

Report On
How Nestle Bangladesh is handling
NIDO brand in Bangladesh





UNITED INTERNATIONAL UNIVERSITY

Report on

How Nestle Bangladesh is handling NIDO brand in Bangladesh

Submitted to:

Dr. Khandoker Mahmudur Rahman

Associate Professor

School of Business & Economics

United International University (UIU)

Submitted by:

Rokeya Hasan

111 151 288

Date of Submission: 23/09/2019

Letter of Transmittal

Dr. Khandoker Mahmudur Rahman
Associate Professor
School of Business and Economics
United International University

Subject: **Submission of the Internship Report**

Dear Sir:

I would like to submit my internship on “how Nestle Bangladesh is handling the NIDO brand in Bangladesh” which you have assigned me to get a clear understanding about their differentiation proposition, promotional campaign, marketing and positioning strategies. While working on the report, I have tried my best to gather all the relevant information’s which can give the clear understanding about the concept of the report. It has been a very inspiring experience to work in this exciting work place where I have got the knowledgeable work experience and meet the amazing people. The officials of Nestle Bangladesh has also been very much supportive and helped me to make this report whenever I needed.

Sincerely,

Rokeya Hasan

ID No: 111151288

ACKNOWLEDGEMENT

First of all, I would take the opportunity to express my heartfelt gratitude to my internship supervisor Dr. Khandokar Mahmudur Rahman who have assigned me such an effective task and encouraged me in making the report throughout the internship period. Without the co-operation of him it was not possible for me to make such a resourceful report.

I also want to thank Mr. Abudul Mohammed Naheyman Hye (Category Business Manager-Dairy) and Mr. Syed Ahsan Pervez (Sr. Brand Officer- Dairy) and all individual of the Nestle Bangladesh, for their co-operation and support to make the report relevant informative. I have worked under them as a team. They have always helped me by providing the needed information's and on the basis of them I made the report by own.

Executive Summary

The report started with background of the study. Where the topic of the report, origin of it and the objective of the report was mentioned specifically. The background of the report also includes all the ways of doing this research, the obstacles, mainly means the methodology part and the limitation part. Next the organizational information was included. Describing the company profile, the history of Nestle, all the brands that are accrued or introduced by Nestle. Most importantly in this part the detailed information of Nestle Bangladesh was introduced; all the products which are offered in Bangladesh by Nestle are mentioned. The structure of the Nestle Company, the departments and also the organizational Hierarchy was mentioned. In the main report part the particular category that I worked in was discussed. Starting with the overview of NIDO and then NIDO Bangladesh was discussed. In the overview of overall NIDO as a brand the production, the target market, the products description, the product price, the product price, the product promotion was discussed. It also includes failure story of NIDO and all the competitors which are giving NIDO a tough time in the market of Full cream milk powder. Lastly the report concludes with portraying the position of NIDO and overall stating the situation of NIDO in the conclusion.

Table of Contents

1.1 Topic of the report	2
1.2 Origin of the report.....	2
1.3 Background of the report	2
1.4 Objectives of the Report.....	2
1.5 Sources & Methodology of collecting data	3
1.6 Limitations	3
2.1 Company Profile.....	5
2.2 History of Nestlé	5
2.3 Brands of Nestlé.....	8
2.4 About Nestlé Bangladesh Limited	8
2.4.1 Products of Nestlé Bangladesh.....	10
2.4.2 Organizational Hierarchy of Nestlé Bangladesh	13
2.4.3 Departments of Nestlé Bangladesh	14
3.1 About NIDO	18
3.1.1 Production and Availability	18
3.1.2 Products.....	19
3.1.3 Ingredients	20
3.1.4 Position of NIDO in worldwide.....	20
3.1.5 Recognition	21
3.2 NIDO in Bangladesh.....	22
3.2.1 Production	22
3.2.2 Target Market.....	22
3.2.3 Products.....	23
3.2.4 Price.....	23
3.2.5 Place	23
3.2.6 Promotion	24
3.2.7 Failure history of NIDO	28

3.2.8 Competitors of NIDO	29
3.2.9 NIDO's Position in Bangladesh	31
4.1 Conclusion.....	34
5.1 References	i
5.2 Appendix	ii

List of Tables

Table No.	Title	Page no.
Table-2.1	History of Nestle	6
Table-3.1	Distributions throughout Bangladesh	24
Table-3.2	Competitors of NIDO	30

List of Figures

Figure No.	Title	Page no.
Figure-2.1	Brands of Nestle	8
Figure-2.2	Organogram	13
Figure-3.1	Production in Countries	18
Figure-3.2	Position of NIDO	31

Chapter 01

Introduction

1.1 Topic of the report

Every report should have a specified topic. A well-defined topic shows a summary of the report. The topic of this report “How Nestle Bangladesh is Handling NIDO brand in Bangladesh”.

1.2 Origin of the report

Only academic education is not enough to make a student capable for this competitive world. By completing an internship report a student get the opportunity to learn about the corporate culture, work environment and how they take marketing strategies to meet their goal

1.3 Background of the report

The marketing program in an organization is the most important part where promotional campaign, selection of target market, packaging, positioning strategies all take part. By these, a product can be placed in a market. As a Marketing student, I have to get knowledge about these terms. It is very important to learn the practical knowledge about these marketing terms, so that I can apply them practically.

In this report I have discussed the different marketing strategies of NIDO taken by Nestle Bangladesh and how they hold the position in the Dairy industry.

1.4 Objectives of the Report

- ❖ Finding out about the history of NIDO in Bangladesh.
- ❖ Understanding the marketing strategies of NIDO Bangladesh.
- ❖ Finding the failures that NIDO have faced in the past.
- ❖ Analyzing the position of NIDO’s competitors.
- ❖ Understanding the company’s overall strategies about NIDO.

1.5 Sources & Methodology of collecting data

I have gathered information as much as I can, then after analyzing classified under the report.

Primary Data

- Face to face conversation with the Sr. brand officer of the brand.
- Observation of their marketing activities.
- Modern trade's survey.

Secondary Data:

- From their organizational website.
- From previous POSM forms.
- NIDO's social page
- Nestle's social page

1.6 Limitations

In preparing the report, I have also faced some limitations also:

- Because of their policy, could not manage their annual report
- Some information's are so confidential, that I was restricted to put them in this report.

Chapter 02:

Company Overview

2.1 Company Profile

Nestlé- the world's largest nutrition, health and well-being company, in terms of each sales and merchandise vary. They're concerned in each side of nutrition and food business: baby food, milk product, chocolate and confectionary, instant occasional, cookery product, drinking water etc. Nestlé additionally produces pet foods. In most of the merchandise teams and markets, Nestlé is the leader or a minimum of a robust variety 2. 95% of their sales are generated from their food sectors. The aim of Nestlé is to be enhancing the standard of life. They need to form a healthier world. That's why while making a long-term success they contribute to the society.

Many of their brand names are: NESCAFE, NIDO, MAGGI, POLO, MILO, KITKAT, and KOKO KRUNCH. Some products have broken records so many times: 3,000 cups of Nescafe are consumed every second. And Kit Kat merited an entry in the Guinness Book of World Records as the world's best-selling chocolate bar with 418 Kit Kat fingers eaten every second around the world. In 2011, Nestlé was listed No. 1 as the world's most profitable corporation in the Fortune Global 500. Nestlé ranked No. 9 in the FT Global 500 2013, with a market capitalization of US\$233 billion.

2.2 History of Nestlé

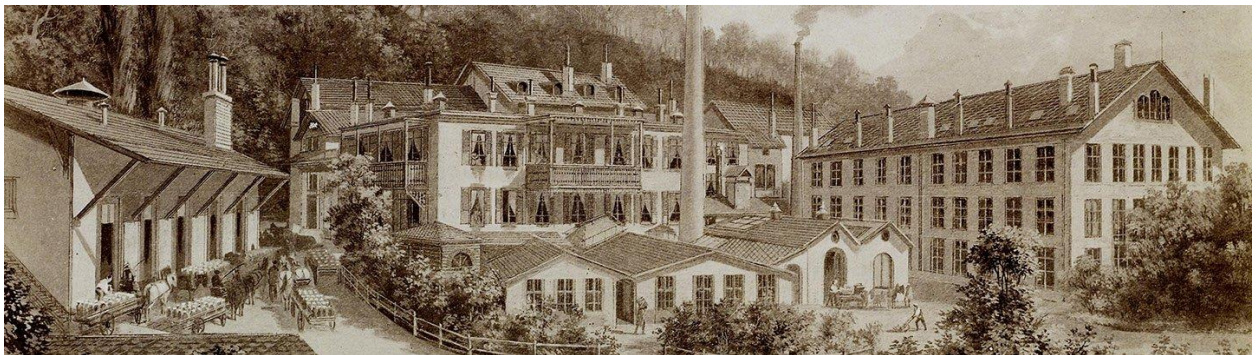


Table 2.1: History

1866- 1905	In the 1860s Henri Nestlé, developed a food for babies whose mother were unable to breastfeed. The value of the new product is quickly recognized by the people
1905- 1981	In 1905, Nestlé merged with the Anglo-Swiss Condensed Milk Company. In 1900s, the company started operations in the United States, Britain, Germany and Spain. The demand for Nestlé products increased during world war I in the form of government contracts and the production had been doubled at the end of the war.
1918-1938	After the war the govt. contacts got famished and consumers were started to switch fresh milk. In 1920s Nestlé expanded into new products with chocolates, the company's second most important activity.
1938-1944:	World War II effects Nestlé immediately. For shortage of raw materials from \$20 million in 1938 to \$6 million in 1939 profits dropped. In developing countries factories were established, particularly in Latin America. Ironically, the war helped with the introduction of the Company's newest product, Nescafe that was a staple drink of the North American country military.
1944-1975:	The end of war II was the start of a dynamic part for Nestlé. Growth accelerated, and companies were acquired. In 1947 they came with the merger with Maggi seasonings and soups. Crosse & Blackwell followed in 1960, as did Findus (1963), Libby's (1971) and Stouffer's (1973). Diversification came with a property in L'Oréal in 1974.

1975-1981:	In the developing world Nestlé's growth partially offset a slowdown in the Company's traditional markets. Nestlé created its second venture outside the food trade while they acquired Alcon Laboratories Inc.
1981-1995:	Nestlé divested several businesses 1980 / 1984. In 1984, the improved bottom line allowed the Company to launch a new round of acquisitions, the most important being American food giant Carnation.
1996-2002:	The first half of the 1990s was favorable for Nestlé: trade barriers crumbled, and world markets developed into integrated trading areas. Since 1996, there have been acquisitions including San Pellegrino (1997), Spillers Pet foods (1998) and Ralston Purina 13 (2002). Two major acquisitions in North America were happened both in 2002: in July. Nestlé merged its U.S. ice cream business into Dreyer's, and in August, a USD 2.6bn acquisition was announced of Chef America, Inc....
2003 + :	In 2003 they acquired Mövenpick ice cream. It enhanced Nestlé's position as one of the world market leaders in this product category. In 2006, Jenny Craig and Uncle Toby's were added to the Nestlé portfolio and in 2007 Novartis Medical Nutrition, Gerber and Henniez joined the Company.

2.3 Brands of Nestlé



Figure 2.1: Brands of Nestle

2.4 About Nestlé Bangladesh Limited

Nestlé brands entered in this part of the sub-continent during the British rule. 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 a few of the brands like NESPRAY, CERELAC, LACTOGEN, and BLUE CROSS etc.

In 1994, Nestlé Bangladesh Limited started its commercial operation in Bangladesh. The total authorized capital is TK1.5 billion and total paid up capital is TK 1.1

billion. Today Nestlé Bangladesh Ltd. One of the strongly positioned multinational organization in Bangladesh. Through the policy of constant innovation, the Company is continuously growing.

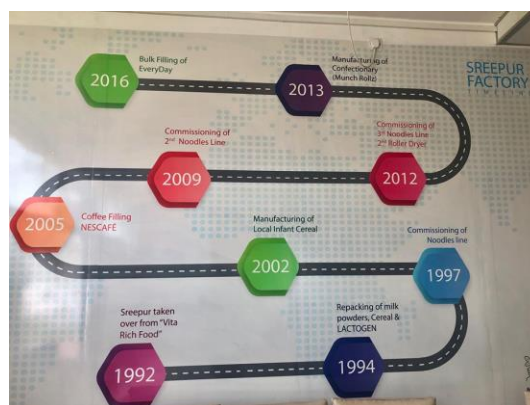
Vision: The vision of Nestlé in Bangladesh is to make Nestlé the trustworthy leading Food, Beverage, Nutrition, Health and wellness company in Bangladesh whereas guaranteeing future profits. The company is very much focused to ensure that the vision is implemented in every aspect to make a healthier country.

Mission: The mission statement that drives Nestlé is "Good Food, Good Life". They are committed to supply customers with the most effective check of foods, most nutritive decisions in a very wide selection of food and liquid classes, and uptake occasions, from morning to night.

Objective: Company's objective is to be the world's largest and best branded manufacturer whereas making certain that Nestlé name is substitutable with the product of the best quality. "Making our customers winners by meeting their expectations"

Head office: The location of Bangladesh Head Office is 227/A, Level#4 (Nina Kabbo), Dhaka 1208 Phone: 0800-0161271 Email: wecare@bd.nestle.

Factory: They have only one factory in Bangladesh, which is located at Sreepur, Gazipur 55 km north of Dhaka; there they produce locally produced products. The history of sreepur factory in given below:



2.4.1 Products of Nestlé Bangladesh



NANS: It is a spray dried Infant Formulated baby food for babies up to 6 months.

The product varieties are:

BABY & ME, AL 110, PRE-NAN, NAN



LACTOGEN: Nestle's Lactogen is highly suitable for nursing mothers, convalescents and others in delicate health.

Lactogen 1,2 & 3.



CERELAC: CERELAC is the part of nutritious and baby product which can be digested easily and suitable as a complimentary food for kids, after breast milk and formula no longer meet the baby's growth requirements. But importantly, it's not substitutes of breast milk.

CERELAC in Bangladesh has below SKU's (Stock Keeping Units):

CERELAC 3. Fruits

CERELAC Rice

CERELAC Wheat Mixed

CERELAC Wheat Mixed
Vegetable
CERELAC Honey

CERELAC Wheat. Apple
Cherry

Fruit
CERELAC Khichuri
CERELAC Chicken



MAGGI Noodles: MAGGI two-Minutes Noodles is that the most adored instant noodles in Bangladesh that has won the hearts of Bangladeshi families over the last 2 decades. MAGGI offers tasty and healthy answer, with its noodles in distinctive flavours.

The products are- MAGGI 2 Minutes Masala Fortified, MAGGI 2 Minutes Curry Fortified (4, 8 & 12 pack), MAGGI Magic Masala



MAGGI Soup: MAGGI Healthy Soups comes in three mouth-watering and restaurant-inspired flavors: MAGGI Health Soup Chicken, MAGGI Health Soup Thai, MAGGI Health Soup Vegetable.



NIDO: More than 70 years, NIDO has been helping mothers from more than 80 countries in nurturing a healthy future for their children and this is no different in Bangladesh as well. IN Bangladesh NIDO is one of the popular milk powder brands.

NIDO 1+, NIDO 3+, NIDO Fortified



CORN FLAKES & KOKO KRUNCH: They are part of Breakfast cereal. The perspective of this product is it gives energy and fill up the calories to the consumers in the morning. Products are: Nestlé KOKO KRUNCH, CORN FLEX



NESCAFE & COFFEE MATE: They are the market leader in Bangladesh. They face less competitions in the market.

Nescafe Classic & - Nescafe 3 in 1. Coffee Mate



Other products: Munch, Palm oil, Coffee matte etc.

2.4.2 Organizational Hierarchy of Nestlé Bangladesh

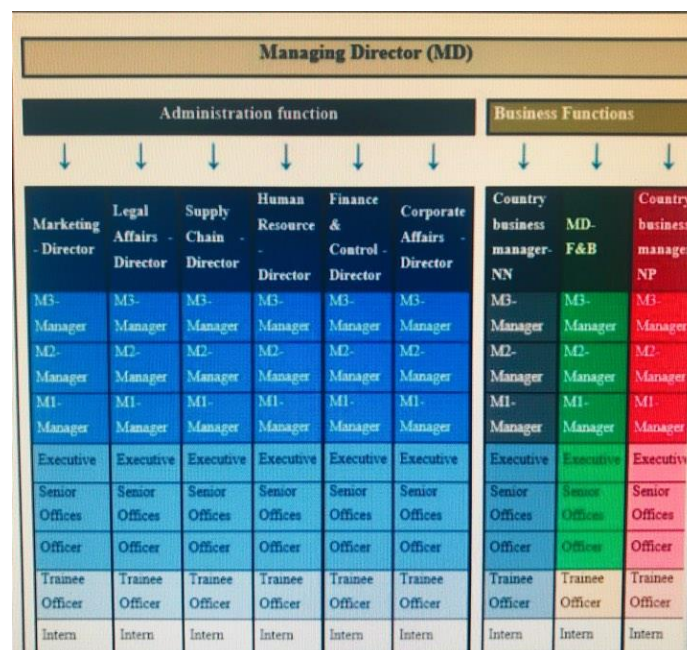


Figure 2.2: Organogram

2.4.3 Departments of Nestlé Bangladesh

Day by day demand on the Nestlé products are growing. To keep up with the growth, the company developed its own functional areas. The Departments are:

- Sales
- Nutrition
- Manufacturing
- Supply chain
- Finance & Control
- Human Resources
- Corporate Affairs & External Relations
- Nestle Professionals
- Marketing.

Sales: Winning perspective is that the key strength of Sales operate in Nestlé Bangladesh ltd. Their saying of “Growth Unlimited” are the pillar in achieving our objectives, provided they tend to be open and willing to embrace changes with a capability to deploy our resources and assets for driving efficiencies.

The fundamentals of the sales challenge are the ability to differentiate their demand generating activities through channel & category development strategies. They are one in every of the leading organization in FMCG to handle channel wise business solutions and dealing with shoppers’ insights.

Nutrition: Nestlé Nutrition encompasses in vogue brands and products of kid nutrition and baby food. Working in Nestlé Nutrition means, with every minute of working you know you are putting a smile on someone’s face. The products, the brand personalities as well as the market itself pose daunting challenge as well as immense learning opportunity.

At Nestlé Nutrition, they tend to work closely with tending Professionals for brand Building and Communication.

Manufacturing: Globally Nestlé is the world's largest food group in terms of both sales and production. The manufacturing departments always try to ensure the the need and

wellness of the consumers while producing goods. The manufacturing activities take place in the factory situated in Sreepur, Gazipur, Bangladesh.

Supply Chain: Nestlé Supply Chain operates with a mission of driving sound business decision making and innovation planning to optimize Group long-term profitable growth, cash flow and total return to shareholders. Here, they embrace the role of change agents, drive long term value creation and ensure the highest standards for stewardship and governance throughout the company.

Finance & Control: Nestlé Finance operates with a mission of driving sound business decision making and innovation planning to optimize Group long-term profitable growth, cash flow and total return to shareholders. Here, they embrace the role of change agents, drive long term value creation and ensure the highest standards for stewardship and governance throughout the company.

Human Resources: Being the biggest Food and Wellness Company, Nestlé has quite 280,000 individuals operating with it worldwide. Globally standardized operational procedures, international operating setting, world attachment programs, globally shared culture, structured development and analysis framework and intensive coaching programs have created Nestlé one in all the leading and preferred employers worldwide.

Human Resources function offers different areas to explore your career with, including Recruitment & Selection, Learning & Training, Reward management, People Development and Administration to ensure smooth operation. Nestlé believes in participative management structure, a flat organizational framework.

Corporate Affairs & External Relations: The strength of their contribution is wholly dependent on their people. Outstanding individuals are employed, developed and maintained with integrity.

They as a team nurture their development and actively help them develop the business skills and experiences, they need to fulfill company's mission and objectives. They set high standards, embrace change, operate discipline and take

personal risk, as appropriate, to ensure that decisions are taken in the best long-term interest of the shareholders and key stake holders.

Nestle Professionals: Nestle Professional is a crucial business unit of Nestle Bangladesh Limited which believe in moving more possible looking after the out of home consumption of nestle products. There are eight business channels in nestle professional by which they are delivering service **Quick Service Restaurant, Full-Service Restaurant, Healthcare, Education, Street** are the business channels of NP. They provide the Nestle business products to the traders through the selected distributors all over the country.

Other business channel is kiosk/ experience zone which is basically a structure established in some selected areas for the promotional purpose.

Marketing: The most engaging department of Nestlé Bangladesh is marketing dept. They are responsible for the product branding. For every category of product there are separate teams which are consists of CBM and Brand Officer. The marketing teams engaged with the communication, online marketing, E-commerce along with the branding of the products.

Chapter 03:

About NIDO

3.1 About NIDO

NIDO is the milk powder manufactured by Nestlé. It was introduced in 1944. From 1921 to 1930 Nestlé sold its powdered milk under the trademark of **Lactogen**. The brand offers variety of milk-based products that provide nutrition solutions for every stage of childhood. The NIDO brand is loved by the children and trusted by the mothers. It focuses on the nutritional foundation for growth and development and helps the mothers to nurture their children for the past 70 years.

3.1.1 Production and Availability

NIDO is produced by Nestlé in Switzerland. Then it was progressively introduced in other countries thereafter:

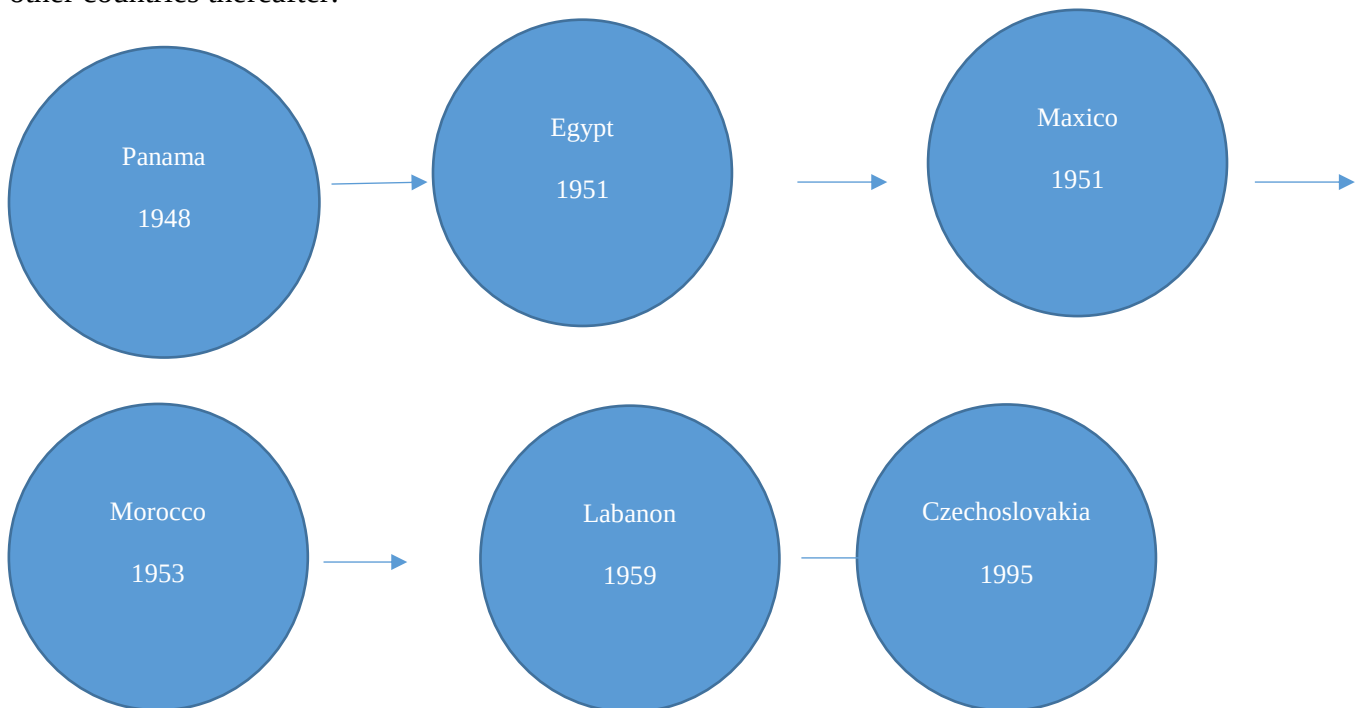


Figure 3.1: Production in countries

It is available in:

Mexico, Asia (except Indonesia, where this milk is named Dancow), Middle East, Africa, South America, UK, and some parts of the United States, In some countries the product is sold under the name Nespray. In Spain, however, the name Nido refers to a bird food sold by Nestlé Purina PetCare.

3.1.2 Products

The products are designed for the three life stages of the target market: the toddler years (1 to 2 years); the pre-school years (3-5 years); and the school years (6 to 11 years) and for the family.



NIDO 1+, Fortified Nutrition for toddler

This powdered milk is delicious honey flavored and it has 13 vitamins and minerals to support the toddler's for healthy growth and development. Children from 1-3 years ages can have this.



NIDO Lacto-Ease, A gentler NIDO 1+ with reduced lactose

NIDO Lacto-Ease is a reduced-lactose milk powder specifically formulated for toddlers. It has 13 vitamins and minerals, NIDO Lacto-Ease offers the same benefits as like the original NIDO 1+. Children from 1-3 years' ages can have this.



NIDO 3+, fortified milk powder for preschool kids

NIDO 3+ is a powdered milk and it also has 13 vitamins and minerals to help the preschool child's for their healthy growth and brain development. Children from 3-5 years aged can have this.



NIDO Fortigrow, dry whole milk for the family

NIDO Fortigrow whole milk powder is the most demanding in the market. It is added with Vitamin C and Iron for older children and the family. It also helps for healthy growth and development. Children of 5+ years aged can have this.

3.1.3 Ingredients

NIDO 1+ contains- Nonfat Milk, Maltodextrin, Vegetable Oils (Corn, Canola, Palm), Sugar, Milk Fat, Lactose, Prebiotics, Honey, and Less than 2% of Calcium Carbonate, Soy Lecithin, Sodium, Vitamin C, Taurine, Ferrous Sulfate, Zinc, Niacin, Vitamin E, Vitamin A, Vitamin B6, Vitamin D3, Folic Acid, Vitamin K, Biotin, Calcium.

NIDO Fortigrow contains- Protein, Calcium, Iron, Zinc, Vitamin A, Vitamin D, Vitamin E, Biotin, Niacin, Folic acid, Vitamin B12, Vitamin B6, Vitamin C, and Vitamin B1.

3.1.4 Position of NIDO in worldwide

NIDO is the most well-known brand in all over the world. But the growth and reputation of this brand is higher in the middle-east countries and South- America. Middle-east countries involve- Saudi Arabia, Egypt, UAE, Kuwait, Bahrain, Turkey and Qatar. South-America involve Brazil, Colombia, Chile, and Bolivia. NIDO has a great market penetration there.

3.1.5 Recognition

In 2017, NIDO was recognized as **“World’s Number 1 selling milk powder”** by Euromonitor International Limited. (Euromonitor International Limited; Packaged Food 2018 Edition; NIDO brand shares by umbrella brand name, as per powder milk definition; all retail channels; retail value rsp. 2017 data). After that their brand value increased more in the Dairy industry. They have added this tag in their every NIDO packages and promotional activities.



3.2 NIDO in Bangladesh

NIDO is one of the strategic brands of Nestlé Bangladesh Limited. . In 2000, NIDO was introduced by Nestlé Bangladesh Limited. In Bangladesh, NIDO is one of the largest profit-making categories of Nestlé Bangladesh Ltd. NIDO is trying to implement some of the exceptional promotional programs to reach more consumers. The current positioning of NIDO is as a milk powder brand based on nutrition for pre-school and school-age children.

The NIDO 1+, NIDO 3+ is handled by the nutrition team. As these are in infant formulas any advertising cannot be taken for NIDO 1+ and 3+. Nestlé Bangladesh segmented the NIDO Fortigrow milk powder in dairy segment. The marketing department (Dairy) follows up the overall branding of NIDO Fortigrow.

So the details are given below about **NIDO Fortigrow** milk powder.

3.2.1 Production

The powder of NIDO Fortigrow is produced in New Zealand by the company named Fonterra Co-operative Group Limited. Nestlé Bangladesh purchases from them. They imported the milk powder in a bulk. After that, based on need NIDO is re-packaged at the Sreepur factory of Dhaka in different SKU's.

3.2.2 Target Market

The main target group of NIDO Fortigrow are women of metro areas who are the mother of child (5+ years). Mother of children aged 5 to 10 years wants to make her child developed and help to protect them. Though children from 5 years above are the consumers but mothers are the main customers who decide and buy the product for their children. So NIDO considers mothers of 5 years above child as their main target market.

3.2.3 Products

The SKU's of NIDO Fortigrow in Bangladesh are given below-



The most driving SKU for the brand is NIDO Fortigrow 350g.

3.2.4 Price

Price is of the main deciding factor for a brand. In a dairy category, NIDO FortiGrow functions at a 144 API (Average Price Index). The lowest pack size of the brand is NIDO FortiGrow 180g which has an MRP of BDT 150. As a brand it offers around 6.5% Trade margin. Currently, it is the most premium brand in FCMP category.

3.2.5 Place

It has an indirect distribution channel. To operate smooth business the company has divided its entire market into six regions these are- Dhaka North, Dhaka south, Chittagong, Sylhet, Khulna and Bogra.

Table 3.1: Distributions throughout Bangladesh

Major marketing regions of NIDO milk powder in Bangladesh.

SL No	Region	Area/Location
1	Dhaka North	Mirpur, Gazipur, Nikunjo, Mymensingh, Savar, Badda, Tangail, Manikgonj, Jamalpur
2	Dhaka South	Tejgaon, Narayanganj, Munshigonj, Khilgaon, Narshingdi, Jatrabari, Mohammadpur, keraniganj
3	Chittagong	Chittagong, Feni, Comilla, Cox's Bazar, Chandpur, Noakhali
4	Khulna	Jessore, Barisal, Khulna, Jhenaidah, Kushtia, Faridpur, Gopalganj, Bhola, Patuakhali, Madaripur,
5	Bogra	Bogra, Rajshahi, Sirajgonj, Dinajpur, Pabna, Noagaon, Rangpur
6	Sylhet	Brahmanbaria, Sylhet, Kishorgonj, Habigonj, Moulvi Bazar

3.2.6 Promotion

To make the brand image sustainable in the consumer's mind, any brand needs continuous promotional activities. From the beginning, NIDO is doing its promotional activities through different media. The brand's investment on promotional activities are vary from one to one. During 2000 to 2009 it invested on traditional media (TV and Newspaper) for advertising. But in the later years the brand started to do some activation programs for promotion. It is also involved in social media promotions through contents about nutrition's and child related in Facebook. For promotions its other activities are- Billboard advertising. Outdoor posters, wobblers, Gondola in modern trade, shelf-strips with mnemonic, events etc.

The brand's focus on its marketing strategies were also dramatically changed over the years. In the beginning, the brand focuses on the affection and care of father/mother

about their child. But after 2011, its focus shifted to children's immunity, mental and physical growth and their desire to learn. Initially NIDO was launched with the tagline of “” “আপনার ভালোবাসায় সোনামণির ভবিষ্যৎ” “বিশ্বজুড়ে মায়েদের আস্বা”

NIDO's promotional activities are divided into two-

Thematic Activation: Before 2011, NIDO didn't conduct any thematic activation to promote its brand except some minor activations. After 2017 it started some major activation programs. These are:

- **NIDO City:** In 2017, it conducted a thematic activation program named “NIDO CITY” in Dhaka metro and Chittagong metro. The main motive behind this activation was to teach and share with the mothers of the child about nutrition related knowledge and essential information. Also, some magic shows, competitions and games were arranged there for the entertainment of the child. Around thousands of mothers along with their families were participated there.



- **NIDO Mayeder Adda:** In 2018, NIDO launched “NIDO Mayeder Adda”. This event covered around 16 towns of Bangladesh along with Dhaka and Chittagong. More than ten thousand mothers attended the event all over the country. Mothers from different

selected school's waiting area were invited for the event. There, a nutritionist shared information's about the nutritional requirements, the nutritional deficiencies for the 5+ years of child and how NIDO Fortigrow can be the solution to overcome the deficiencies and help the children in growth. There also a celebrity mother who shared her experience about the role of a mother in the mentally growth of the child. The mothers also participated in Q/A session with doctor, nutritionist and the celebrity mother. The main objective of the event was to increase the mother's knowledge about nutritional information and food habits of child.



- **NIDO Curiosity Campaign:** This one is the latest campaign of NIDO Fortigrow that happened in 2019. While other competitors most of the advertisements are for showing the emotional benefits, by this campaign NIDO wanted to make an emotional attachment. Among the three factors of NIDO immunity, learn and growth, this campaign focused on the Learn part. It has claimed that, in USA a survey done by The Daily Telegraph has proved that children ask 300 questions in a day. The main objective of NIDO Curiosity campaign was to ensure the parents that if their school going children are learning or not. And it can be done by observing what kind knowledgeable questions a child can ask in a day. The more they ask, the more it proves that they are observing their surrounding things, thinking about them and learning. Here, NIDO

claims that by having NIDO kid's brain will developed, their observation capability will rise, they will get more knowledge and more question will ask. For this NIDO made campaign about child's weird questions. They have used TVC, Newspaper, POSM, bunting, and digital marketing for this campaign.



Consumer Promotion: Consumer promotion is one kind of loyalty program and premium offering to satisfy the consumers. To delight the consumers NIDO Fortigrow has offered so many consumer promotions. In the acts of consumer promotions, it provides both extra products or price off and items for children to use in their school. Some of their consumer promotions are:



- 240 taka Price off of NIDO Fortigrow 2.5kg pack.
- 4 Packs of MAGGI Masala noodles free with NIDO Fortigrow 700g.
- Glass free with NIDO Fortigrow 350g.
- KOKO Crunch free with NIDO Fortigrow 900g.

3.2.7 Failure history of NIDO

The blackest scandal of NIDO in Bangladesh which has drastically decline the market is Melamine in milk powder. The beginning of this incident is from China in 2008.

Normally every milk powder production companies purchase cow's milk from pre-selected local collection centers. Local farmers sell the cow's milk to those collection centers. In china, the collection centers purchase the milk from the farmers in a protein percentage (%) based. The more the percentage will, the more the price of milk will be. So, to make the protein percentage higher some corrupted farmers mixed melamine in cow's milk in china. Then they sell to some collection centers. And unfortunately, it was not verified that the milk has any melamine or not. So many milk production companies purchased milk from those collection centers. NIDO was one of them. After the production of milk powder, people bought from the markets and consumed them. As a result, so many children and adults got sick and admitted to the hospital. This news was drastically spread in worldwide. The market of NIDO in the milk powder industry declined over the night. Because of this incident, in Bangladesh the government acted proactively and sent the NIDO and DANO milk powder to a lab of Dhaka University to test if they have melamine in milk powder or not. In that lab, they declared without even checking that NIDO has melamine in their milk powder. So, the law was banned the brand. People all over the nation got the news and started to reject NIDO. So, the NIDO had lost their market in Bangladesh totally.

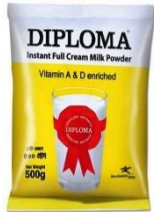
Nestlé Bangladesh had challenged the lab of DU if they have the accreditation about their lab or machines. They also sent the samples to some international labs for testing. In November, 2008 the sample of milk powder was sent to Eurofins GmbH laboratory at Hamburg, Germany for testing. And in 2009, the lab reported that NIDO does not contain any melamine which can harm the people. But still, people of Bangladesh didn't accept the fact and their perception about NIDO remain unchanged. They believed that, NIDO is a good brand but in Bangladesh NIDO mixes melamine in their milk powder. So they started to collect NIDO from abroad by their relatives to consume them rather than buy them from the market of Bangladesh.

Nestlé Bangladesh till now could not cope up that incident and still NIDO could not reach their previous higher position. Now to sustain in the market NIDO has changed its root and provide consumer promotions to make the people purchase it.

3.2.8 Competitors of NIDO

Every brand has so many competitors and they need to implement new strategies to cope up the competition in the market. Like others, in Bangladesh NIDO has so many competitors in the Dairy market industry in terms of taste, price, packaging, branding etc. The details of some of the competitor's are-

Table 3.2: Competitors of NIDO

Dano	Dano Milk powder is one of the leading milk powder product in Bangladesh. It was introduced in the market in 1962 by MD Foods all over the world. In 1995, Arla foods took over the MD Foods. Now Arla foods owned DANO. They positioned in the market through product differentiation, image differentiation and service differentiation. The yearly market share of DANO in Bangladesh is 22% where NIDO has 10%.	
Diploma	Diploma is a brand of New Zealand Dairy. It is a trusted brand which is serving in the country for more than 14 years. DIPLOMA full cream milk powder is produced from Australia and made from the cow's pure milk. The yearly market share of Diploma in Bangladesh is 16%.	

Marks	Marks full cream milk powder is imported from Australia. It also provides the ultimate nutrition for the family. It was brought in Bangladesh by Abul Khair group in 1997. The yearly market share of Marks is 19% in Bangladesh.	
Fresh	Fresh full cream milk powder offers the essential energy and nutrition that kids and adults are needed for their intelligence, growth and strong health. It was introduced in china. In Bangladesh It is handled by a company named Meghna group. The yearly market share of Fresh are 12% in Bangladesh.	

- Other competitors are- Arong, Milk Vita, Farmland, Danish etc.



According to a survey of Milk powder products in modern trades (Dhaka Metro) NIDO's position among the competitor's brand in terms of facing, gondola appearance, and consumer perception about brand is:

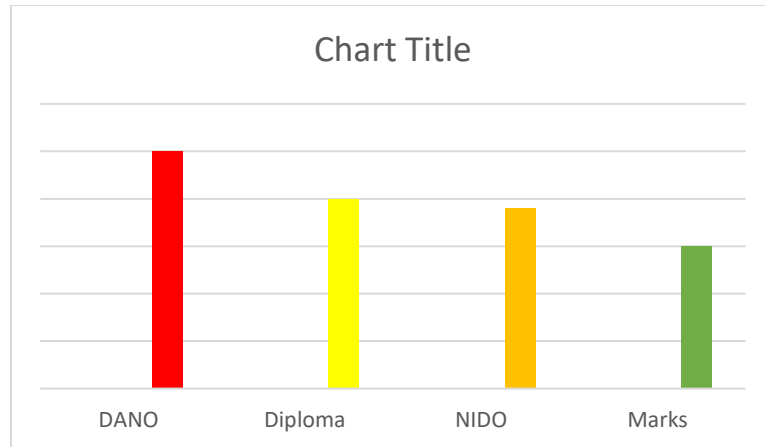


Figure 3.2: Position of NIDO

Here it is shown that, NIDO is directly competing with DANO and Diploma in modern trade. Though other brands are also competing in nearly way. To cope up with the competition NIDO should take more strategies.

3.2.9 NIDO's Position in Bangladesh

As a renowned brand NIDO holding a struggling position due to the effect of aggressive competitor's strategies and external obstructs.

Though considering the market presence of NIDO; it has still demonstrating a strong position by reaching the higher market share in some parts of Bangladesh such as Chandpur, Noakhali, Feni, Comilla and Lakshmipur of Chittagong region. The analytics answer is pretty accurately why NIDO has particular bold position in those markets mention above. Talking about the analytics its showing that every 5 out of 10 families have at least 1 family member working in Middle-East countries. This migrated family member shares a common tendency to bring NIDO with them whenever they come back to their homeland as NIDO has a great reputation and outstanding market penetration in Arab Countries and Middle East. This habit changes



the buying behavior of the local consumers whenever they see NIDO as common though came across their mind that NIDO is an international reputed brand. Hence there exists a brand loyalty.

Chapter 04:

Conclusion

4.1 Conclusion

Nestle is the global brand and it is a well-known brand in all over the world. Most of the successful companies are investing more for establishing their product. In Bangladesh Nestle have done different campaigns for attracting the target market. NIDO is the product of Nestle and they are provided different offerings and discounts to their retail marketers for making the strong brand establishment. They have applied different marketing for reaching the target market and these strategies are, diversification strategy, product development strategy, and pricing strategy and differentiation strategy. For maintain the good quality of their product, they imported the milk powder in a bulk. After that, based on need NIDO is re-packaged at the Sreepur factory of Dhaka in different SKU's. They have also faced some failures like melamine incident. Nestle Bangladesh had challenged the lab of "Dhaka University" if they have the accreditation about their lab or machines and they also sent the samples to some international labs for testing. The people of Bangladesh didn't accept the fact and their perception about NIDO remain unchanged and they believed that, NIDO is a good brand but in Bangladesh NIDO mixes melamine in their milk powder. So they started to collect NIDO from abroad by their relatives to consume them rather than buy them from the market of Bangladesh. By the helping of the government NIDO should start different campaign to prove them as a unique. Due to the corruption of Bangladesh and political instability NIDO can't establish their strategy. So, they should take some different strategies to go back their previous market position.

5.1 References

Marketing-Management-14th –edition by Philip Kotler

<https://www.assignmentpoint.com/business/report-on-nido-milk-powder-of-nestle-bangladesh.html>

<https://www.nestlenido.com/en/faq>

<https://www.thedailystar.net/news-detail-70387>

[https://en.wikipedia.org/wiki/Nido_\(brand\)](https://en.wikipedia.org/wiki/Nido_(brand))

<https://www.nestle.com.bd/>

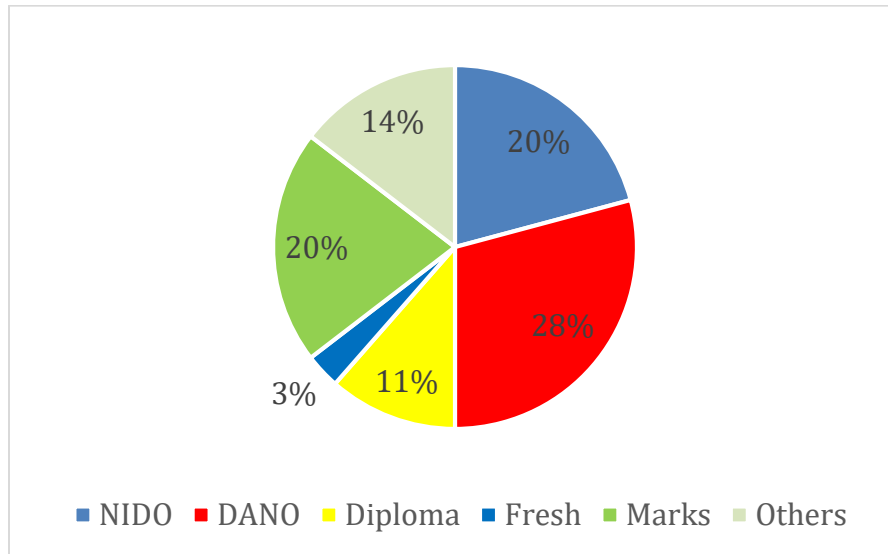
<https://www.hindustantimes.com/world/bangladesh-court-bans-sale-of-8-milk-powder-brands/story-Gq1yZ2DUv3SCTGMHXwdilK.html>

<https://www.assignmentpoint.com/business/thesis-on-dano-milk-powder-in-bangladesh.html>

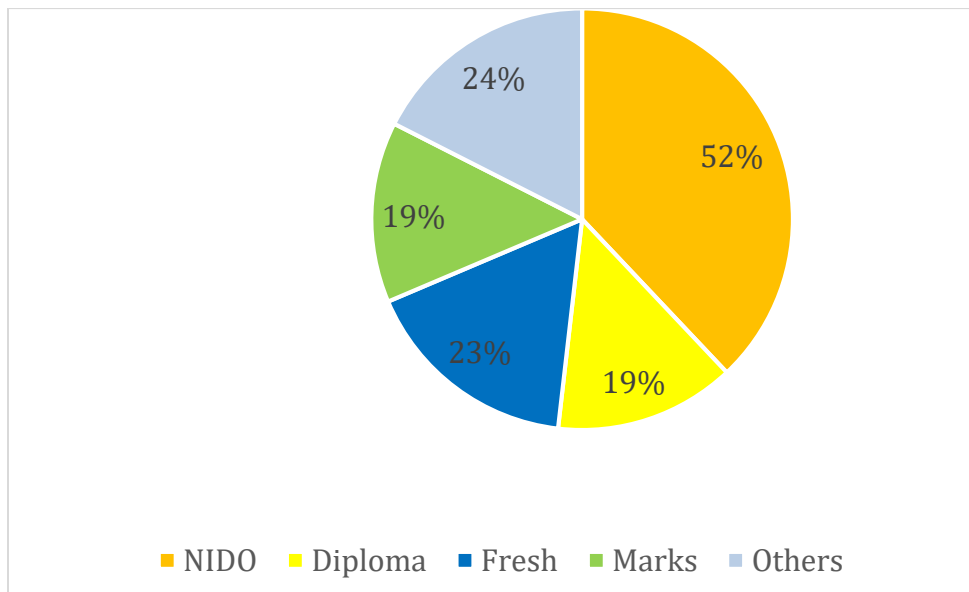
5.2 Appendix

Analysis of NIDO's visibility based on Modern trades visit

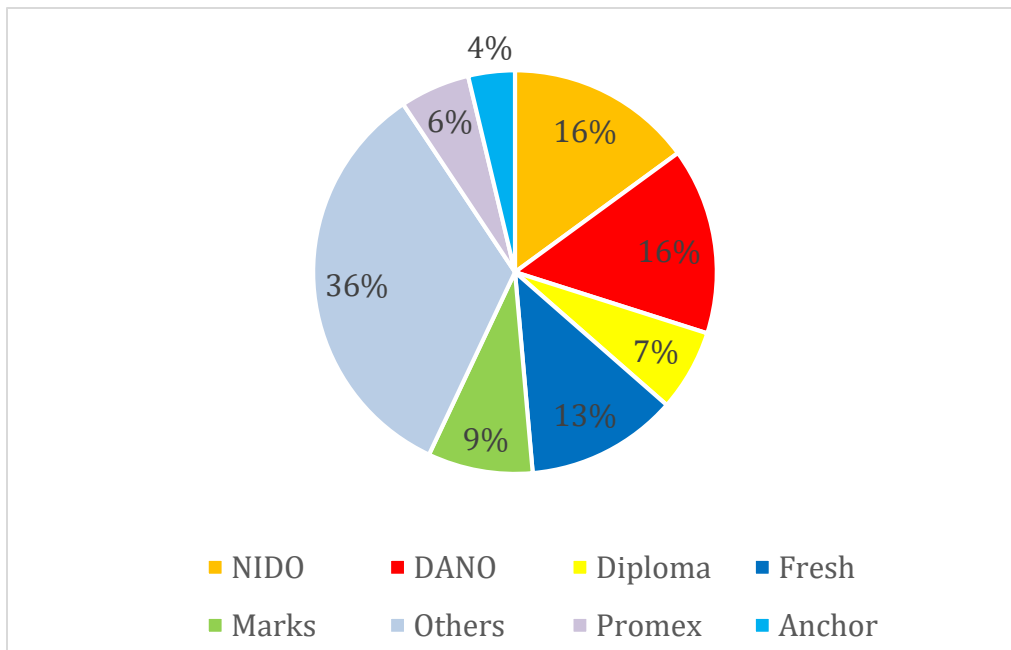
Unimart, Gulshan



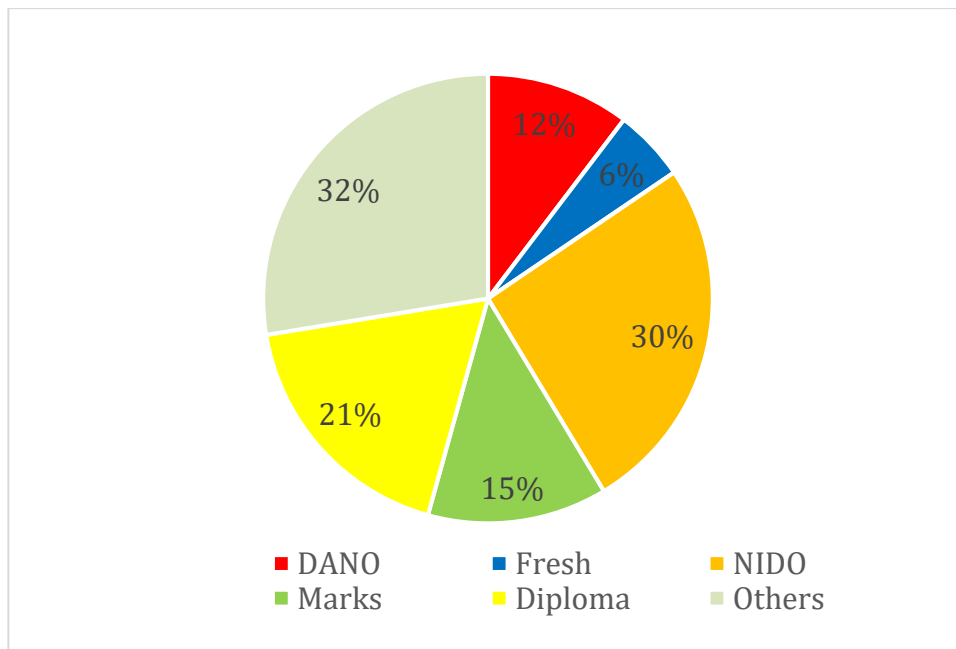
Lavender, Gulshan



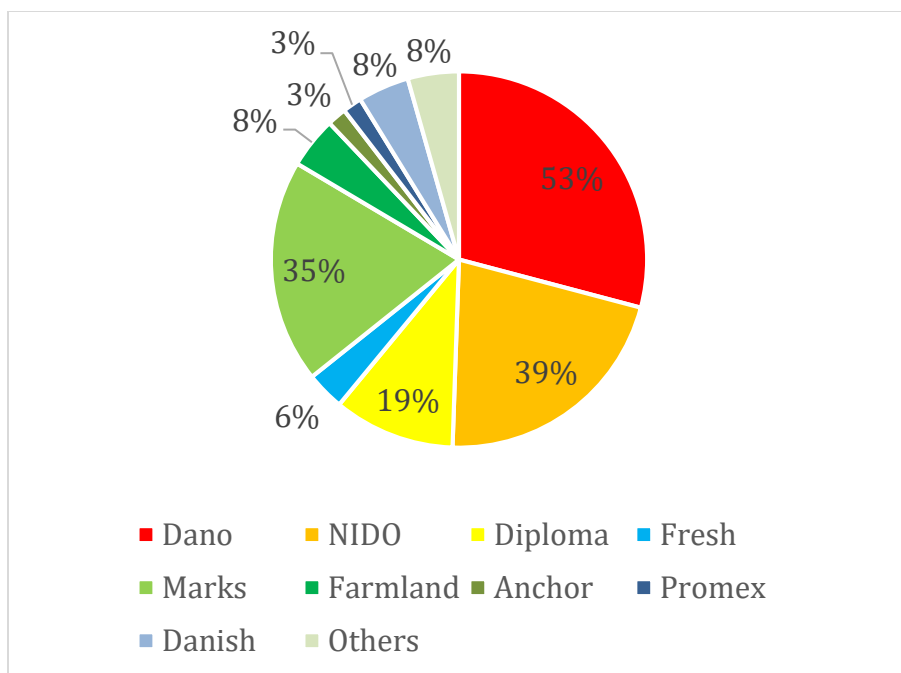
Mehedi Mart, Baridhara



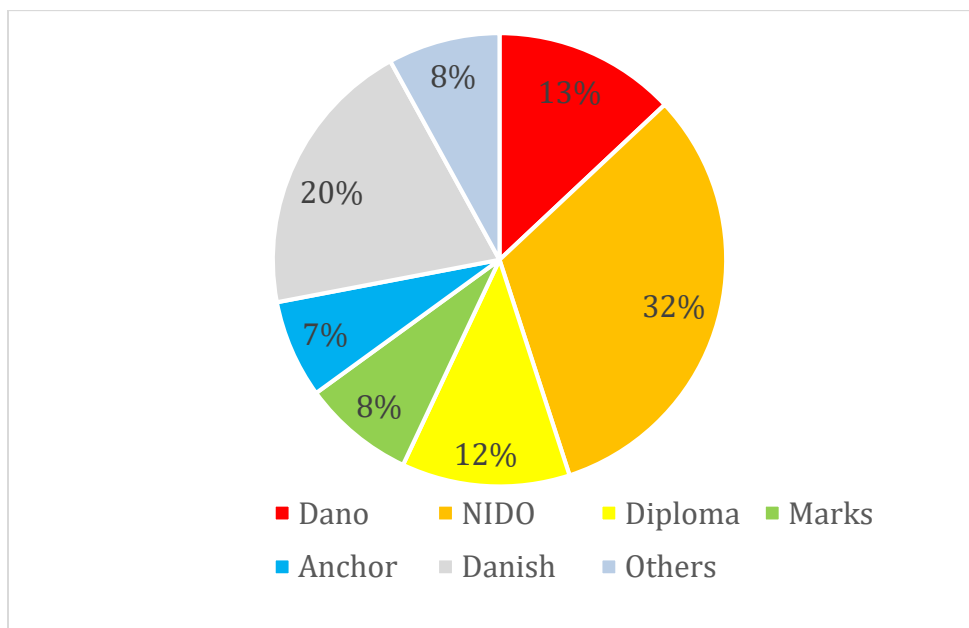
Genius, Boshundhora



Shop n Save, Uttora



Meena Bazar, Dhanmondi



Prince Bazar, Shymoli

