

Psychological Impact of Marketing and Advertising Strategies of Nestle

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ABSTRACT

Nestle is an internationally renowned MNC which has acquired its position in the market through rigorous strategy making and product innovation. It has developed and changed dynamically with the changing times and the demand, preference and taste of the consumers. The focus product differentiation strategy is not only satisfying the changing generation needs but is also coming up with products which work on a variety of bases. Nestle as a company wants its consumers to learn about their products ,product aspects, potential customer benefit, how to use , maintain or even dispose of the product and new ways in which the customers can utilize the said product hence maximizing their satisfaction levels . Hence they not only aim to fulfil the objectives of the company but also the needs of the consumers.

Keyword: Marketing and Advertising, Consumers, Marketing strategy, Quality, policy and Products.

INTRODUCTION

NESTLÉ India is a subsidiary of NESTLÉ S.A. of Switzerland. With eight factories and a large number of co-packers, Nestlé India is a vibrant Company that provides consumers in India with products of global standards and is committed to long-term Sustainable growth and shareholder satisfaction. The Company insists on honesty, integrity and fairness in all aspects of its business and expects the same in its relationships. This has earned it the trust and respect of every strata of society that it comes in contact with and is acknowledged amongst India's 'Most Respected Companies' and amongst the 'Top Wealth Creators of India'. Nestlé is the world's largest food and beverage company. We have more than 2000 brands ranging from global icons to local favorites, and we are present in 191 countries around the world

OBJECTIVE OF STUDY

- To study the current market condition, track the performance and lay down the
- Strategies for successful marketing of Nestle.
- To examine the marketing strategies of Nestle India to tackle the stiff competition

- To examine the effectiveness of advertising strategies of Nestle.

SCOPE OF THE STUDY

India is on the move and so are the markets in India. Apart from economic changes, India is also facing social changes like changes in

life style, hobbies etc. New fashions, Adventures holidays, etc. are in today. Further, food habits of Indians are changing rapidly. Chocolates which were believed to be kid's preference are now being consumed by kids, teenagers, and adults. Chocolate market in India is growing at a fast rate annually. To take advantage of the growing market, international confectionery companies are getting ready to woo the proverbial Indian Sweet tooth. An influx of worlds leading Chocolate players is expected.

Further, since Confederation of Indian Industry (CII) is a representative body of the Indian Industry, it receives its inquiries for pertinent marketing information from various domestic and international players, who want to invest in India. In the above context, the prime objective of this report is to prepare a marketing plan for any brand that is planning to enter the Indian Market, based on the study conducted on Nestle.

LITERATURE REVIEW

Chaitra Sharma (2015) studied Consumer Buying Behavior towards Online Shopping' analyzed the characteristics of buying behavior of online shoppers. Consumer buying behavior in respect of online shopping was studied using different socio-economic variables. There were two factors mainly influencing the consumers for decision making: Risk aversion and innovativeness. Highly risk adverse consumers need to be very certain about what they are buying. Whereas less risk adverse consumers can tolerate some risk and uncertainty in their purchases. The second variable, innovativeness, is a global measure which captures the degree to which consumers are willing to take chances and experiment.

Asmatara & Chadrnahauns (2015) in the research paper: Factors affecting online shopper's behavior for electronic goods purchasing in Mumbai: An empirical study analyze factors affecting on online shopping behavior of consumers that might be one of the most important issues of e-commerce and marketing field. Retail companies should start taking measures to eliminate risk factor and build trust in this form of retail. Perceived lack of secured transaction (financial risk), retailers should introduce a mechanism that would improve the retail customer experience, thereby encouraging greater consumption. Virtual mirrors let shoppers 'try on' clothes and accessories virtually before making buying decisions. In their view, there is humongous potential for online shopping companies owing to the growing internet user base and advancements in technology.

RESEARCH METHODOLOGY

It is a systematic approach of identifying the problem, collecting the information, analyzing the information and providing alternate suggestions. Three type of project research can be distinguished. Some research is exploratory, i.e., to gather preliminary data to shed light on the real nature of the problem and suggest possible hypothesis on new ideas. Some are descriptive, to ascertain certain magnitudes.

Developing research plan

Once the problem is defined, the next step is to prepare a plan for getting the information needed for the research. The present study will adopt exploratory approach where in there is a need to gather a large amount of information before making a conclusion if required. The descriptive and casual approaches may also be used.

Collection and Sources of Data

To collect the data, relevant information is necessary as regards to the project; as a result data was collected by using two ways:

- Primary Data
- Secondary Data

Primary Data: In this the information is being possessed with first-hand information, which is new and fresh. The tools used by me for the primary data are as follows:

- (i) Questionnaire,
- (ii) Face-to-Face Interview,
- (iii) Observation.

Secondary Data: The information that is received with the help of Journals, Magazines, Financial reports or which is already present with the company.

- (i) References used from management books,
- (ii) Gathered information through World Wide Web(www),
- (iii) Support and knowledge provided by Faculty and Company guide,
- (iv) Financial reports of the company.

Sampling Plan

- Sampling unit: The respondents were mainly the retailers who were stratified in according to the monthly turnover.

Sampling size: A survey was conducted for 100 hundred respondents at Nestle India.

Analyze the collected information:

This involves converting raw material in to useful information. It involves tabulation of data and using statically measures on them for

developing frequency distribution and calculating the averages and dispersions. This phase will mark the culmination of the **DATA ANALYSIS AND INTERPRETATION**

marketing research efforts. The report with the research finding is a formal writtendocument.

Various Age Group Customers Targeting:

Age Groups	0-10	10-20	20-30	Above 30
Customers	14%	42%	33%	11%

According to the above analysis it is concluded that I have surveyed 100 respondents out of which 14%, 42%, 33%,

11% belongs to age group 0-10, 10-20, 20-30, above 30 respectively.

Preference According To Age Groups:

Brands	AGE GROUPS			
	0-10	10-20	20-30	Above 30
Cadbury	7%	35%	24%	5%
Nestle	5%	6%	8%	5%
No Consumption	2%	1%	1%	1%

According to the above analysis it is concluded that people of different age groups prefer mostly Cadbury brand while Nestle brand is

least preferred by the age group between 10-20. People of age group above 30 equally like to have both brands.

Brand Preference:

Brands	Preference By Consumers
Cadbury	40%
Nestle	22%
Parle	30%
Others	08%

According to this diagram 22% people like nestle product and 40% Cadbury and 30% Parle product is liked by people.

Product Produce By Nestle:

Nestle Product	
Baby Food	22%
Chocolate	23%
Beverages	15%
Bottled Water	15%

Milk	25%
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From the above analysis of given sample of 23% people who eat Nestle chocolates it is

concluded that mostly all other brands are purchased by people but top most is Milk

followed by beverages and baby foods. While surveying we have found that many people are not aware of bottled water.

Steps to reduce costs without affecting quality:

Form of Strategy	Number of Resondents
Personal Selling	33%
Utilization of Resources	25%
Remove Intermediaries	29%
Others	20%

According to the above analysis it is concluded that most of the people said personal selling should be and should be

remove intermediaries and some said that resources should be utilized properly and 20% said other action should be taken.

Promotional Offers:

Promotional Offers	Number of Respondents
Free Gifts	35%
Demonstration	20%
Decrease Price	25%
Any Other	20%

According to the above analysis it is concluded that out of sample of 95 respondents that 52% peoples are attracted by

free gifts, 23 by price offers while 20 were attracted by some other reasons.

Factors Affecting Purchase:

FACTORS	Number of Respondents
Advertisement	65%
Suggestion From Friends and Relatives	16%
Attractive Display	11%
Doctors' Advice	15%
Brand Ambassadors	9%
Ingredients	25%

According to the above analysis it is concluded that Advertisement is the best

measure to attract customers to purchase more. Its impact is much more than other

factors. While friends and relatives and brand ambassadors also play a significant role in this regard.

Media of Advertisement:

Media of Advertisement	Number of Respondents
Television	82%
Newspapers	7%
Brochures	3%
Hoarding	4%
Display	15%

According to the above analysis it is concluded that television emerges as the best media for advertisement that compel consumers to buy. It is much more than other ways as out of 95

respondents 82 are attracted to by through television media while brochures are the least attracting media.

Consumer's Brand Loyalty:

Brand Loyalty Actions	Number Of Respondents
Postpone Your Purchase	26%
Switch Over To Other Brands	24%
Go to other Shop for Search of Preferred Brand	45%

According to the above analysis it is concluded that mostly people are loyal to the brand as in the absence of availability of their

preferred brand mostly people like to search for it or they are ready to postpone their purchase.

Reaction of Consumers if New Brand is Introduced:

Shift to New Brand of The Preferred Product	Number of Respondents
No, Not At All	35%
May Consider	27%
No, Shall Not	4%
Can't Say	29%

According to the above analysis it is concluded that mostly people are addicted to the same flavor or taste and they don't want to

change it as out of 95 respondents 35 are not ready to try new brand at any cost.

CONCLUSION & RECOMMENDATIONS

Although product line is very good & has good width & depth, but NIL should try to

make stronger brand equity in Dairy products, Amul is still leader. It should work more on concept of CRM (Making new customers & retaining old ones. Cash discounts must be given. More competitive pricing to be done in

the premium segment. Increase their sales force to make more frequent visits to the sales person. Should also look for rural markets. Quick handling of problems of stockiest & dealers. Online ordering facility & electronic payment through website can save a lot of time. Due to sluggishness in a FMCG market, most of the companies are under pressure to maintain volume & market share. NIL should draw out an action plan to improve sales through new product launches. Company should concentrate on all round cost saving &

productivity gain, to neutralize the adverse impact of increased excise of confectionary. The market strategy of the firm is a complete and unbeatable plan or an instrument designed especially for attaining the marketing objective of company. The formulation of the marketing strategy consists of two steps:- Segmentation & target market selection. Assembling the marketing mix.

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