is to provide easy solution to the customer. Customer who wants to have coffee can get a cup of coffee by pressing the switch of Nescafé vending machine. Kiosk is a Nescafé branded coffee booth placed mainly at university and hospital area.

Nestlé Professional gets almost 80% of business from project Touch and Feel.



Figure 4: Project "Touch and Feel"

Source: Nestlé Professional Introduction Presentation

Project Perfect Portfolio

Different customers have different taste and requirement. To satisfy the customized requirement of a customer Nestlé Professional came up with project Perfect Portfolio. 15% of the total business is coming from this project.



Figure 5: Project "Perfect Portfolio"

Source: Nestlé Professional Introduction Presentation

Project Amra Korbo Joy (AKJ)

From African market of Nestlé, Nestlé Professional first came up with the concept of project "Amra Korbo Joy". In 2010 Nestlé Kenya came up with an idea of "MYOWBU" which means "My Own Business" in Africa. Nestlé Professional developed this business model so that they can create job opportunity for the least privileged and most importantly promote their

Brands by entering the street channel. To promote NESCAFÉ and NESTEA Iced Tea brand in the streets is the main purpose of this business model. It helps in creating entrepreneurs in less fortunate social classes (Termed as 'Operator').



Figure 6: Project “Amra Korbo Joy (AKJ)”

Source: Nestlé Professional Introduction Presentation

Project “Step Up”

To satisfy the taste of coffee lovers Nestlé Professional has introduced Step Up project which focus on providing premium coffee to the customer through Nescafé Alegria.

NESCAFÉ ALEGRIA has a smooth visual Appearance that is more than good looks. It has designed to preserve the environment and fits effortlessly into smaller spaces than other coffee machines. It can put anywhere i.e., on the desk, meeting room, reception area and so on. From strong Espresso to stunningly layered Latte Macchiato, this platform offers a complete choice of coffee beverages. A choice of five beverages from one attractive blend of coffee and individual's choice of COFFEE-MATE creamer or fresh milk.



Figure 7: Project "Step Up"

Source: Nestlé Professional Introduction Presentation

Nestlé Professional is assigning one intern to only one project by that they can give support and learning components for always learning purpose and also having knowledge of all of the other projects. As they have three other projects so job rotation is sometimes on. I am one of the interns of the project “Step Up” in which individual distributor house serves customer to fulfil the motto of “Nestlé Professional”. In Bangladesh over 63% of the total population are taking their food out of their home every day. And most them are people who workers. By capturing that market and satisfy the customers with their coffee need is the main goal of this project. Over here, I have run a team of 19 people who engage with Nestlé Professional. Every month they have got a target from Nestlé Professionals and get the job done within the time. The head of Nestlé Professional-Mohammad Masum Uddin Khan (Country Business Manager) consigned me to deal with the promotion of our new coffee machine named “Alegria 510”.

Project 'Step Up' of Nestlé professional in Bangladesh includes demand generation, selling and customer service of Nescafé Alegria 510 machine and ALC (Aroma locked canister). This is a whole new concept of coffee for our country which gives an ultimate international experience for the coffee lovers with the brand name of Nescafé. The main purpose of this project is to fulfil the thirst of genuine coffee lovers. Step Up mainly focuses on the premium customer base. This easy-to-use countertop coffee machine delivers authentic, quality café-style beverages at an affordable price. Its compact design and user friendly technology make it fit for any location. Just press the button to enjoy one of five delicious beverages of choice. It ensures the freshness of every cup by brewing one beverage at a time. The Alegria 510 product starts with Nestlé quality coffee beans and is further enhanced with finely ground roasted coffee called micro-grinds (4%). These coffee grind morsels ensure a coffee that is rich, aromatic, and full of flavour.

DG (demand generator) team members along with interns visit the market to find out the potential customers and then they approach the customers to sell the machine. Lifetime servicing and 1 year replacement system makes it more attractive.

Besides different branding policies like POP materials, activation programs and campaigns took place in this short time run of project 'Step Up'. Currently this project is working on online branding through Daraz.com.

Objective of the Project

The main objectives of this Project are as follows,

- To describe the opportunities that NESCAFÉ Alegria 510 have– A function of Nestlé Professional Step Up team.
- To know about the Premium NESCAFÉ Alegria 510 machine marketing strategy.
- To find out the problems and the possible solutions of the NESCAFÉ Alegria 510 of Nestlé Professional.
- To identify the procedures through which marketing strategy will be conducted to make a structure business

Research Methodology

Primary and secondary sources were used to collect information for this report. Main source of information about the Nestlé Professional business and for the analysis are collected from several resources of the company. Most of them can be treated as the secondary data. Practical work experience is also reflected in this report.

Primary Resources

- Training sessions by Nestlé Professional Leaders.
- Face-to-face conversation with the Country Business Manager, Manager, Officer, Distributor, and Direct Sales Representative.
- Practical field work.
- Observation of the work processes.

Secondary Resources

- Internal and External publication of Nestlé Bangladesh Limited.
- Books, newspapers and magazines.
- Collection of information from internet.
- Websites, presentation and videos.

Limitations

There is no process without some difficulties and limitations. This project of NESCAFÉ Alegria 510 is no exception. The limitations of the project are-

- All the issues could not be covered due to some confidentiality.
- All the necessary and detailed information were not available because of some company policy it is not possible to disclose confidential information regarding their managerial strategies and plans.
- This premium machine is in introduction stage and the distributor is linked with another company as well so it is prohibited to give any information about NESCAFÉ Alegria 510 distribution point.
- Time limitation is a big factor. As I assign for one year internship so giving full objective of NESCAFÉ Alegria 510 is hard.
- In this short time span it is tough to understand the overall strategy NESCAFÉ Alegria 510 as it is unstructured business at present
- Getting the exact original picture is also very challenging.

Although there were limitations and difficulties, best efforts were given to gather as much information as possible.

Nescafé Alegria 510

Nescafé Alegria 510 is a part of the “Step Up” project of Nestlé Professionals. NESCAFÉ Alegria 510 is a premium coffee machine which visual is more than good looks. It needs smaller space than other coffee machines and designed to preserve the environment. This is a fully automatic machine that can be used by anyone. This coffee system offers five types of complete menu of coffee beverages, from raw coffee Espresso to stunningly layered Latte Macchiato.



Figure 8: Nescafé Alegria 510 and ALC (Aroma locked canister)

It also offers individual's choice of "COFFEE-MATE" creamer or fresh milk. For Lattes and Cappuccinos, need to add "COFFEE-MATE" creamer into the cup and NESCAFÉ ALEGRIA machine then warms and froths it directly in the cup to create delightful and smooth foam. For the NESCAFÉ Alegria, the Schedule is-

- 7am Lungo- Wake me up
- 9am Americano – get the day going
- 2pm Espresso – an afternoon "pick me up"
- 4pm Latte Macchiato – almost done with the workday
- 7pm Cappuccino – a great after dinner treat

Espresso

It is small in quantity only 40ml, but it certainly packs a punch. The espresso is famed among pure coffee lovers as a fast-acting "pick me up". It has a superb full-bodied flavour and rich aroma blend raw coffee.

Lungo

It is smooth and rich black coffee, which is easy to drink, with a natural synchronization between the flavours of Arabica and Robusta beans. It is softer than the Espresso.

Americano

It is ideal for those who like black coffee but not too strong. It is too soft coffee and the quantity is large which 240ml is. With its authentic flavours and smooth aromas people love it to drink.

Cappuccino

The most famous coffee cappuccino is best who looking for a treat with a boost. NESCAFÉ ALEGRIA coffee machine will give one a beautiful, frothy Cappuccino with rich aromas and flavours.

Latte Macchiato

Perfect layers with a beautifully frothed coffee are Latte. It is full of cream with gentle coffee blend. Who want a mild coffee with full of aroma is best choice to have a latte.

Nescafé Alegria 510 Marketing Strategy

Products Push Strategy

Push marketing is a promotional strategy by which a company sends message about some product or service to their potential consumers even when they don't have any interest of buying it or learning more about it. Push marketing is basically taking the product to the customer by any means. Here product push strategy is such devices where the distribution people follow "pro-actively influence sell-in" of Nestlé's product that is they actively influence the customer to buy Nestlé's product. For pursuing this method of marketing we have 3 DG teams. The main task of the DG team is to push the product to the potential customer. Although according to the business law, doing push marketing for the premium products decreases the brand value, this ensures that the potential customers are at least aware of the product's existence which of course assures the growth of it.

The key challenges they face here are as follows:

- Direct coverage expansion
- Driving passive distribution
- Right service frequency
- Selecting the right distribution partners Customers Pull Strategy

Customers Pull Strategy

Pull marketing is exactly the opposite of push marketing. In this approach consumer seeks for a product defining it and the retailer then presents ads or offers products to that consumer. For pull marketing the product needs to already have a demand of it. Nestlé Professional recently started using pull marketing approach by getting coverage and interest from consumers. Now they are selling online by social media marketing via DARAZ.com, SINDABAD.com etc. Activations in corporate offices can also give them an idea of the product so that they can seek for it in future. Here the customer pull strategy is such a process where the distribution people are to depend on “the natural demand” for Nestlé’s product. That is if the customers want a high volume of products (Industrial Sales) then Nestlé can generate high-scaled revenue. Here the key challenges they faces are as follow:

- To create regular demand
- To ensure customized order fulfillment

Forms of Distribution:

There are two forms of distribution in Nestlé Professional,

- Direct distribution.
- Indirect distribution.

Direct Distribution:

In direct distribution process Nestlé Professional has full control over the entire supply chain ranging from depot down to the point of sale. Here Nestlé Professional practice direct coverage policy. The benefit direct distribution is to ownership and control over supply chain.

Indirect Distribution:

The control mechanism of indirect distribution passes to the shared distributors to ensure that the product is available to customer. Indirect distribution is where Nestlé Professional doesn't have full control of the entire supply chain. Indirect distribution is playing the role of passive distribution. In passive distribution one retail distributor is selected in a remote area and is given a certain profit margin. The percentage depends on the following factors such as:

- Distance of the market.
- Area coverage.
- Sales growth.
- Reputation in the market.
- Financial solvency.

Background Strategy

Potential Market Selection Plan

The DG teams have to cover the market so there has to be a plan or structure of market visit. Which includes the markets need to be visited by DG team throughout the year and how many times they will visit them and in which order. For that i also have to make the list of the markets and customers the DG team will visit in a day. And i also have to make sure that in a whole year all the markets and customers are covered at least four times to convince them. From the secondary data most relevant QSR for my project is 1101 is selected, FSR 99 and the total for Commercial is 1200. For B&I I select most relevant 900 B&I for this project. Among them MNC is 570, Group of company is 145 and Buying House is 185. Those areas are needed to be followed for the year 2017. It is difficult to convince a customer in the first meeting so they needs to be visited one outlet 4 times. After that the outlet number will be 4800 for Commercial and 3600 For B&I. To get done with this plan three DG team members will have to visit 15 of the outlets of Commercial and 6 outlets of the B&I per day. So that by the time the year ends they can visit all the outlets at least 4 times.

Total Outlet Target- 2100				
Commercial (1200)				
QSR	1101			
FSR	99	DG Team Members	3	
Total Target	1200	Visit Time (per outlet)	4	
4 times	4800	Per day visit	15	

B&I (900)				
MNC	570			
Group of Company	145			
Buying house	185	DG Team Members	3	
Total Target	900	Visit Time (per outlet)	4	
4 times	3600	Per day visit	6	

Figure 11: Market Segmentation of Project Step Up

Route Plan

A route plan has to be developed so that all the areas are covered by the DG team in a structural way. The DG team members assigned for the area is also shown in this plan and the areas they will cover. The DG team can see the route plan and the areas they need to visit. The market is placed closely to each other in a day so that at the end of the day they can meet to each other and can share their views and report to me as well.

Demand Generation Team	32 Page					
	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday
DGT1	Market1: Banani, Gulshan1, Gulshan2, Niketon, Badda	Market2: Uttara	Market3: Dhanmondi, Mohammadpur, Lalmatia	Market4: Motijheel, Khilgaon, Paltan	Market 5: Baily Road, Malibagh, SegunBagicha, Kakrail	Market 6:Kawran Bazaar, Farmgate/Pantapath/GreenRoad, Bashundhara City, Eskaton, BanglaMotor, Elephant Road
DGT2	Market1: Banani, Gulshan1, Gulshan2, Niketon, Badda	Market2: Uttara	Market3: Dhanmondi, Mohammadpur, Lalmatia	Market4: Motijheel, Khilgaon, Paltan	Market 5: Baily Road, Malibagh, SegunBagicha, Kakrail	Market 6:Kawran Bazaar, Farmgate/Pantapath/GreenRoad, Bashundhara City, Eskaton, BanglaMotor, Elephant Road
DGT3	Market1: Banani, Gulshan1, Gulshan2, Niketon, Badda	Market2: Uttara	Market3: Dhanmondi, Mohammadpur, Lalmatia	Market4: Motijheel, Khilgaon, Paltan	Market7: Bashundhara R/A, Baridhara	Market 6:Kawran Bazaar, Farmgate/Pantapath/GreenRoad, Bashundhara City, Eskaton, BanglaMotor, Elephant Road

	MARKETS					
	<u>Market1</u>	<u>Market2</u>	<u>Market3</u>	<u>Market4</u>	<u>Market5</u>	
	Banani	Uttara	Dhanmondi	Motijheel	Baily Road (51)	
	Gulshan 1		Mohammadpur	Khilgaon	Malibagh	

				(13)	
Gulshan 2		Lalmatia	Paltan	SegunBagicha (13)	
Niketon				Kakrail (15)	
Badda					
<u>Market6</u>	<u>Market7</u>	<u>Market8</u>	<u>Market9</u>		
Kawran Bazaar	Bashundhara R/A	Mohakhali	Mirpur		
Bashundhara City					
Eskaton					
Bangla Motor					
Elephant Road					

Table 5: Route Plan for DG Team

Feedback List

Collecting feedback is a very important part for any project. This helps to improve the strategy or product and it also gives us the idea of what the customers want in our product. The DG team members have to collect feedback from the customers after every visit. An extensive data, that gives an idea of whether the customer is happy with the product or not. If not, then why so. Again if not then, what else he would need. Their existing solutions also can be known from that data. Using all these information future strategy planning can be done.

DATE	NAME OF OUTLET	Checklist	STATUS	Next Follow Up Date	Existing Solution	Remarks	number
11-Dec	Sub-Factory	Bo	Not	N/A		Street Shop	
11-Dec	Sana	Bo	Not	interest	Choro ak ta matching as	No need	Number rakhe dece
11-Dec	Milange	Bo	Not	interest			
11-Dec	Tokyo Express	Bo	Not	interest	Have a matching	No need	1776009911
11-Dec	Oni Calcutta	Bo	Not	interest	off	off	
11-Dec	The Palace Pizzeria	Bo	Not	interest			

Table 6: feedback list of customer

Interested List

From the feedback list, we can have an idea of the customers who are interested about the premium product. The interested list is made after that collecting the information of the interested customers. Using their phone number then I contact them stating that they have shown interest in our product. We also provide them some promotional offer to boost their desire for our product.

Name	Qty	Status	feedback
Khulna	1	Not Confirm	01916666846 Rafael
Kings fast food	1	Not Confirm	
regency	1	Confirm	Need Deb vai support
Oregeno	1	Not confirm	Unable to reach
ghost rider	1	Not Confirm	need time
nipu sir (Blue moon)	1	confirm	need time
kolapata	1	confirm	Need to visit
grilled	1	confirm	Unable to reach

Table 7: Interest list of customer

Calendar Maintenance

Schedules of important meetings with clients, team members and team leaders have to be maintained. For that to work out perfectly i need to maintain a work calendar that helps me to keep track with all the scheduled works and meetings.

Nov 2016	6	7 Police plaza Kazi farm Machine deliver	8 Pendora machine delivery	9 Shoma house Cafe royal	10 Zaman
	13 Pendora machine deliver	14	15	16	17
	20	21	22	23	24

Table 8: Calendar

Working Flowchart

The whole process of my work is shown in the flowchart. At first from all the collected data I update the database. Then I make the route plan and contact the DG team, they go to the outlets according to the plan. If the outlet is open then they collect feedback and I make the feedback table otherwise it's updated in the database and in the route table that the outlet was closed. From the feedback list I make the interested list. Then update the information about at which time they want it to be delivered then it is also updated I the list.

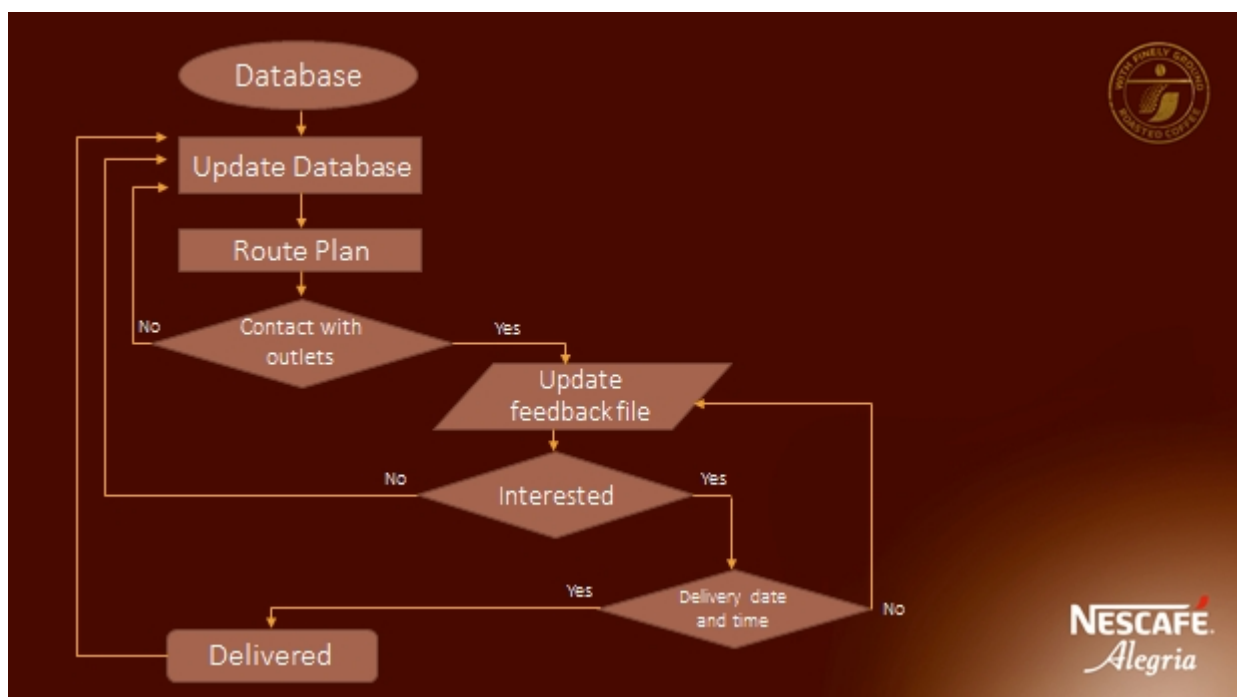


Figure 9: Working Flowchart

Target Customer

The following are mainly customers of this premium coffee solution.

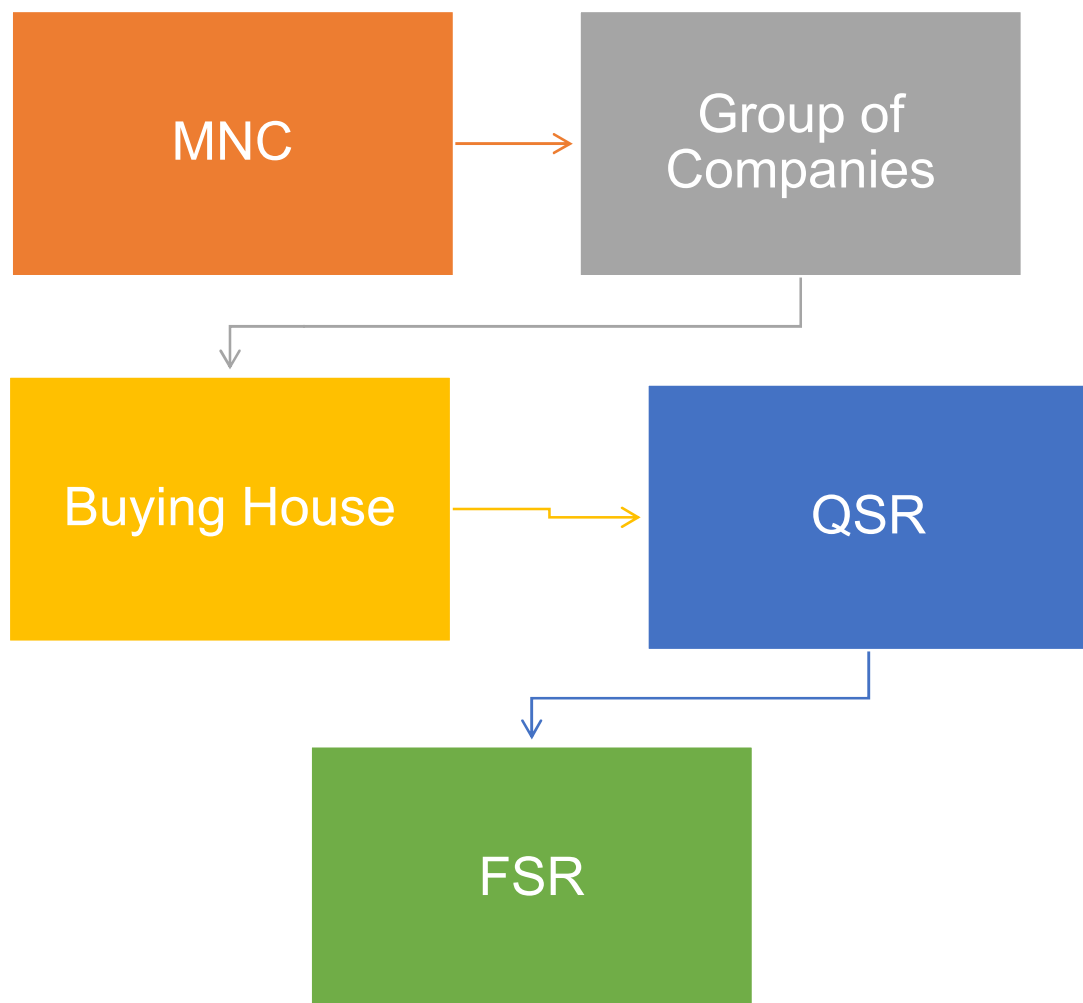


Table 9: Target Customers for Nescafe Alegria 510

Operational Plan

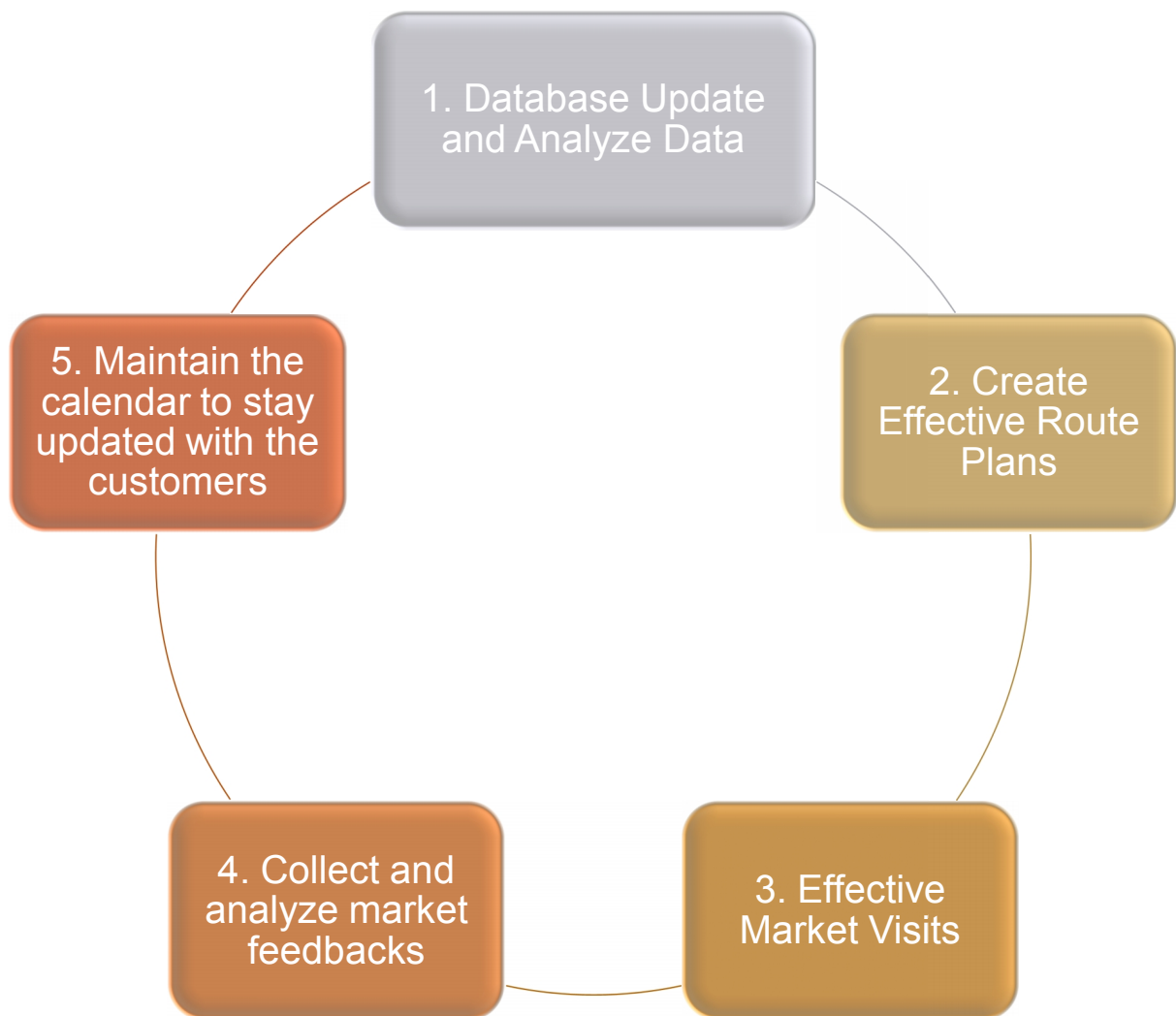


Figure 10: Operational Plan

Analysis

Lack of Visual and Awareness

While working as an intern for NESCAFÉ Alegria 510, I found that not much people are aware about this product's existence. The limited numbers of people who know about this are not much knowledgeable about it. In my opinion there is a branding problem. They are not promoting the premium product as much. The findings about project Step Up are-

- Promotional strategy of Step Up project is not satisfactory. As a result only few customers aware of this premium segment.
- Demand Generator team is not effective and not dedicated in creating demand.
- Sometimes DG team don't share promotional discount with customer and take discounted money in their pocket.

To solve this problem they should take some initiatives. What we did sales part of the company as a solution to the problem are discussed below-

Loyalty Card

This is a promotional activity. Whenever there is a customer, who is buying say a cup of cappuccino and uploaded a photo of it with a check in and a hash tag. We provide that customer a loyalty card. By this card that customer will get another cup free cappuccino the next time. Next he or she will get two cup cappuccino free with the purchase of one cup with this loyalty card. In that way it will create new customer as that customer has to come with others and also create customer retention.

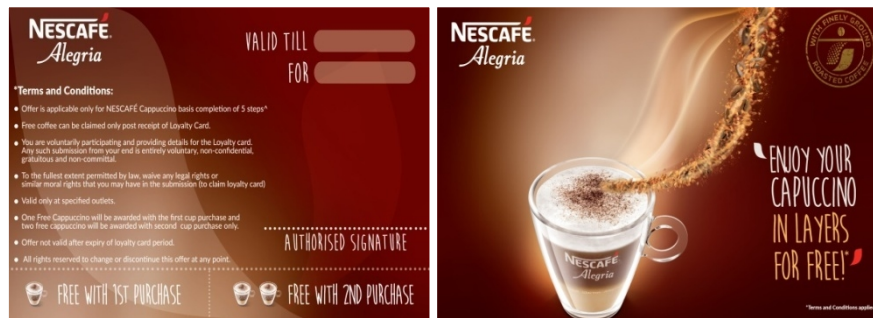


Figure 11: Loyalty card

Table Talker

For increasing the brand value and awareness of the NESCAFÉ Alegria we provide branded table talker to every outlet those who have our product. They can add their menu along with the NESCAFÉ Alegria coffee menu. This will aware more and more people about the existence of the produce and the specifications of it. By that way it will most definitely increase the visual of the NESCAFÉ Alegria 510.



Figure 12: Table Talker for NESCAFÉ Alegria 510

Results and Discussion

Amongst all the projects of Nestlé Professionals project 'Step Up' is the most challenging one. It's new, it's innovative and like other projects of them it doesn't have a set business.

After joining in Nestlé Professional and become a part of "Step Up" team it was challenging for me as well. So I had to learn about all the things from the scratch and had to develop a structure that helped me to understand it well enough to add progress in it. At the beginning I tried understanding the whole process of Nestlé professional then got deeper in the project "Step Up". Then I structured the man power that I have and increased the visibility and awareness through different branding and promotional strategies. I made plans to finish my works on time and with perfection. This project deals with premium product. Therefore it was very difficult to get our potential customer's time for meeting. We have seen that many other companies are giving gifts to the clients. We started doing that too. We targeted them as well and we got bulk amount of order from them. I am fortunate that I got the opportunity to work with Nestlé Professional where I can explore my knowledge and my thought through understanding and practical work experience. All the people here are very helpful and they always encourage doing something different and thinking critically so that it makes me more efficient and effective and the project will run smoothly.

Recommendation

- To survive in the market pricing strategy of Nescafé branded vending machine and Nescafé premix should be reconsidered.
- Nestlé Bangladesh Limited should decrease the impact of gray market by taking effective strategy and mass awareness program.
- Proper marketing strategies need to be taken for project “Step Up”.
- The activities of DG team need to be monitored carefully so that they cannot deceive customers.
- After sales service need to be improved. To do this training session can be arranged so that service engineers become competent in giving customer service.
- Distributor must have to follow a structured route plan. Nestlé Professional officials should monitor this and punish the distributor by not giving incentives.
- Promotional strategy of Step Up project is not satisfactory. As a result only few customers aware of this premium segment.
- Demand Generator team is not effective and not dedicated in creating demand.
- Sometimes DG team don't share promotional discount with customer and take discounted money in their pocket.
- KPI based incentive program need to be developed for DSR.
- Nestlé Professional officials must have to check proper disbursement of trade promotional offers.
- A computerized system for sales and inventory is essential for proper tracking of performance.
- Distributor must have to look after the business closely.

Conclusion

Nestlé Bangladesh Limited is one of the most reputed and trusted Multi-National Companies operating in Bangladesh. Throughout the years since its establishment it has affirmative image and brand equities that helped it to grow faster. By continuously developing their existing products, introducing new products, concentrating on new media opportunities and improving the communication system, expanding distribution network and innovating new ideas, the company always focused on presenting better solutions to the consumers' problems. And all these activities are undertaken by a set of splendidly proficient and talented employees working with a proactive outlook. The sales of Nestlé Bangladesh Limited are mainly based on branches and distributors.

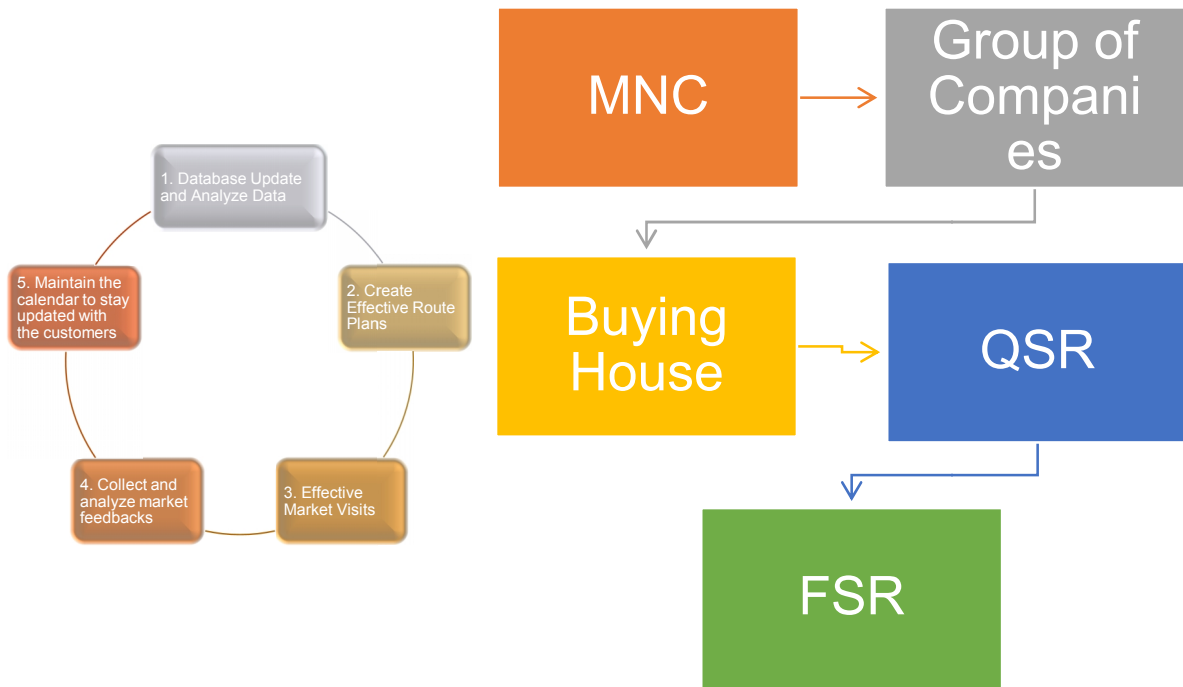
Nestlé Professional is a new concept for Bangladesh and its growing gradually. Nestlé Professional is contributing in overall business of Nestlé Bangladesh Limited. In 2016 Nestlé Professional has targeted to achieve 20% growth nationally. With the potential and innovations it will bring a lot of progress in the overall growth of the company.

To achieve this target Nestlé Professional team trying to ensure the best distribution but here they have no direct control over the sales. With the help of strong marketing strategies the distribution channel is running seamlessly. If the team follows the things, which have been recommended in the part of recommendation, the sales figure will increase tremendously and this function can develop its distribution efficiency.

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NESCAFÉ
Alegria

VALID TILL _____
FOR _____

***Terms and Conditions:**

- Offer is applicable only for NESCAFÉ Cappuccino basis completion of 5 steps*
- Free coffee can be claimed only post receipt of Loyalty Card.
- You are voluntarily participating and providing details for the Loyalty card. Any such submission from your end is entirely voluntary, non-confidential, gratuitous and non-committal.
- To the fullest extent permitted by law, waive any legal rights or similar moral rights that you may have in the submission (to claim loyalty card)
- Valid only at specified outlets.
- One Free Cappuccino will be awarded with the first cup purchase and two free cappuccino will be awarded with second cup purchase only.
- Offer not valid after expiry of loyalty card period.
- All rights reserved to change or discontinue this offer at any point.

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FREE WITH 1ST PURCHASE

.....

FREE WITH 2ND PURCHASE

NESCAFÉ
Alegria

ENJOY YOUR CAPPUCCINO IN LAYERS FOR FREE!

*Terms and Conditions applied



