



NESCAFÉ®

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INTRODCUTION

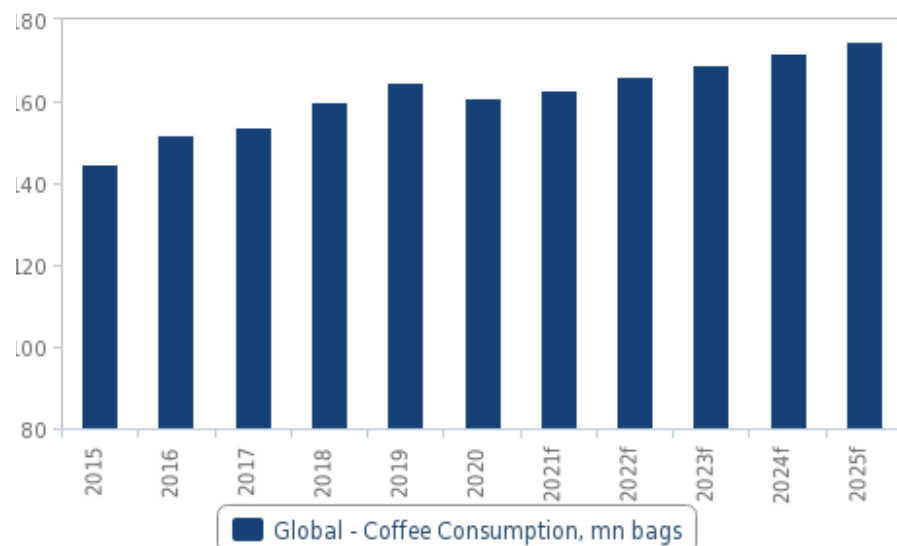
- **"IT ALL STARTS WITH A NESCAFÉ"**
- **RECHARGE YOUR DAY WITH A NESCAFÉ.**
- **MORE BEANS. MORE TASTE**
- **GREAT IDEAS COME FROM GREAT COFFEE.**

Nescafé Is A Brand Of Coffee Made By Nestlé. It Comes In Many Different Forms. The Name Is A Portmanteau Of The Words "Nestlé" And "Café". Nestlé First Introduced Their Flagship Coffee Brand In Switzerland On 1 April 1938. Nestlé Began Developing A Coffee Brand In 1930, At The Initiative Of The Brazilian Government, To Help To Preserve The Substantial Surplus Of The Annual Brazilian Coffee Harvest. Max Morgenthaler Led The Development Project. Nestlé Introduced The New Product Under The Brand Name "Nescafé" On 1 April 1938.

IN 2010 Nestlé Acquires Kraft Foods' Frozen Pizza Business. The Nestlé Cocoa Plan And Nescafé Plan Are Both Launched To Develop The Company's Sustainable Supply Chains In Cocoa And Coffee, Improve Social Conditions In Farming Communities, And Ensure Their Profitability. With Around 5,500 Cups Consumed Every Second, Nestlé's Nescafé Is The World's Leading Coffee Brand By Far, And Also The Fourth Most Valuable Beverage Globally After Coca-Cola, Pepsi And Budweiser. Interbrand Ranks It Among The World's Top 40 Brands, With An Estimated Value Of Almost \$12.3bn.

PRODUCT ANALYSIS

Nestle Nescafe has been able to satisfy its customers by providing them with products of good quality. This is given intense value. Nescafe seeks to have loyal customers for which they renovate and innovate their products. Nestle prefers to have increased flexibility in its business for which it has become decentralized. To gain the satisfaction of its customers it involves itself in improving its activities along with segmenting its market, targeting a different group of customers and positioning. The coffee market is intense around the world. Out of 73% of the instant coffee market, nestle has been able to occupy around 72%. This shows the brand loyalty and the marketing strategy that Nescafe adopts around the world



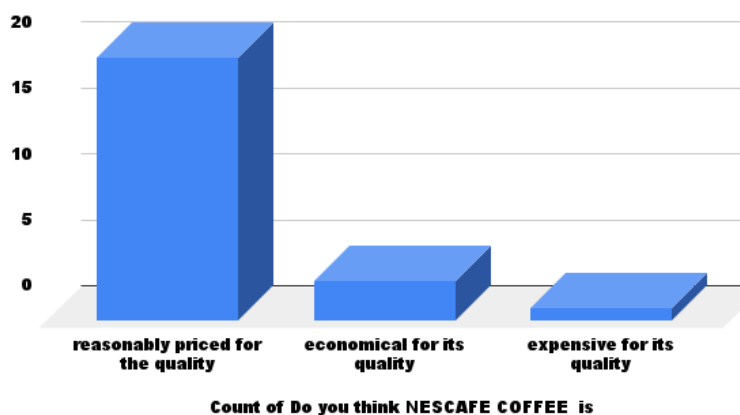
Nescafe Is Normal Good Because An Increase In Consumer Income Has Also Increased The Demand For Coffee .Pricing Strategy Of Nestle Coffee Depend On Dependent Upon The Competitor, Product Quality, Geography.

This strategy is known as the "MARKETING MIX " strategy which helps the brand/company to position itself competitively in the market and achieve its business goals & objectives



PRICING

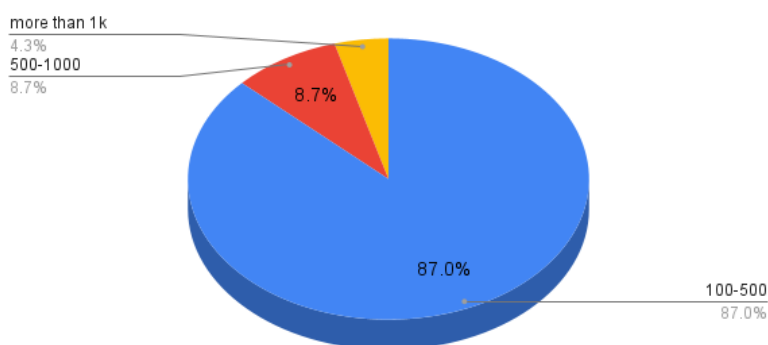
Do you think NESCAFE COFFEE is



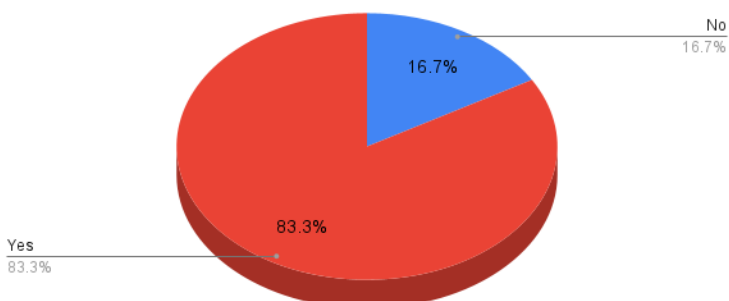
According To The Survey, The Products Are High Quality And Significantly Priced. The Volume Offered To The Customers Were Varied As The Changes In The Price. These Made It Available To A Wider Set Of Customers As The Products Got Pocket Friendly

They Have Targeted Customers Who Preferred A Single Cup Of Coffee And "Ready To Drink Coffee "At A Cheap Rate. The Various Flavour's Of Nescafe Coffee Are Made Available In Various Quantities And Their Prices Are Set According To The Packaging.

HOW MUCH DO YOU SPEND



consumption of coffee during pandemic

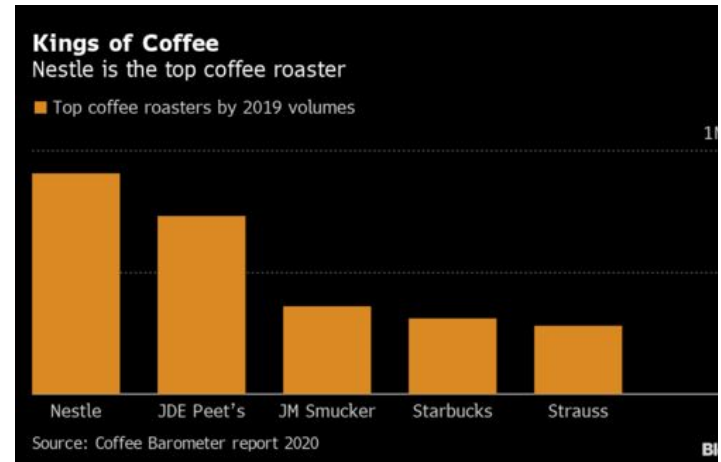


People Were Confined To Their Homes And Spending Most Part Of The Day In Front Of Their Computers And They Were Drowning In Cups Of Coffee And Instant Coffee Makers Were Making The Rewards. Due To Work Or Video Conferences, People Had To Keep Consuming Some Beverages Or Other, Preferably Hot Beverages. The Current Trend Toward Online Shopping For At-Home Consumption Is Forcing Retailers, Roasters, And Consumers To Adapt To This New Reality. Therefore, This Factor Is Expected To Increase The Consumption Of Coffee Around The World.

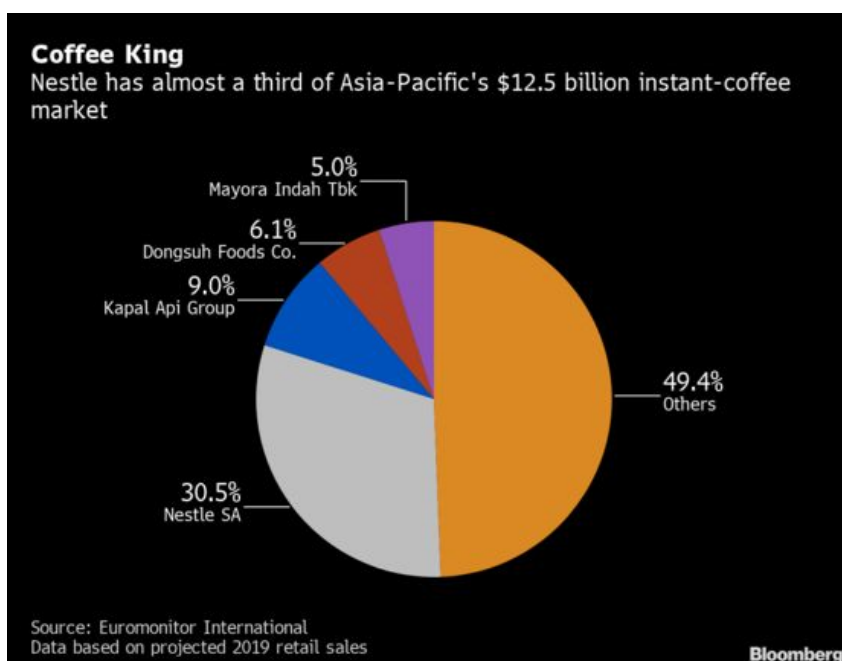
DEMAND

Nestle Promise We Commit To Every Day, Everywhere- To Enhance Lives, Throughout Life, With Good Food And Beverage Innovation And Renovation Are The Basis For The Growth Of The Product Balancing The Geographic Activities And Product Lines. Never Sacrificed Long Term Potential, For The Short Term Performance

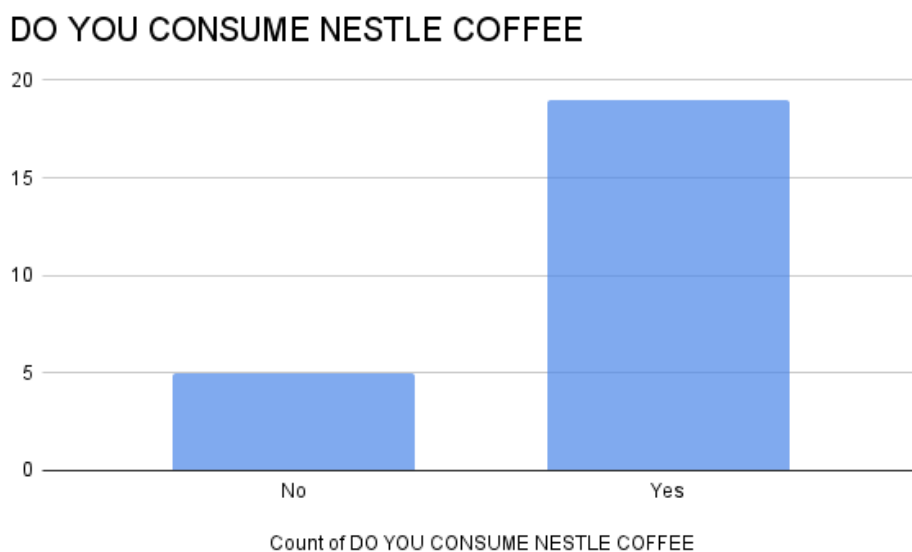
Regardless Of The Geographical Barriers, Nestlé's Priority Is To Bring The Best And Most Relevant Products To People. "The Rich Taste Of Your Favourite Coffee Is Reflected In Its Rich History". Generally, Coffee Is A Beverage That Has Some Properties Which Can Energize And Revitalized The Consumer.



The Global Instant Coffee Market Is Consolidated With The Top International Players Holding Significant Share In The Global Market. Nestle SA Is The Leader In The Instant Coffee Market With Its Brand Nescafe. In Many Regions Across The World, All Other Brands Put Together Occupy A Market Share, Which Is Equal Or Slightly Less Than Nescafe. Other Prominent Global Players Operating The Instant Coffee Market Include Starbucks Corporation, Kraft Foods, Tata Global Beverages Limited, And Unilever PLC Among Others.



Demand For The Nescafe Has Been Increasing Significantly, Nestlé Has Reported Strong Retail Demand For Food And Beverage Products Globally, Achieving 4.4% Organic Group Sales Growth In The First Quarter Of 2020. Coffee Sales Were Particularly Robust As Consumers Stockpiled Essential Items During The Pandemic.



Coffee At-Home Sales Have Been Boosted By Increased Consumer Demand During The Pandemic.

Acknowledging The Adverse Impact Coronavirus Was Having Among Its Café And Restaurant Customers, Nestlé Said It Was Launching A CHF 500m (\$513m) Support Programme, Including The Extension Of Payment Terms And Suspension Of Coffee Machines Rental Fees. Nescafe Sells Its Coffee To Retail Stores, Supermarkets And Grocery Store Chains, Drug Stores, Shopping Malls, Gas Stations, Other Online E-Tailers And Directly Through Its Company Website

COFFEE PLEASE

Nestlé Has Long Acknowledged Its Moral Responsibility To Its Suppliers And Is Involved In Many Initiatives Design To Make The Market More Sustainable In The Medium And Long Term. The Coffee Market Creates The Highest Revenue In The FMCG Market. They Made This Coffee Available To Every Retail Store. Expand Its Point-Of-Presence Network, The Company Began Introducing Cafe Nescafe Coffee Bars At The End Of The 1990s, Branded Like Starbucks But Selling Coffee To Drink-In Or Take-Away. The Company Also Has A Partnership With Esso To Run Nescafe Coffee Bars In Service Stations Throughout Latin America And Europe. The Cafe Nescafe Coffee Shop Chain Now Operates In Numerous Global Markets From India To Austria. There Are Similar Partnerships With Food Retailers In Europe, Including Selected Mcdonald's Outlets, As Well As With Air France, British Airways And Other Airlines To Offer A Branded Drink Service

Instant Coffee, Also Known As Coffee Powder, Is One Of The Most Widely Consumed Beverages Made By Grinding Roasted Coffee Beans. It Enables Consumers To Quickly Prepare A Cup Of Coffee By Pouring Hot Water To The Instant Coffee Mix. In Comparison With Brewed Coffee, Instant Coffee Comprises Of Lower Caffeine Content But Higher Amounts Of Antioxidants. Regular Consumption Of Instant Coffee Assists In Boosting Metabolism, Improving Brain Function And Enhancing Liver Health, Nescafe Is Good For Headaches, Pancreatic Oversees Health, Makes Intestines Work More Actively, Preventing Suicidal Thoughts, Relieves The Stress. Nescafe Coffee Is Beneficial When Consumed In Dose, Is Harmful When Consumed In Excess. The Benefits Of Consuming. Owing To This, Instant Coffee Is Gaining Immense Popularity Especially Among The Working Population Across The Globe.

SWOT ANALYSE

STRENGTH

- **Brand Equity:** Nescafé's Brand Value Is \$17.4 Billion And Is The Largest Brand In The Swiss Giant Portfolio. Also, It Is The Brand Of Nestle, So It Also Possesses A Strong Financial Backing And Availability Of Resources.
- **Quality:** Nescafé Is A Good Quality Product And Has Managed To Stay Away From Controversies. They Have Stringent Quality Control Techniques And Have Managed To Develop A Strong Bond With Their Customers.
- **Diversity:** It Possesses A Large Diversity In Terms Of Tastes, The Strength Of Coffee Content And Types Of Coffee Beans Used In The Production. This Gives Them A Large Variety Of Products To Suit The Different Tastes Of Customers.
- **Excellent Promotional Campaign:** Their Promotional Campaigns Have Always Remained Popular. They Gain Visibility Very Quickly. They Touch The Strings Of The Heart Perfectly. Their Advertisements Are Meant For Common People And Resonate With Their Daily Problems.

WEAKNESS

- **Health Consciousness:** People Who Are More Considerate About Health Tend To Move Away From Caffeine Content Drinks.
- **Indirect Competition:** Indirect Competition Like Tea, Carbonated Drinks And Other Beverages Take A Lot Of Market Share From Nescafé. It Is Widely Accepted In The USA Because The USA Is A Coffee-Drinking Country, But There Are Many Other Countries Where Tea Preferred Over Coffee

- **·INVESTMENT:-** Investment In Research And Development Is Below The Fastest Growing Players In The Industry. Nescafe Is Spending Above The Industry Average On Research And Development. It Has Not Been Able To Compete With The Leading Players In The Industry In Terms Of Innovation.

OPPORTUNITY

- -A Growing Market For Fair Trade Hot Drinks
- -Growing Demand For Premium Coffee Products
- -Nestle Has The Capability Of Spreading Out The Production Line. This Skill Helps It To Compensate For Its Weaknesses Being Compatible With Its Strengths.
- Markets In Latin America, Eastern Europe And Asia Provide An Opportunity For Nestle To Boost Their Market Share And Sales Because Of The Development In Population And Economic Growth. Although These Countries Are Not Very Rich And Developed, As The Economy Of These Countries Boom, The Average Level Of Income Of Its People Will Also Increase

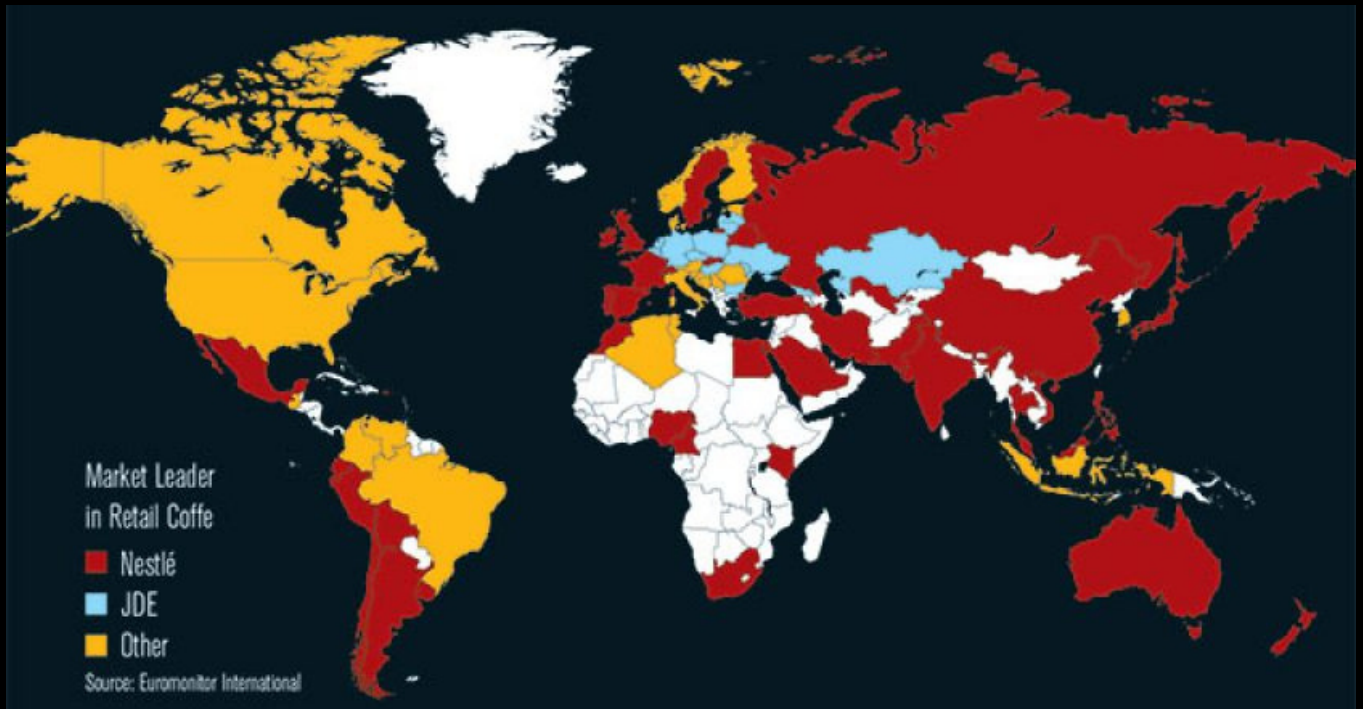
THREAT:-

- Price War & Cannibalizing
- Growing Strengths Of Local Distributors Also Present A Threat In Some Markets As The Competition.
- In India Bru Is The Market Leader In The Beverage Category And Is Giving A Hard Time To Nescafe. This Competition Is Getting More And More Intense With Other Brands Growing As Well Like Tata Coffee Etc.
- Changing Consumer Buying Behavior From Online Channel Could Be A Threat To The Existing Physical Infrastructure Driven Supply Chain Model

MARKET ANALYSIS

The Global Instant Coffee Market Is Projected To Register A CAGR Of 5.63% Over The Forecast Period. The Market Was Valued At USD 52 Billion In The Year 2018. The Increased Focus On Unique, Authentic Flavours And Various Functional Properties Of Coffee Have Aided In The Premiumization Of The Instant Coffee Market. Functional Coffee Also Has Emerged As A Clear Winner In Aiding Premiumization Of The Market. Fortification Of Coffee To Aid In Providing Various Health Benefits Such As Instant Coffee For Consumers Following A Keto Diet, Instant Coffee Marketed As Natural Energy Drinks, And Those Loaded With Protein Have Been Finding Preference Among Consumers. Asia-Pacific Is Set For Robust Market Growth Over The Forecast Period. Traditional Strongholds Of Coffee Consumption Such As Eastern Europe Have Been Observed To Have Sluggish Growth Concerning Instant Coffee, With Consumers In This Region Increasingly Preferring Freshly Brewed Coffee, Coupled With Other Economic Factors. Although Many Countries In The Asia-Pacific Region Have Been Traditional Consumers Of Tea, The Increased Penetration Of Instant Coffee In Markets Such As India Have Boosted The Overall Sales Of The Coffee Category. Other Non-Traditional Markets Like Turkey Have Also Been Slowly Warming Up To Growth In The Instant Coffee Market.

Nescafe Dominates The World's Instant Coffee Market, Sold In Over 180 Countries And With A Commanding Lead In Virtually Every Major Consumer Territory. Combined Revenues For The Group's Coffee Portfolio Were Approximately Sfr 9.07bn (Approx €8.3bn) In 2016.



According To Figures From Euromonitor, Nestle Had Around 23% Of The Global Coffee Market In 2015 (Compared To Around 15% For JAB/Keurig Green Mountain). In 2013, Nescafe Alone Had a 16.7% Share Of The Global Retail Coffee Market, More Than Five Times Any Other Brand, And 44% Of The Instant Coffee Sub-Segment. Regionally, The Nescafe Brand Varies Quite Widely. Nescafe Has An Equally Dominant Position In The Instant Coffee Market Of Mexico (82% Share), Australia (75%), Japan (73%), South Africa (65%), France (64%) And Spain (62%). In Germany, A Highly Fragmented Coffee Market, It Is The Market Leader In Instant Coffee With A 37% Share.



COMPARISON COMPETITOR

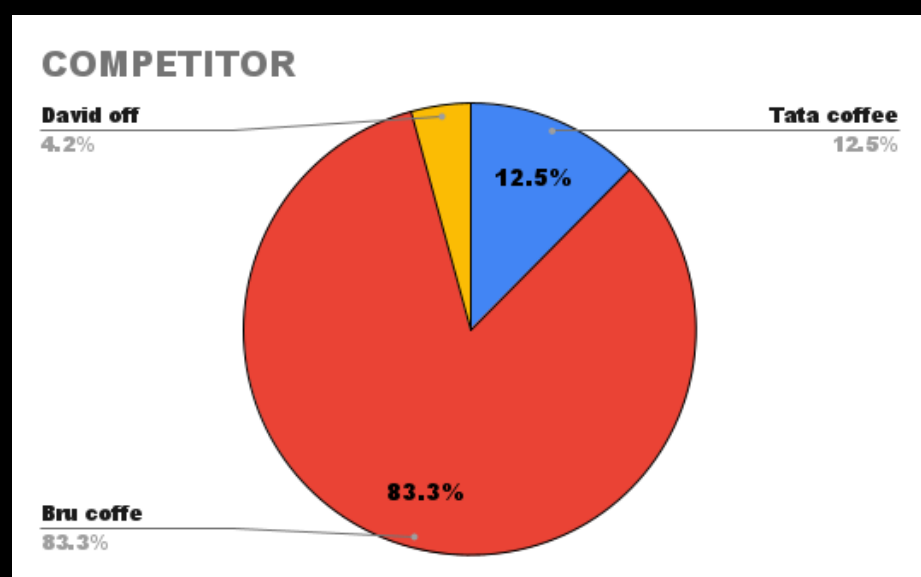
#	Brand	Brand Value \$M	Brand Contribution	Brand Momentum	Brand Value Change
1	Nescafé	5,309	2	5	-6%
2	Nespresso	2,799	4	7	14%
3	Maxwell House	1,181	1	4	-10%
4	Folgers	1,166	3	9	-12%
5	Starbucks	988	5	5	17%

Starbucks:- Starbucks Sells And Distributes Its Products Through Their Company-Operated Retail Stores, A Direct Response Business, Supermarkets, Membership Warehouse Outlets Such As Costco, Online Through Its Website At [Www.Starbucks.Com](http://www.starbucks.com), And Whole Bean Coffees Through A Speciality Sales Group.

Folgers:- Francisco As A Leader In Steam Coffee And Spice Mills. Folgers Offers Six Different Coffees, Which Will Include Caffe Latte, Cappuccino, Ground, Decaffeinated, I Instant, And Whole Bean Coffee

BRU:- Hindustan Lever Ltd., A Subsidiary Of Unilever Ltd., Is India's Largest & Fast-Moving Consumer Goods Company. Bru Is One Of Their Many Products. Bru Instant Coffee Was Introduced In 1969 And Thereafter It Became Very Successful In India, Especially In South India. In India, The South Indians Are Typically Coffee-Drinkers, But Now With Time, Coffee Has Become A Favourite Beverage In All Parts Of India

Barista:- Key Success Factor For Barista Is Its Ambience, Refreshing Taste, Keeping Good Customer Service, Having Brand Equity, And An Excellent Distributing Network. Since Barista Stores Are Located In Easily Accessible Places, Coffee Lovers Do Not Have Trouble Reaching Them. Barista Has More Than 50 Outlets Across India



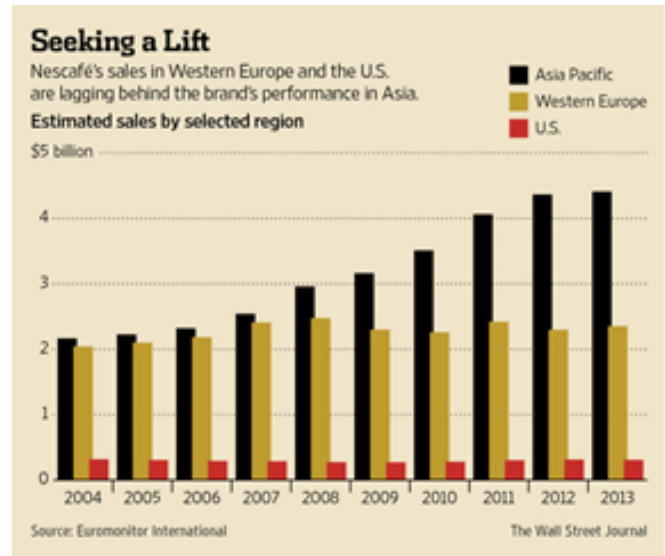
In India, Nescafe Is Partnered By Local Variety Nescafe Sunrise, A Coffee And Chicory Blend. Both Face Strong Competition From Hindustan Unilever, Which Markets Bru Instant Coffee, Used For Both Hot And Cold Coffee.

Nestle Is The Larger Company By Overall Share, With Around 52% From Its Two Brands By Mid 2007, But Bru Outsell Both Sunrise And Nescafe, With 47% Market Share. Nescafe And Sunrise Tend To Be More Popular In Northern India, Bru More Popular In The South, Where There Is Greater Consumption Of Cold Coffee.

ELASTICITY



change in price



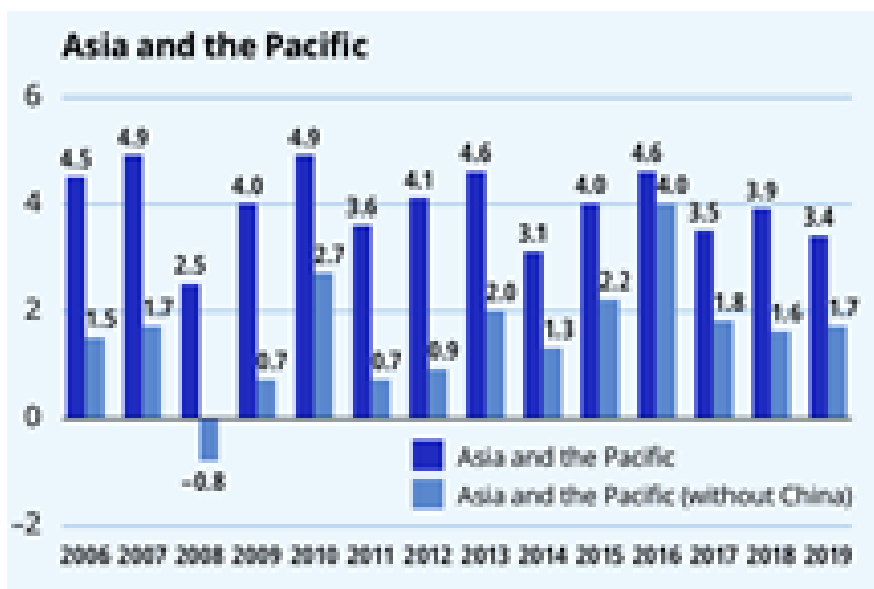
demand for nescafe

PRICE ELASTICITY OF DEMAND

Price Elasticity Of Demand This Explains The Difference Between The Percentage Change In Demand By The Percentage Change In Price. When The Price Decreased From 1.7528 USD Per Pound To 1.2625 USD Per Pound In Asia Pacific, Demand For Nescafe In Overall Asia Had Increased From 4.5 Billion Dollars To 4.6 Billion Dollars Per Pound, Which State That It Is Highly Elastic.

PRICE ELASTICITY OF SUPPLY

It Is Not So Responsive Toward The Price Changes. Change In Quantity Demanded Is Less Than Change In The Price. So Its Supply Is Inelasticity



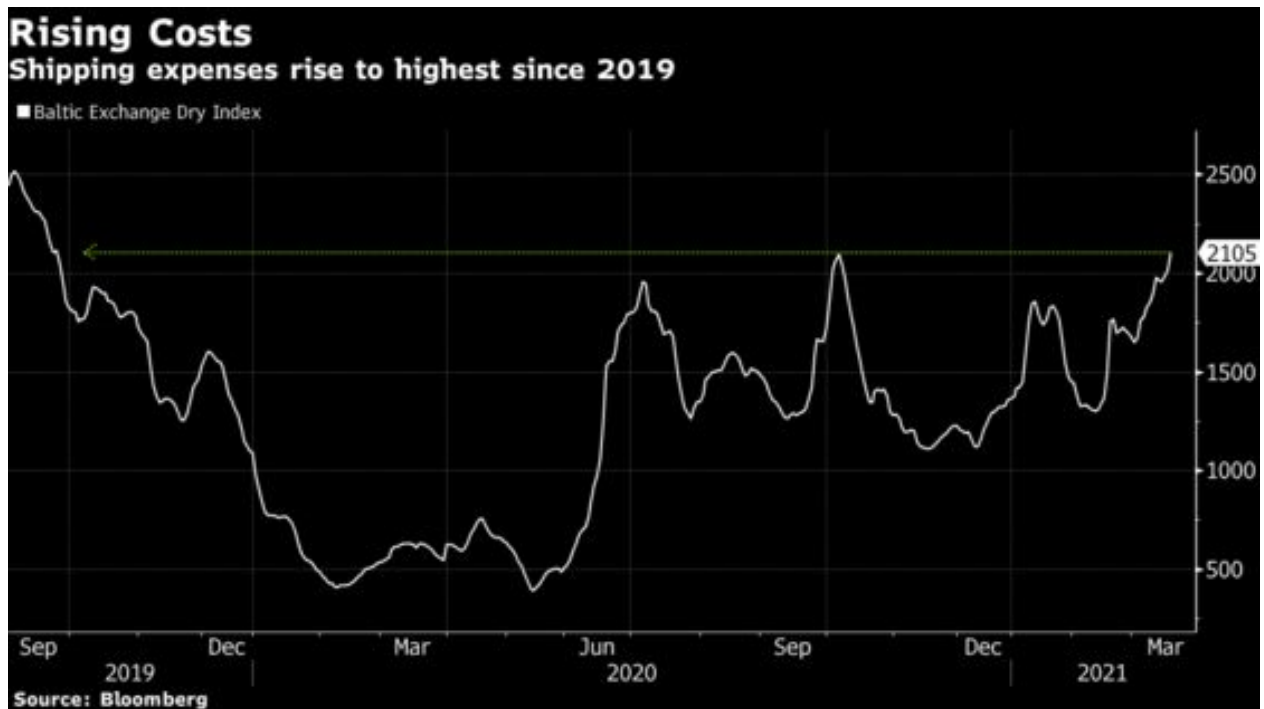
Asia Pacific Wages Growth

INCOME ELASTICITY

Due To The Growth In Asia Pacific Wages The Consumption Of Coffee Has Increased, Which Shows Positive Income Elasticity. Positive Income Elasticity Of Demand Is Associated With Normal Goods; An Increase In Income Will Lead To A Rise In The Quantity Demanded.

HIKED IN PRICE

The Price Of The Nescafe Has Been Increasing Little A Bit From 2016 To 2021. Nestle CEO Warns That Prices Can Go Even Higher To Offset The Pandemic Related Inflation

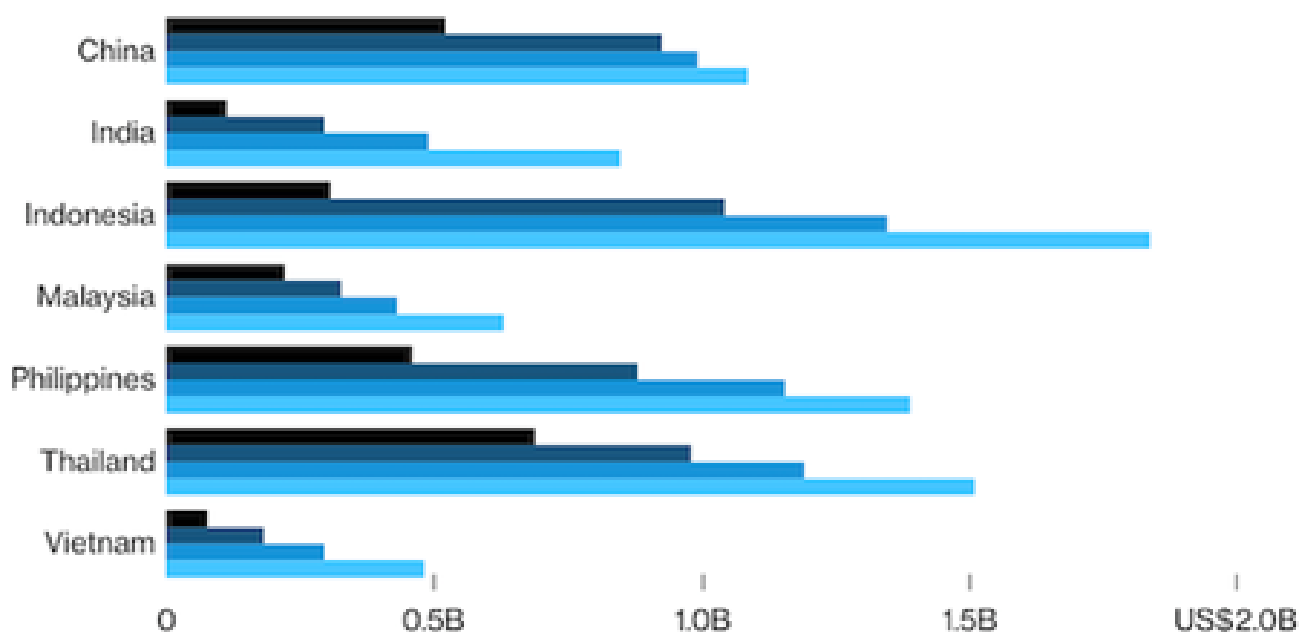


The Reason Being, Cost Of Production Has Increased By 4 % To Cover Those Costs, Nestle Coffee Need To Increase The Price At Least By 2 %. NESCAFE Has Hiked Prices By 1.3% In The First Half Of 2021. Cost Of Production Suddenly Has Picked Due To Inflation Which Affecting The Company In Every Spectrum Like Packaging, Cost Of Material, Distribution Cost.

Caffeine Addicts

Retail sales of instant-coffee are projected to boom in Asia

■ 2009 ■ 2014 ■ 2019 ■ 2024



Source: Euromonitor International

Coffee Has Been Considered One Of The Most Popular Beverages Among People Of All Age Groups. "As Caffeine Is A Psychostimulant, It Has A High Potential Of Addiction Similar To Tobacco And Alcohol. Hence, There Is A Need To Be Aware Of It And Keep The Intake Within Healthy Limits, Coffee Addiction Is Highest In Indonesia

FACTOR INFLUENCING THE PRODUCT

Consumer Choice Of Products Has Been Known To Depend, Among Others, Distribution, Price, Income, Quality, Advertising And Promotional Activities. Literature However Reveals That The Interplay Of These Factors In Influencing The Demand Differs By Product. In Other Words, Those Factors That Heavily Influence The Demand For A Particular Brand Of Detergent May For Instance Not Necessarily Be The Same As Those Influencing Demand For Another Product. Shipping Cost, Raw Material Prices, The Trend In The Market Can Influence The Demand For The Product

CONCLUSION

The Outcome Of The Study Revealed That Nescafe Is The Most Consumed Brand Of Instant Coffee, Despite Its High Price, Relative To The Other Brands. Among The 4Ps (Product, Price, Place And Promotion Factors Of Marketing) Taste Of The Product Was The Most Critical In Influencing The Consumer Choice Of Instant Coffee Nescafe, Aromatic Smells Of Coffee To People, Providing "1 Nescafe With 1 Unique Moment" So That Everyone Can Enjoy. Wherever You Are, You Will Be Able To Find Nescafe Around, Whether In Shopping Complexes, Supermarkets/Hypermarkets Or Even Grocery Stalls. Their Target Audience Is Working Adults (Primary), Students-University, Academy, High School (Secondary). In Addition To Social Media Engagement, NESCAFÉ Has Been Actively Involving The Community In Events To Establish Our Brand Presence. In The Upcoming Year, Nescafé Objectives Should Be To Enter New Emerging Markets As The Demand Will Be High In Such a Country Which Results In The Growth Of The Business. So, The Main Idea Is To Expand The Business Not Only Locally But Globally As Well And Be The First One To Reach A New Market. Nescafe Can Take Advantage Of Its Product Differentiation And Brand Name, So It Can Be The Leading Coffee In Few Years As Availability Only Of Few Local Competitors.

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