

Market Analysis and Research of Nestle Company

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Abstract

This article analysis current trends of Nestle Company such as BCG(Boston Consulting Group) matrix, SWOT analysis and STP analysis and recommendation of company for further improviments. It also gives an general understanding of business and marketing reports of this company.

Keywords: *SWOT, BCG matrix, Segmentation, Targeting, Positioning, Social Media, Concentrated and Differentiated marketing, Marketing Strategy.*

1. Introduction.

As all of us know, Nestle is our favorite general household brand for many years and Everyone knows that your favorite list is made from Chocolates and Milk products such as Kit-Kat, NestleMilk, Maggi noodles and Pure Life mineral waters . Have you ever wondered that which of these products are included in BCG matrix (Boston Consulting Group) , Dog , Cash Cow , Question Mark or Star? .If you are interested enough about this question then this presentation is definitely curated for you and it gives you sound information about BCG matrix of Nestle.

BCG(Boston Consulting Group) Matrix of Nestle Company

According to (Bhuyan, S.):

DOG.

This product called dog and have small market share and growth potential .

There are some examples which is marked as dog : Nestle’s Milo which was produced as a combination of chocolate and malt powder for milk and boiled water, unfortunately, it failed to create a distinguished influence on the market and occupy the attention of consumers and was placed in the Dog Mark

STAR.

These are famous products or goods with high market share and enormous impact for high returns on investment and these products are , mineral water (Pure-Life) and Nestle’s Coffes such as Nescafe (Nescafe gold or Nescafe Classic) and it has 35% market share in production.

QUESTION MARK.

These products are inaccurate and they are famous as problem children and there are 50% possibility that they either can become well-known goods with high market share or Dogs which is has small market share . These products usually are : Kit-Kat ,Bar-one ,Milkybar and Munch .

There is small market share and high growth potential because these product are expensive enough to purchase them very few times by Consumers in Holidays as a gift .

CASH COW.

These products are well-known and organized moreover makes regular income but there is low possibility to broaden. These products has enough market share however benefits are too small and this product is usually introduced as Maggi Noodles

2. Main Business Analysis

2.1 SWOT analysis of Nestle Company

So what is the SWOT analysis and goal? The goal of it is to find the strengths and weaknesses of the company in the internal and external sides. On other hand, we use SWOT analysis for to divide it in four categories as (Strengths, Weaknesses, Opportunities and Threats. As you have already realized, I chose Nestle Company for my SWOT analysis.

Strengths of Nestle

Every company has a good and bad, strengths and weaknesses, so here some strengths:

1. Nestle is the one of the well-known food and beverage company
2. This company makes very good and high quality products
3. Has a great influence at the global level, because you can find this brand almost in every country
4. Has a large arsenal of products in every area
5. Has a good relationship with other global brands
6. Befriending the ecological environment of our planet by using less harmful things

Weaknesses of Nestle

As we know we cannot look at right and left at the same time so due to Nestle has some weaknesses as:

1. Has a conflict with citizens by using large quantities of water to produce the product
2. The price of the Nestle products is more expensive than others.
3. Has a story as manufacture of harmful goods

Opportunities of Nestle

Due to nestle has an influence around the world, it has very good opportunities to:

1. increase the number of RTD (ready to drinks) beverages, because this kind of markets is growing now
2. produce more quality product and don't try to be in each sphere
3. pay more attention on advertising
4. Avoid any conflicts with customers

Threats of Nestle

Every big company as Nestle has some threats and the reason of it, its food and beverage company. And here some of this:

1. One of the biggest threats is strengthening of competitors in the food and beverage industries
2. Increasing the price of product due to transportation and materials
3. The climate changing and weather problem, which may bring them not enough materials and products for to produce

2. 2 STP analysis

Segmentation of Nestlé

Individuals that have similar goals with a certain brand are referred to as market segments.

The four factors listed below form the basis of market segmentation strategies:

1. *Behavioral*
2. *Demographic*
3. *Geographical*
4. *Psychographic*

Geographical

The Nescafe ice market in Singapore has been classified based on whether the temperature is warm, cold, or hot. Regarding to EdrawMind website (n.d.), they also consider the country region, rural areas, and the global region. The nestling can identify variations in requirements and prefers to be depending on place. Which is mean that Nestle does a lot of research, before choosing appropriate place. Subsequently, it's easy to say that an adequate quantity of budget released to research departments.

Demographic

How we have known from introduction to marketing courses, it's bad decision to choose only one segment to aim on customers, subsequently, Nestle company follows the rule; combine some segments to get best result. As the source named EdrawMind (n.d.) suggests, Nestlé divides its customers based on age, gender, income, and educational attainment. Nestlé never serves the same product to customers of different ages. It serves milo to children and coffee to adults, for example. Nestlé manufactures things that save money, and they are affordable to the average person because they are made in small quantities. Nestlé also manufactures items based on the jobs of its clients.

Psychographic

Nestlé categorizes its products based on personality and lifestyle. For example, Nestlé Kit Kat is for those who want to taste real chocolate, whilst Nescafe 3 in 1 is for those who don't have time for breakfast (EdrawMind, n.d.).

Behavioral

Nestlé's behavioral segmentation is primarily concerned with a customer's knowledge, comprehension, and attitude. Due to they are the most appropriate for the style of the company.

Targeting of Nestlé

Targeting is similar to selection in that they will target our clients for success now that they have identified them through segmentation. They'll have a better idea of what they're good at now that they've analyzed the market, their strengths, and their competitors (EdrawMind, n.d.).

Nestlé has been doing two types of target-marketing:

1) DIFFERENTIATED MARKETING.

Nestlé use a segmentation method to supply different commodities to different segments based on age, profession, seasons, weather, gender, and other criteria. For example, Nescafe 3 in 1 is ideal for people who are short on time, Koko Krunch cereal is ideal for those who want to taste real chocolate, and so on.

2) CONCENTRATED MARKETING:

Nestlé has achieved a strong market price through targeted marketing, owing to its in-depth understanding of its customers. Nestlé is a firm that specializes in the production of infant formula.

Positioning of Nestlé

Differentiation of products:

Nestlé offers a wide range of products to its target customers, the research made by Sahad (2022) says that that includes about 25 types of Nido for children, cereals, and lactogen 1 and 3 for infant babies.

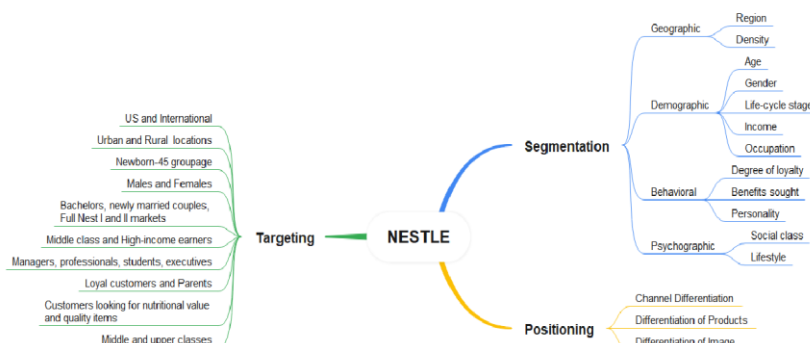
Channel Differentiation:

Nestlé offers its products through experienced salesmen and secure delivery, guaranteeing that customers may readily obtain them.

Differentiation of Image:

Customers can instantly identify the Nestlé logo since it is so distinct from those of other companies and competitors Sahad (2022). Through a lot of decades of production and presenting good quality of products, the company has deserved the high status. Differentiation in service:

As a lot of another gigantic companies, Nestlé provides 24-hour help lines so that customers can easily contact them with problems or questions.



2.3 Integrated Marketing Communication analysis

Direct Marketing:

Nescafe distributes promotional offers and various discounts via mail and phone message. Regarding to Sahad (2022), they use phone calls and emails to establish personal connections with their clientele. They try to provide important information and receive significant client feedback through these two modes of communication in order to improve their product in terms of taste, packaging, and quality. There will be discounts linked to messages during specific seasons to expand on-the-spot bargains. It will strengthen client relationships and create a large and powerful brand image.

Sales Promotion:

Nescafe occasionally offers numerous discounts and free gifts. Consumers drink coffee to remain warm throughout the winter, thus Nescafé offers discounts during that time so that people choose their brand over another. Nescafe occasionally gives away free samples of their new coffee products so that people can try them and decide whether or not to buy them. Nescafe occasionally provides more coffee to lure customers, as well as mugs, t-shirts, and other promotional items.

Public Relation:

Nescafe engages in public relations through sponsorship, concerts, events, new features, and so on.

Personal Selling:

A lot of marketing managers say, that the most successful instrument for changing clients' ideas, attitudes, and habits is Personal Selling. As the study of Sahad (2022) suggests, buyers want to pay careful attention, and personal selling is more appealing to them. As a result, feedback and changes are feasible. Nestle's personal selling strategy generates goodwill for both the company and its products. It also had a positive impact on the performance of the Nestle product.

Nestle's Social Media Marketing Strategies

Nestlé has a significant social media presence in general, but it is especially active on Facebook, Instagram, and Twitter. The company interacts with customers on social media sites to boost its brand image (Sahad, 2022). To engage with its global clientele for its diverse product line, the food company developed regional social media profiles.

Nestle leverages social media to strengthen its marketing, innovation, and leadership capabilities. According to Sahad (2022), Nestle maintains 95 social media accounts, including 36 on Facebook, 21 on Twitter, and six on Instagram. The brand creates several pieces of content that are tailored to the specifics of each platform.

Comparison with Competitors on Social Media

- 1) Instagram.** Average number of subscribes of Nestle on Instagram is 400,000. While his main competitor's PepsiCo and Coca-Cola have 119 thousands and 2 800 000 of subscribers relatively.
- 2) Facebook.** On this type of social media Nestle has 11 714 894 of subscribers. Whereas the competitor companies, as Coca-Cola accounts 109 337 446 subscribers. Another company named PepsiCo has 399 711 of subscribers.
- 3) Twitter.** 287 200 is the quantity of subscribers of Nestle on Twitter. 1 100 000 is the number of subscribers of Nestle's competitor Coco-Cola. And, the last but not least, is the quantity of PepsiCo's subscribers on Twitter, which is 357 700.

3. Conclusion and Recommendation

In our part we have covered Segmentation, Targeting and Positioning of the company. As these are one of the most important study sphere, we remarked that Nestle puts a gigantic quantity of efforts to maintain processes of the studies; cause opportunity cost is too high.

To sum up the company's IMC, we have just learnt how integrates Nestle with public. Plus, how the company advertise itself.

In the CPG market, Nestle has had considerable success. To boost its position on the market, it can yet make improvements in a few areas and finally, I'd like to offer a few suggestions.

- introducing new products and services to the business.
- increasing the number of new businesses in the food and beverage sector.
- enhancing its online offerings to have a distinctive competitive edge in the CPG
- enhancing its operations and production processes.
- Utilizing genuine raw materials to quell protests from social and environmental campaigners.
- putting an end to the controversies and scandals in the media while maintaining a good reputation.

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