

Project Report

**“A STUDY OF EFFECTIVE COMPENSATION PLANNING & MANAGEMENT ON  
EMPLOYEE JOB SATISFACTION WITH REFERENCE TO NESTLE”**

Submitted to

**DMSR**

**G.S. College of Commerce and Economics, Nagpur**

(An Autonomous Institution)

In partial fulfilment for the award of the degree of

**Master of Business Administration**

Submitted by

**Mayuri Prakash Gumgaonkar**

Under the Guidance of

**Dr. Aniruddha Akarte**

**Department of Management Science and Research,**

**G.S. College of Commerce & Economics, Nagpur**

**NAAC Accredited “A” Grade Institution**



**Academic Year 2022-23**

**Department of Management Science and Research,**

**G.S. College of Commerce & Economics, Nagpur**

**NAAC Accredited “A” Grade Institution**



**Academic Year 2022-23**

**CERTIFICATE**

This is to certify that **“Mayuri Prakash Gumgaonkar”** has submitted the project report titled **“A study of Effective Compensation Planning and Management on Employee Job Satisfaction with Reference to Nestle”**, towards partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any examination and does not form part of any other course undergone by the candidate.

It is further certified that she has completed her project as prescribed by **DMSR- G.S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR (NAAC Re-accredited “A” Grade Autonomous Institution)** affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

**Dr. Aniruddha Akarte**  
**(Project Guide)**

**Dr. Sonali Gadekar**  
**(Co-ordinator)**

**Place:- Nagpur**

**Date:-**

**Department of Management Science and Research,  
G.S. College of Commerce & Economics, Nagpur  
NAAC Accredited “A” Grade Institution**



**Academic Year 2022-23**

**DECLARATION**

I here by declare that the project with the title “ **A Study of Effective Compensation Planning & Management on Employee Job Satisfaction with Reference to Nestle**” has been completed by me in partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination as prescribed by **DMSR – G.S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR (NAAC Re-accredited “A” Grade Autonomous Institution)** affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and has not been submitted for any other examination and does not form the part of any course undertaken by me .

**Place : Nagpur**

**Mayuri Prakash Gumgaonkar**

**Date :**

**Department of Management Science and Research,  
G.S. College of Commerce & Economics, Nagpur  
NAAC Accredited “A” Grade Institution**



**Academic Year 2022-23**

**ACKNOWLEDGEMENT**

With immense pride and sense of gratitude, I take golden opportunity to express my sincere to **Dr. Swati S. Kathaley, Principal, G.S. College of Commerce and Economics, Nagpur.**

I am extremely thankful to my Project Guide “**Dr. Aniruddha Akarte**” for his guideline throughout the project. I tender my sincere regards to Co-Ordinator, “**Dr. Sonali Gadekar**” for giving me guidance, suggestions and invaluable encouragement which helped me in the completion of the project.

I will fail in my duty if I do not thank the non-teaching staff of the college for their co-operation.

I would like to thank all those who helped me making this project complete and successful.

**Mayuri Prakash Gumgaonkar**

**Place: Nagpur**

**Date:**

## **INDEX**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page. No.</b>
1	CHAPTER-1 Introduction <ul style="list-style-type: none"><li>• Human Resource Management</li><li>• Compensation Planning</li><li>• Compensation Management</li><li>• Employee job satisfaction</li><li>• Objectives of Study</li></ul>	8 – 24
2	CHAPTER-2 Company profile- About Nestle	25 – 32
3	CHAPTER-3 Literature Review	33 – 35
4	CHAPTER-4 Research Methodology <ul style="list-style-type: none"><li>• Relevance of study</li><li>• SWOT Analysis</li><li>• Research design</li></ul>	36 – 44
5	CHAPTER-5 Data Analysis	45 – 54
6	CHAPTER-6 <ul style="list-style-type: none"><li>• Findings</li><li>• Conclusion</li></ul>	55 – 58
7	CHAPTER-7 <ul style="list-style-type: none"><li>• Suggestion</li><li>• Recommendation</li><li>• Bibliography</li></ul>	59 – 62

## **EXECUTIVE SUMMARY**

The first chapter of the project deals with the introduction of Compensation Management & Planning in the organization and Employees Job Satisfaction. The compensation system is an important aspect of the overall management of human resources in an organization. The quality of compensation will determine whether or not the organization is able to attract and retain the best people. Job satisfaction represents the constellations of person's attitude towards or about the job. Factors contributing to employee satisfaction include treating employees with respect, providing regular employee recognition, empowering employees, offering more than industry-average benefits and compensation, providing employee perks and company activities, and positive management within a success framework of goals, measurements, and expectations.

The second chapter discusses the profile of "Nestle Company" It deals with my project. 'Nestle Company is the world largest food and beverage company. The strong brand name gain widespread popularity and acceptance from all over the world. My project throws light on study of the level of Employee job Satisfaction and to find out reasons for unsatisfactory behavior of Employees.

Research Methodology is third chapter listed in my project. It means the systematic way to attain the predefined objectives. Hence to fulfill these objectives, Research Methodology will appear in context with the research design, data collection, and sources of data and description of tools for data analysis. It carries Relevance of the Study, Scope of the Study, Need of the Study, Objective of study and Hypotheses.

The next chapter is Research Design in which, I have used random sampling design to give an equal chance to all the department of Nestle Company. The sampling procedures are used to obtain responses of people. For this I have approached and requested Nestle Company's Employee to fill questionnaire sheet related to Company's Compensation Policy and their job satisfaction. These Employees belongs to various department of employees like Finance, Operation, Administrative staff, Production, Sales etc.

The fifth chapter is based on important concept & procedure toward the employee satisfaction. This is additional chapter for my research on Employee Satisfaction, which will help me to add value to my research work. This chapter discusses the level of satisfaction with their job and working environment. Keeping morale high among

workers can be of tremendous benefit to any organization, as happy workers will be more likely to produce more, take fewer days off, and stay loyal to the organization.

Literature Review forms another important chapter listed in the project in the research work. The literature review focuses on Compensation Management. Compensation Planning, and Job Satisfaction

From the Data Analysis and Interpretation I have concluded that employees of “Nestle Company” are satisfied with their jobs. But there is a strong line of difference in the number of people who ‘Strongly Agree’ and ‘Agree’ since many respondents have chosen “Agree as their primary option over Strongly Agree,” which tells us that they are happy enough to be with the company.

On the basis of conclusions and findings, the level of employee job satisfaction in the company is quite high. However, as far as satisfaction goes, sky is the limit and there is no end to expectations. So management should strive to invest in conducting training programs by outsourcing specialist trainers in related areas of weaknesses. In order to have employee job satisfaction in the work allotted, there should be scope for two way communication through. Monthly Meetings, Canteen Activities, Gathering Programs, and Grievances related to Management. Every employee wants to have a secure job and he expects to be a permanent employee after completing probationary period. So that management should carry out the process of confirmation as permanent employee for a higher level of satisfaction. The tool of System of reward and recognition can be used as a motivational tool and has lot of scope for improvement.

**CHAPTER-1**  
**INTRODUCTION**



## **Human Resource Management**

Human resources are the set of individuals who make up the workforce of an organization business sector, or economy. "Human capital is sometimes used synonymously with human resources, although human capital typically refers to a more narrow view (i.e. the knowledge the individuals embody and can contribute to an organization). Likewise, other terms sometimes used include manpower", "talent", "labor", or simply "people".

The professional discipline and business function that oversees an organization's human resources is called human resource management (HRM, or simply HR).

Organization is a social unit that is composed of number of people and function through people only. All the resources such as men, money, materials and machinery are collected, co-ordinate and fictionalized by the people. Without human efforts, no organization can achieve its goals. Therefore, this resource is called human resource. Which is the most significant resource of any organization. We also consider that human resource become unending source of ability, power, skill, efficiency, knowledge, creativity for accomplishment of organizational objectives and also play crucial role in management process. These days, organizations have realized that the most valuable asset in the organization is its people. The growth of an organization depends on talent of its human assets as people act as change agents for the implementation of any initiatives in an organization.

Human Resource Management is the organizational function that deals with issues related to people such as compensation, organization development, employee motivation, communication and training. That means it is the function within an organization that emphasizes on recruitment and providing direction for the people who work in the organization. It is a functional area of general management that includes production management, marketing management, financial and operation management etc. Human Resource Management is concerned with the acquisition, retention, utilization.

Compensation and labour welfare of human resource. So we can say Human Resource Management play a very important role in fostering innovation within the organization and creating a culture of innovation It examines the various Human Resource processes

that are concerned with attracting, managing, motivating and developing employees for the benefits of the organizations.

## Definition

According to Flippo, Human Resource Management “the planning, organizing, directing and controlling of the various aspect of human resources to the end that individual, organizational and social objectives are accomplished”. Human resource Management is also known by different names such as Personnel management. Manpower management, Staff management, Personnel administration etc.



## **Compensation**

Compensation is a systematic approach to providing monetary value to employees in exchange for work performed. Employee compensation may achieve several purposes in recruitment, job-performance and job satisfaction.

### **Compensation System**

Compensation systems are designed keeping in mind the strategic goals and business objectives. A compensation system is designed on the basis of certain factors after analyzing the job work and responsibilities. Components of a compensation system are as follows:



## **Need of Compensation**

- A good compensation package is important to motivate the employees.
- Increase the organizational productivity. Unless compensation is provided no one will come and work for the organization.
- Thus, compensation helps in running an organization effectively accomplishing its goals.
- Salary is just a part of the compensation system, the employees have other psychological and self-actualization needs to fulfill. Thus, compensation serves the purpose.
- The most competitive compensation will help the organization to attract and sustain the best talent. The compensation package should be as per industry standards.

## **Compensation Planning**

Compensation planning is the responsibility of Human Resources and/or a dedicated Compensation & Benefits manager/department. It includes a strategic approach to balancing your company's financial interests and operating goals while attracting, retaining, growing, and rewarding its employees.

A compensation plan also includes how you pay your workers, the company's bonus structure, and when your team is eligible for raises, among other things.

### **Why organizations need compensation planning:**

Organizations need a strategic compensation plan to remain competitive within their markets and attract and retain top talent. Employers who don't do a competitor analysis and pay their staff whatever they feel like will lose their employees to other companies and won't get suitable applications for open roles.

Additionally, managing a company without a predetermined compensation budget is a disaster waiting to happen – both for the employer and employees. When compensation budget decisions are made without oversight, employees may be unhappy with what they are offered for their work and start to look elsewhere. According to Gallup, turnover can also cost an organization 1.5-2 times the employee's salary. If too many people are leaving your organization, you won't be able to meet your company's financial goals.

There is the legal side of things as well. For example, if you unfairly pay employees a different salary for the same work, your organization can get in trouble for equal pay violations.

## Elements of compensation

Five components make up compensation. These elements are also referred to as a total rewards system. This system incorporates all the compensation-related actions an employer takes while attracting and retaining talent. The five elements are:

- **Compensation:** By itself, direct compensation refers to the pay an employee receives for their work. This is typically in the form of a base salary or hourly wage. It can also include bonuses and tips.
- **Well-being:** The work environment you create for your employees should promote a healthy balance between work and personal time. Well-being in compensation planning is promoted by covering the costs of gym memberships, offering comprehensive health and mental care plans, meditation apps, or stress reduction workshops, as examples.
- **Benefits & perks:** Different countries have different laws mandating what an organization must cover, like sick days, social security, and paid vacation. However, many companies choose to add more perks to make sure they can attract and retain their workers. Examples include remote working possibilities, on sight child care facilities, and dog-friendly offices.
- **Development:** According to Indeed.com, the leading reason talent leaves their companies is due to a lack of challenge or growth opportunities. Having an internal development strategy will keep your employees challenged and engaged. This will give them a reason to stay with your organization.
- **Recognition:** In the same study by Indeed, the fourth reason workers start to look for other opportunities is because of insufficient recognition. Employees want to know that their work is not only important to the success of the organization but that they are also making an impact. Ensuring that your company recognizes outstanding work is an essential step in an effective total rewards strategy.

## What are the steps in compensation planning?

# Compensation Planning



- **Define or review your compensation philosophy**

A compensation philosophy provides direction and clarity for making compensation decisions within your company. It is the foundation of your approach to total compensation and will serve as the base of your compensation plan.

Compensation philosophy gives you a framework to come back to as you make updates later down the road. Whether you already have a philosophy or you're making one from scratch, make sure it aligns with your organization's culture, size, and resources.

- **Do your industry/market research**

Developing a strategic compensation plan is complex, but it shouldn't be overwhelming. HR will start on the right foot by researching and analyzing salaries and compensation in the same industry for similar jobs. This is also known as salary benchmarking. There are two primary ways your team can go about this: Do the research yourself with resources like Pay scale, LinkedIn Salary and Glassdoor, The U.S. Bureau of Labor Statistics, and information on

competitors' job postings. Add all the relevant information in a separate document so you can come back to it later for further analysis.

You can also hire a third party to perform market analysis on your organization's behalf. For example, companies such as Deloitte and PwC typically have big data sets that include international and local salaries and compensation information. Having a third party provide you with this information will save your team time. It will also give you more accurate compensation data than free tools.

- **Analyze your internal compensation data**

You will also need to gather data on your existing compensation structure to ensure it is still competitive. Some companies have compensation analysis tools that can organize this data for you, but it's not necessary. Instead, your team can start using a spreadsheet and manually take information out of your HRIS.

It may also be wise to conduct a pay equity analysis to make sure staff with the same job aren't getting paid significantly differently. For example, suppose you recently hired someone with a higher salary for the same role you already have. In that case, you should plan for getting the existing employees to the same level to prevent turnover.

- **Align your planning with your business goals**

Your compensation planning should support your organizational goals. As a company, you have a specific mission and vision, and you'll only be able to achieve it by attracting, motivating, and retaining the right employees.

With that in mind, total compensation is one of the highest expenses you'll have as an organization. That's why you must create a compensation package with your resources in mind.

- **Start creating salary ranges and grades**

There are two parts to creating a salary structure in your organization. The first is by creating a salary range. This helps employers manage their compensation expenses and guarantee that pay is equal among employees. Employers must have logical explanations for why they pay their staff a certain amount. Determining salary ranges helps achieve that. Start with the mission-critical roles or positions where you have many employees. If you already have salary ranges in place, review them to determine what improvements your team can make.



- **Manage your compensation budget**

According to the US Bureau of Labor Statistics, compensation-related costs are on average 70.8% of the employer's expenses while also being your greatest asset. As you can imagine, managing your compensation budget is an integral part of your company's financial well-being. Compensation planning will help you accurately estimate your compensation budget. From that point, you can see if you are overspending or underspending in certain areas.

If you have a small team, you can manually track the salaries and compensation in an Excel sheet. However, many dedicated compensation management tools will not only track your employees' salaries, bonuses, and benefits, but they will also be able to deliver real-time data in an easy-to-use dashboard.

- **Monitor the planning execution and make adjustments**

Once you've done all this hard work to have a fantastic compensation strategy in place, you'll want to create a framework to support continuous monitoring and spotting opportunities for improvement. Make sure to get feedback from company stakeholders such as managers, employees, or even applicants so that you know you can offer a competitive total compensation package.

You should also do competitor analysis yearly or bi-yearly and update your salary structure accordingly.

Within the salary range, you'll want to add salary grades. A salary grade scale is a pay format where employees are placed within a pay level based on their experiences. For example, you hire two HR managers with the same title and responsibilities, but one candidate has five years more experience. You would pay the more experienced candidate more, and salary grades help classify why you'd pay someone with the same job title more than another.

## **COMPENSATION MANAGEMENT**

Compensation is payment in the form of hourly wages or annual salary combined with benefits such as insurance, vacation, stock options, etc. that can positively or negatively affect an employee's work performance.

An ideal compensation management system will help you significantly boost the performance of your employees and create a more engaged workforce that's willing to go the extra mile for your organization. Such a system should be well-defined and uniform and should apply to all levels of the organization as a general system. Plus you will enjoy clearer visibility into individual employee performance when it comes time to make critical compensation planning decisions.

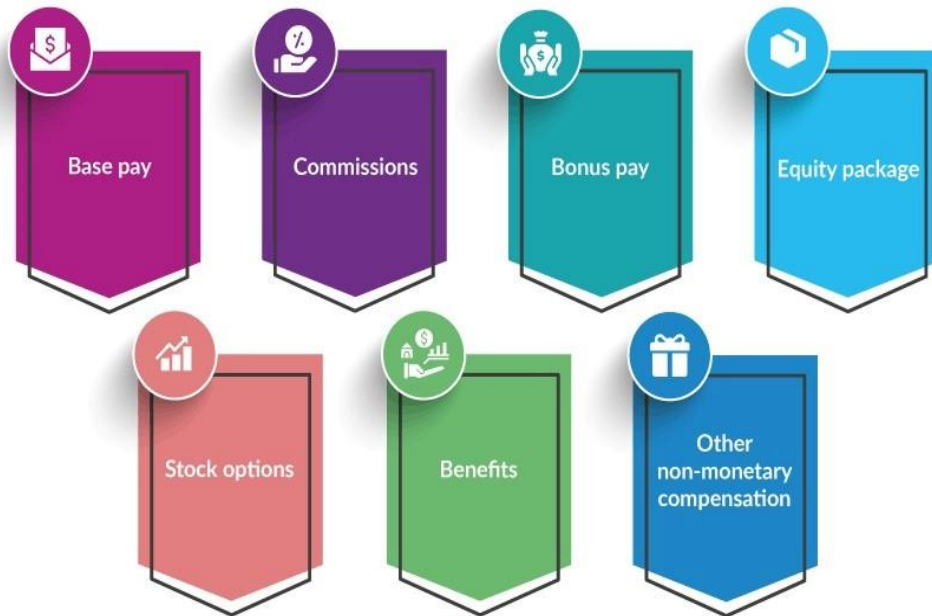
With effective compensation management you will also enjoy clearer visibility in so, individual employee performance when it comes time to make critical compensation planning decisions. These performance appraisals assist in determining compensation and benefits, but they are also instrumental in identifying ways to help individuals improve their current positions and prepare for future opportunities.

### **Definition**

Compensation is a systematic approach to providing monetary value to employees in exchange for work performed. Compensation may achieve several purposes assisting in recruitment, job performance, and job satisfaction.

## Types of Compensation Management

### Types of Compensation



There are two types of compensation:

1. Direct compensation
2. Indirect compensation

#### Direct Compensation:

Direct compensation refers to monetary benefits offered and provided to employees in return of the services they provide to the organization. The monetary benefits include basic salary, house rent allowance, conveyance, leave travel allowance, medical reimbursements, special allowances, bonus, Pf/Gratuity, etc. They are given at a regular interval at a definite time.

#### Hourly

Hourly wages are often provided to unskilled, semi-skilled, temporary, part-time, or contract workers in exchange for their time and labor.

Jobs where some employees receive hourly wage include the retail, hospitality, and construction industries.

Employees who receive hourly wages are usually able to earn overtime pay. This pay consists of any additional hours worked outside of their set contract.

When setting your employees' wages, you need to be compliant with the local minimum wage legislation.

### **Salary**

Annual salaries are typically provided to most full-time employees or skilled employees and those who fill management positions. A salary often indicates that the organization has invested in this employee for the long-term future.

Examples of employees who receive a salary include teachers, accountants, doctors, and retail and hospitality managers. Both hourly wages and salary make up an employee's base pay or base salary.

### **Commission**

Commission is a common form of compensation provided to employees in sales roles. It will usually be based on a predetermined quota or target. The higher the quota reached, the higher the commission will be.

### **Bonuses**

Companies often offer bonuses to employees based on year-end business results or the individual meeting their set goals. Sometimes, the decision is at the manager's discretion. Bonuses can be paid annually, quarterly, or even after the completion of each project. Both commission and bonuses fall under incentive pay, along with piece rate, profit sharing, stock options, and shift differentials.

However, bonuses can also be paid without an employee meeting a particular target. For example, if the business has had a great year and decides to reward everybody. In this case, the bonus would be classified as variable pay.

Tips are also a common form of compensation in people-based industries, particularly hospitality. Another umbrella of direct compensation is deferred pay which includes savings plans and annuity. Merit pay is often given to an employee who meets their targets or performs well in their role.

**Indirect compensation:**

Indirect compensation is still a financial form of compensation since it has a financial value. However, employees do not directly receive it in cash form. That's why certain types of indirect compensation are viewed as monetary, while others are deemed non-monetary. This often varies between organizations. Indirect compensation is often known as employee benefits or perks of the job.

Here are some common examples of Indirect compensation.

**Equity package**

Equity as part of a compensation package essentially means the employee is offered equity (ownership) in the company, either through shares of stock or the option to buy such shares.

An equity package is common at start-up companies. These businesses may be low on cash or funding and need other incentives to attract and retain employees.

**Stock options**

This form of compensation entitles employees to purchase a set number of shares at a fixed price after a certain period. This is different from an equity package because the employee will not have any ownership in the company.

Many stock options require employees to work between three to five years before they can access this compensation.

**Benefits**

Typical employee benefits usually include health insurance, life insurance, retirement plans, disability insurance, legal insurance, and pet insurance.

Healthcare is a common benefit in the US, as discussed, since it's expensive to purchase. Whereas, in the UK, healthcare is free on the NHS.

Retirement funds and pension plans are also common benefits that employees look for when considering a new role at a new organization.

## **COMPENSATION AND JOB SATISFACTION**

Today's world is dynamic and ever-changing. In this environment, job satisfaction is an integral factor in motivating employees to accomplish organizational goals and objectives. Compensation plays an important role in determining employees' job satisfaction. This is because of two reasons.

First, money is an important instrument in fulfilling ones needs; and two; employees often see pay as a reflection of managements' concern for them. Consequently, employees want a pay system, which is simple, fair and in line with their expectations. When pay is seen as fair, based on job demands, individual skill level, and community pay standards, satisfaction is likely to result. According to Bozeman & Gaughan (2011), the perception of being paid what one is worth predicts job satisfaction.

In today's globalized world, organizations are facing changes generated by increased competition, mergers and acquisitions, shifting markets and changing employee demographics.

Therefore, it is crucial for organization to strategize their competitive and benefits plans in order to attract and retain appropriate talent, maximize return on human capital and increase employees' job satisfaction. Souza (2000) observes that compensation is a predictor of job satisfaction in that employees who are paid highly show a greater job satisfaction, a view also held by (Joanne, 1980).

There is a correlation between compensation/reward and workers' job satisfaction (Nelson, 2008). According to the survey report conducted by the Society for Human Resource Management (2012), it was found that compensation and benefits are regularly among the top three factors affecting employee job satisfaction.

According to Armstrong and Murlis (1994) reward is a means through which various workers' needs are satisfied. The thus unsatisfied workers normally reduce workplace morale and lower productivity (Garrett, 1993). There are surveys that indicate compensation affects job satisfaction.

It has impact on employee attitude and behavior. When employees are dissatisfied:

- (a) The quality of their work will become worse;
- (b) They tend to be late or do things other than their core tasks; and
- I The level of absenteeism and turnover is higher.

These have negative impacts on organizational performance. Job's satisfaction could be enhanced by increasing autonomy, stress reduction and above all rises in compensation package.

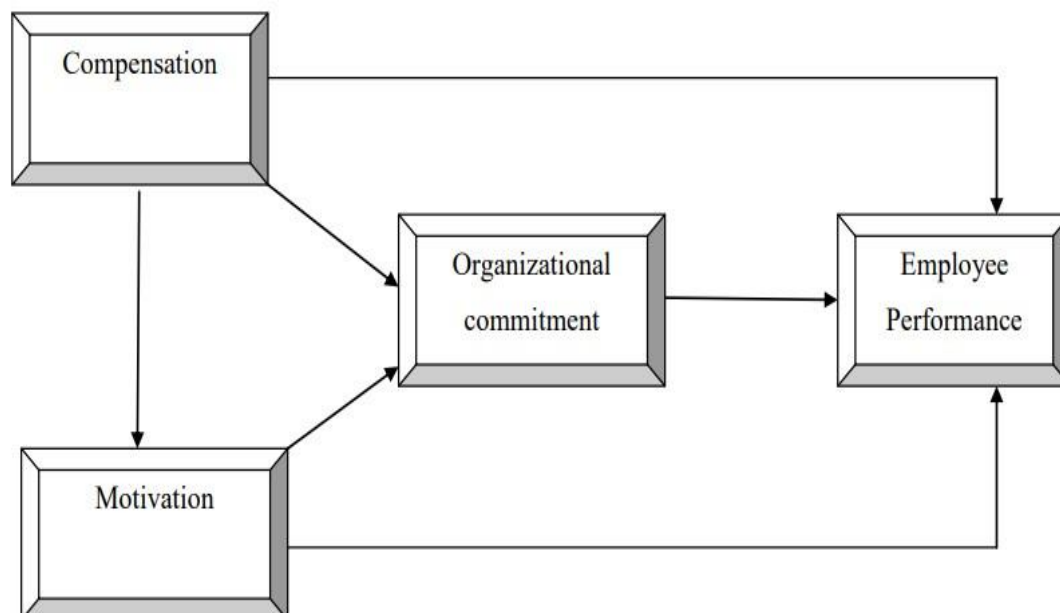
## **THE IMPORTANCE OF COMPENSATION MANAGEMENT ON EMPLOYEE PERFORMANCE**

Employees are the assets of any organization. Organizational productivity depends on employee's performance. To have a positive influence on the performance of its employees, an organization must understand the various aspects of compensation as the driving force that motivates the employees and direct their behavior towards achieving the organizational objectives.

An effective compensation system can stimulate employees to work harder, thus Increasing their productivity and enhancing job performance. According to Baker (2002) the output or performance of an employee is a combination of effort, ability and an error margin, providing for all uncontrollable factors, at least from the employee's perspective.

He stated that given the employee's private information vis a vis the employer, the employer must depend on performance measures in order to estimate the effort the employee has put in. Performance measures are selected based on two criteria:

- (a) alignment with the organizational objective and,
- (b) controllability by the employee as proposed by.



## **Objectives of Study**

1. To identify the factors that affects employee compensation at nestle
2. to determine the satisfaction level of employees on compensation to increase their productivity at nestle.
3. To learn about the relationship between employee's productivity and compensation provided at nestle.
4. To examine the effect of financial and non-financial compensation and its effect on employees.



**CHAPTER - 2**  
**COMPANY PROFILE**

## About Nestle

### Company Profile:

<b>Type</b>	Public
<b>Industry</b>	Food processing
<b>Founded</b>	1866; 153 years ago
<b>Founder</b>	Henri Nestle
<b>Headquarter</b>	Vevey Vaud Switzerland
<b>Products</b>	Baby food coffee dairy products breakfast cereals confectionery bottled water ice cream pet food
<b>Revenue</b>	CHF 91.43 billion (2018)

## All About NESTLÉ



NESTLÉ's relationship with India dates back to 1912, when it began trading as The NESTLÉ Anglo-Swiss Condensed Milk Company (Export) Limited, importing and selling finished products in the Indian market.

After India's independence in 1947, the economic policies of the Indian Government emphasized the need for local production. NESTLÉ responded to India's aspirations by forming a company in India and set up its first factory in 1961 at Moga, Punjab, where the Government wanted NESTLÉ to develop the milk economy. Progress in Moga required the introduction of NESTLÉ's Agricultural Services to educate, advise and help the farmer in a variety of aspects. From increasing the milk yield of their cows through improved dairy farming methods, to irrigation, scientific crop management practices and helping with the procurement of bank loans.

NESTLÉ set up milk collection centers that would not only ensure prompt collection and pay fair prices, but also inlist amongst the community, a confidence in the dairy business. Progress involved the creation of prosperity on an on-going and sustainable basis that has resulted in not just the transformation of Moga into a prosperous and vibrant milk district today, but a thriving hub of industrial activity, as well.

NESTLÉ has been a partner in India's growth for over a century now and has built a very special relationship of trust and commitment with the people of India. The Company's activities in India have facilitated direct and indirect employment and provides livelihood to about one million people including farmers, suppliers of packaging materials, services and other goods.

The Company continuously focuses its efforts to better understand the changing lifestyles of India and anticipate consumer needs in order to provide Taste, Nutrition, Health and Wellness through its product offerings. The culture of innovation and renovation within the Company and access to the NESTLÉ Group's proprietary technology/Brands expertise and the extensive centralized Research and Development facilities gives it a distinct advantage in these efforts. It helps the Company to create value that can be sustained over the long term by offering consumers a wide variety of high quality, safe food products at affordable prices.

NESTLÉ India manufactures products of truly international quality under internationally famous brand names such as NESCAFÉ, MAGGI, MILKYBAR, KIT KAT, BAR-ONE, MILKMAID and NESTEA and in recent years the Company has also introduced products of daily consumption and use such as NESTLÉ Milk, NESTLÉ SLIM Milk, NESTLÉ Dahi and NESTLÉ Jeera Raita.

NESTLÉ India is a responsible organization and facilitates initiatives that help to improve the quality of life in the communities where it operates.

### **Presence Across India**

After more than a century-old association with the country, today, NESTLÉ India has presence across India with 8 manufacturing facilities and 4 branch offices.

### **Our global history**

We want to shape a better and healthier world. This was how we started more than 150 years ago when Henri Nestlé created an infant cereal that saved the life of a child.

### **Our purpose**

Nestlé's purpose is enhancing quality of life and contributing to a healthier future. We want to help shape a better and healthier world. We also want to inspire people to live healthier lives. This is how we contribute to society while ensuring the long-term success of our company.

### **Our Global Ambitions**

We have defined three overarching ambitions for 2030 which guide our work and support the achievement of the UN Sustainable Development Goals.

### **Our values**

Our values are reflected in the way we do business, always acting legally and honestly with respect both for our own people and those we do business with.

## Products

Nestlé has over 8,000 brands with a wide range of products across a number of markets, including coffee, bottled water, milkshakes and other beverages, breakfast cereals, infant foods, performance and healthcare nutrition, seasonings, soups and sauces, frozen and refrigerated foods, and pet food.

## **Beverages**



One of the worlds most loved coffee brands has made itself known to as many as six generations. A 100% natural coffee that has an unmatched coffee experience to stimulate your sense.

- Nestle Classic
- Nescafe Sunrise
- Nestle Milo
- Nescafe 3 in 1
- Nescafe Koolerz

## **Chocolate and Confectionery**



Nestle chocolates provides its delicious taste.

- Nestle Kit Kat
- Nestle Kit Kat lite
- Nestle Munch
- Nestle Munch Pop chocolate
- Nestle Milky Bar
- Nestle Bar- One
- Nestle FunBar
- Nestle Milk chocolate polo
- Polo Powermint
- Nestle Eclairs

## Dairy



Nestle has many dairy products like:

**Nestle a+** - over 140 years of international dairy expertise has taught us that good makes good.

**Nescafe Cold Coffee**- discover this exciting range of ready to drink coffee from one of the worlds biggest coffee brand.

**Nestle Milkmaid**- a name synonymous with delicious desserts has been delight generation.

**Nestle EVERYDAY**- Tea perfect Partner – Enjoy thicker, tastier and perfect cup of tea every time.



## Foods



- Maggi 2 minute noodles
- Maggi vegetable Atta noodles
- Maggi Daal Atta noodles
- Maggi Rice noodles Mania
- Maggi sauces
- Maggi Pizza Mazza
- Maggi healthy Soups
- Maggi magic cubes

## Nutrition



**Nutrition policies** – Nestle has a very clear charter of ethics and responsible behaviour in selling infant nutrition products.

**Mission:**

Nestlé is...

...the world's leading nutrition, health and wellness company. Our mission of "Good Food, Good Life" is to provide consumers with the best tasting, most nutritious choices in a wide range of food and beverage categories and eating occasions, from morning to night.

**Vision:**

To be a leading, competitive, Nutrition, Health and Wellness Company delivering improved shareholder value by being a preferred corporate citizen, preferred employer, preferred supplier selling preferred products.



**CHAPTER-3**  
**Literature Review**

## **Literature Review**

Since Nestle began over 143 years ago, Nestle's success with product innovations and business acquisitions has turned it into the largest Food Company in the world. As the years have passed, the Nestlé family has grown to include chocolates, soups, coffee cereals, frozen products, yoghurts, mineral water and other food products. Beginning in the 70s. Nestlé has continued to expand its product portfolio to include pet foods. pharmaceutical products and cosmetics too. (Bountypat, 2008)

Today, Nestle markets a great number of products, all with one thing in common: the high quality for which Nestle has become renowned throughout the world. The Company's strategy is guided by several fundamental principles. Nestle's existing products grow through innovation and renovation while maintaining a balance in geographic activities and product lines. Long-term potential is never sacrificed for short- term performance. The Company's priority is to bring the best and most relevant products to people wherever they are whatever their needs, throughout their lives Taste of Nestlé in each of the countries where Nestlé sell products. Nestlé is based on the principle of decentralization, which means each country is responsible for the efficient running of its business-including the recruitment of its staff. That's not to say that every operating company can do as it wishes. Headquarters in Vevey sets the overall strategy and ensures that it is carried out. It's an approach that is best summed up as centralize what you must decentralize what you can. Nestlé is a company which is present in all over the world but it has difference and unique motto to deal in all over the world. Nestlé believes that they should think about their organizations globally but they deal with people by interacting with them locally.

"Thinking globally-acting locally"

## **Global competitors**

Nestlé towers over its competitors as the world's largest food company, proudly proclaiming "good food, good life Not so good is Nestle's reputation for corporate abuse throughout its operations, ranging from the marketing of infant formula to the production of its chocolate and bottled water. Nestle has been the target of strong international criticism for its aggressive marketing of infant formula in countries with scarce potable water, leading to a reduction in breast feeding and increased risk for Infants Nestle is one of the top four water bottling companies in the world, contributing to the problem of plastic waste as well as the usurping of water that should remain a shared resource (Rand)

### **Competitors**

-Cadbury Schweppes-Sara Lee

Campbell Soup-Smithfield Foods

-Chiquita Brands-Starbucks

-Coca-Cola - Tyson Foods

-ConAgra Foods-Unilever

-Danone Vivendi Universal SA

-Dean Foods-Dole

General Mills-Hershey

HJ Heinz Company-Kellogg

-Kraft Foods-McDonald's

-PepsiCo - Procter & Gamble

**CHAPTER-4**  
**RESEARCH METHODOLOGY**

## **Research**

Research comprises "creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of humans, culture and society, and the use of this stock of knowledge to devise new applications." It is used to establish or confirm facts, reaffirm the results of previous work, solve new or existing problems, support theorems, or develop new theories. A research project may also be an expansion on past work in the field. To test the validity of instruments, procedures, or experiments, research may replicate elements of prior projects, or the project as a whole. The primary purposes of basic research (as opposed to applied research) are documentation, discovery, interpretation, or the research and development (R&D) of methods and systems for the advancement of human knowledge. Approaches to research depend on epistemologies, which vary considerably both within and between humanities and sciences. There are several forms of research: scientific, humanities, artistic, economic, social, business, marketing, practitioner research, life, technological, etc.

The word research is derived from the Middle French "recherche", which means "to go about seeking", the term itself being derived from the Old French term "recherchier" a compound word from "re-"+"cerchier", or "sercher", meaning 'search'. The earliest recorded use of the term was in 1577.

### **RESEARCH METHODS AND RESEARCH METHODOLOGY**

**Research methods** are the various procedures, schemes and algorithms used in research. All the methods used by a researcher during a research study are termed as research methods. They are essentially planned, scientific and value-neutral. They include theoretical procedures, experimental studies, numerical schemes, statistical approaches, etc. Research helps us collect samples, data and find a solution to a problem. Particularly, scientific research methods call for explanations based on collected facts, measurements and observations and not on reasoning alone. They accept only those explanations which can be verified by experiments.

**Research methodology** is a systematic way to solve a problem. It is a science of studying how research is to be carried out. Essentially, the procedures by which researchers go about their work of describing, explaining and predicting phenomena are called research methodology. It is also defined as the study of methods by which knowledge is gained. Its aim is to give the work plan of research.

### **Relevance of the Study**

This research is been conducted to survey the product performance and buying behavior of consumer in selection of chocolates.

The relevance of the study is to survey the product performance and buying behavior of two famous brands of chocolates - Nestle and Cadbury, which are consumed by people of all ages. During this research I have interacted with people of JUMBO DARSHAN AREA. This research is to know which particular brand of chocolate is most preferred by people of different age groups.

### **Research Problem**

Every research has their own problem and limitation but good researcher have to overcome that problem by their skill

In this research problem I would like to understand and analyze about the chocolates products available in jumbo Darshan area and collect the feedback from group of people and I wanted to know the developments made in direction of chocolates industry.

### **Objective of the study**

The purpose of this report is to evaluate Nestle Company industry based on the case study and comprehend how the company develops strategic intent for their business organizations following the analysis of external and internal business environments. I will analyze the strategic management process as firm used to achieve strategic competitiveness and earn above-average returns. I will discuss the strategy formulation that includes business-level strategy and corporate-level strategy.

- To study on consumer preference towards Cadbury and Nestle chocolates.
- To know the consumers view towards the chocolates.
- To know which category of chocolate is most preferred.
- To study on various parameters on which the consumer purchases the chocolates.

## SWOT ANALYSIS OF NESTLE:



### **Strengths:**

Nestle's has much strength

Their first is that they have a great CEO, Peter Brabeck. emphasizes internal growth, meaning he wants to achieve higher volumes by renovating existing products, and innovating new products. His explanation of renovation is that "to just keep pace in the industry, you need to change at least as fast as consumer expectations (Novak 2008)

Parent support-Nestle india has a strong support from its parent company, which is the world's largest processed food and beverage company, with a presence in almost every country. The company has access to the parent's hugely successful global folio of products and brands. (Amit, 2005)

Brand strength-In India, Nestle has some very strong brands like Nescafe, Maggi and Cerelac. These brands are almost generic to their product categories. (Headonist, 2009) Product innovation The Company has been continuously introducing new products for its Indian patrons on a frequent basis, thus expanding its product offerings (Headonist, 2009) His explanation of innovation is "to maintain a leadership position you also need to leapfrog to move faster and go beyond what consumers will tell you." Brabeck has led Nestle into a position to better achieve the internal growth targets (Novak, 2008) Another strength that Nestle has is that they are low cost operators. This allows them to not only beat the

competition by producing low cost products, but by also edging ahead with low operating costs. (Novak, 2008)

Partnership with other large companies strategy that has been successful for Nestle involves striking strategic partnerships with other large companies. In the early 1990s, Nestlé entered into an alliance with Coca Cola in ready-to-drink teas and coffees in order to benefit from Coca Cola's worldwide bottling system and expertise in prepared beverages.

Acquire local companies In Asia, Nestle's strategy has been to acquire local companies in order to form a group of autonomous regional managers who know more about the culture of the local markets than Americans or Europeans Nestlé's strong cash flow and comfortable debt-equity ratio leave it with ample muscle for takeovers, Recently, Nestlé acquired Indofood, Indonesia's largest noodle producer. Their focus will be primarily on expanding sales in the Indonesian market, and in time will look to export Indonesian food products to other countries. Relation with Farmers - Acknowledging the impact of growing food demand and intensifying water scarcities in its future business, Nestle seeks to improve supplying farmers productivity environmental practices and water usage. The group network of 675 agronomist and 5000 extension workers offer free supporting and training assistance to 112.800 farmers in 21 countries (Harkort, 2006)

#### **Weakness:**

1. The main weakness of Nestle is that they were not as successful as they thought they would be in France. The launch in France was in 1994, but since the late 1980s, Danone had already entered the market with a health- based yogurt. (Nazir, 2009)
2. The second weakness is that LC-1 was positioned as too scientific, and consumers didn't quite understand that LC-1 was a food and not a drug (Nazir, 2009)
3. Exports - The company's exports stood at Rs 2.571 m at the end of 2003 (11% of revenues) and continue to grow at a decent pace. But a major portion of this comprises of Coffee (around 67% of the exports were that of Nescafe instant to Russia). This constitutes a big chunk of the total exports to a single location Historically. Russia has been a very volatile market for Nestle, and its overall performance takes a hit often due to this factor. (Headonist, 2009)
4. Supply chain - The Company has a complex supply chain management and the main issue for Nestle India is traceability. The food industry requires high standards of hygiene, quality of edible inputs and personnel. The fragmented nature of the Indian market place complicates things more. (Headonist, 2009)



5. Nestle also has multiple critical resources. They have a great research and development team. James Gallagher and Andrea Pleifer were the masterminds behind the research on the La-1 cultures in the LC-1 yogurt. They were also the two that decided on selling LC-1 as a functional food. This enabled Nestle to position the product in a way that differentiated it among the other products in the market. They also have four pillars that Brabeck, Nestle's CEO has identified he believes will help their internal growth worldwide. These are operating excellence, innovation and renovation, product availability, and communication (Nazir, 2009)

#### **OPPORTUNITIES:**

1. Expansion - The Company has the potential to expand to smaller towns and other geographies Existing markets are not fully tapped and the company can increase presence by penetrating further With India's demographic profile changing in favour of the consuming class, the per capita consumption of most FMCG products is likely to grow. Nestle will have the inherent advantage of this trend. (Headonist, 2009)

2. Product offerings - The Company has the option to expand its product folio by introducing more brands which its parents are famed for like breakfast cereals. Smarties Chocolates Camation, etc. (Headonist, 2009)

3. Global hub-Since manufacturing of some products a cheaper in India than in other South East Asian countries. Nestle India could become an export hub for the parent in certain product categories (Headonist, 2009)

Nestle also has an opportunity of being even a larger market leader in Germany with LC-1 Within two years of launching the product in Germany, they had captured 60% of the market. This was due to the fact that they differentiated the product, and Germans simply preferred the taste (Nazir, 2009)

4. Another opportunity of UCT is that because they are a market leader, they can introduce more health-based products in Germany. Nazir, 2009)

5. As nestle has more then 9000 brands all over the world they are increasing their products day by day. With very new changes, like now they are introducing Nestle LEMU Malta.

### **Threats:**

1.A threat to Nestle is the fact that some markets they are entering are already mature Danone had an established leadership position in the yogurt market in France Since Danone was the first to arrive in the market, they have always been the market leader there. (Novak, 2008)

2.Also consumers in France liked the taste of LC-1, but researchers believe they did not repurchase the yogurt because they preferred the taste of DANONE products better (Nazir, 2009)

3.Competition-The Company faces immense competition from the organized as well as the unorganized sectors. Off late, to liberalize its trade and investment policies to enable the country to better function in the globalized economy, the Indian Government has reduced the import duty of food segments thus intensifying the battle. (Hedonist 2009)

4.Changing consumer trends-Trend of increased consumer spends on consumer durables resulting in lower spending on FMCG products. In the past 2-3 years, the performance of the FMCG sector has been lack luster, despite the economy growing at a decent pace. Although off late the situation has been improving, the dependence on monsoon is very high. (Headonist, 2009)

5.Sect oral woes-Rising prices of raw materials and fuels, and in turn, increasing packaging and manufacturing costs. But the companies' may not be able to pass on the full burden of these onto the customers. (Headonist, 2009)

6.Another threat to Nestle is that there is intense competition in the United States yogurt market. General Mills Yoplait division is the leader in the yogurt market in the United States Yop lait has been the leader for years and is constantly innovating new health products. (Nazir, 2009)

7.The main threat of Nestle these days is the campaign led by the International Nestlé Boycott Committee primarily targets Nescafe, the corporation's flagship product To boycott Nestle products until the company stops promoting its baby milk (Novak, 2008)

Another threat now a days is in nestle pure life. As it's the leading brand and people prefer Nestle pure life but their may be a threat from Aquafina which is introduced by Pepsi

## **Research Design**

There are many methods for conducting the research some of them are as under:

- Descriptive vs. Analytical
- Applied vs. Fundamental
- Quantitative vs. Qualitative
- Conceptual vs. Empirical
- Field setting or laboratory testing research

The design of a research is a plan or a model that helps researcher to conduct a formal investigation and survey. It is an application of methods and procedures for acquiring the information needs for getting a desire out come. It decides the sources of data and methods for gathering data. A good design insures that the information obtained is relevant to the research question and that it was collected by objectives. Since, research design is simply the frame work or plan for a study. It is a blue print that of a house devised by an architect. My approach to research is descriptive and quite specific.

Out of these all research methods the research method, which was most suitable to my research, was descriptive research because it provides me all the opportunities to cover the all the aspect that I require to conduct the research and get an appropriate out come.

**Descriptive Research:** Descriptive research includes surveys and fact-finding enquires of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. In social science and business research we often use the term Ex post facto research for descriptive research studies. The main characteristic of this method is that the researcher has no control over the variables; he can only report what has happened or what is happening.

. **RESEARCH DESIGN** The research is descriptive in nature. This research identifies the factors affecting the preferences of the Investors on investment options and describes the significance each factor have on the investment options.

**SAMPLE SIZE**

The population size is indefinite as the number of people investing in different investment options is large in number. It is difficult to access the population. The sample size is 154. The respondents are from various locations spread across Chennai City.

**SAMPLING TECHNIQUE**

Sampling technique is the technique used to select the sample size. Convenient sampling technique is used for this research. Investors were taken according to the convenience of the research study. The respondents are from various locations spread across the country.

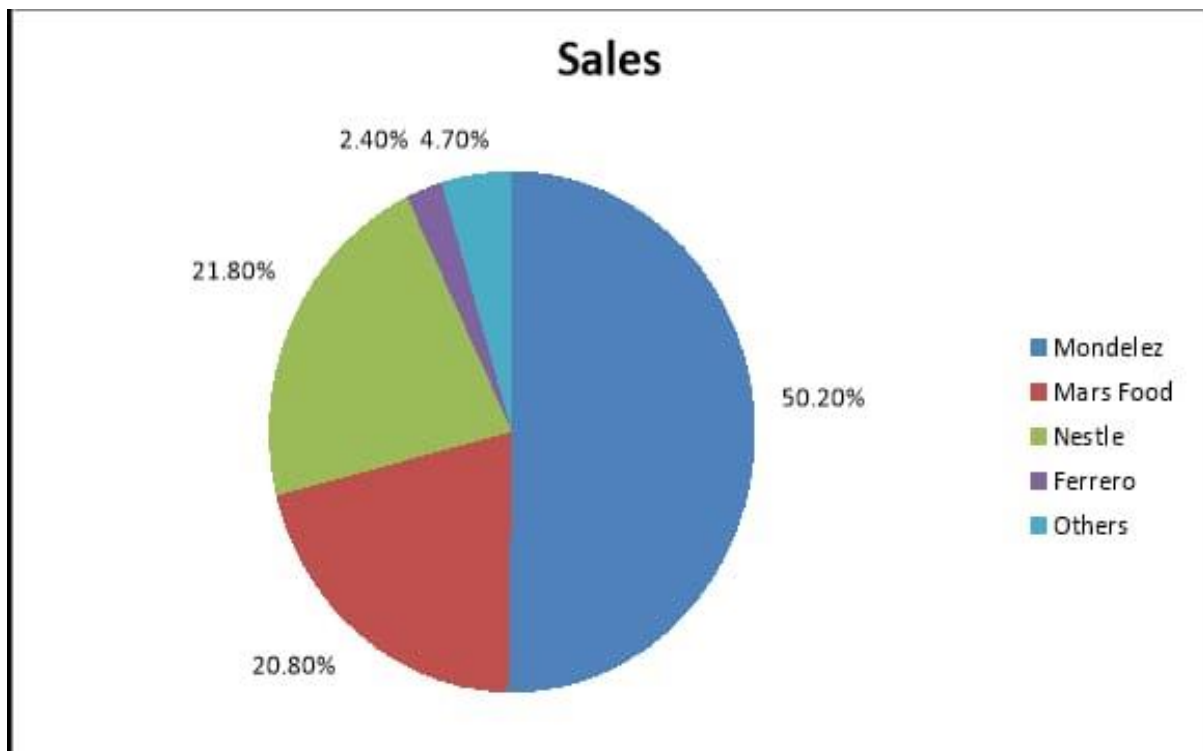
**CHAPTER-5**  
**DATA ANALYSIS**

## **DATA ANALYSIS**

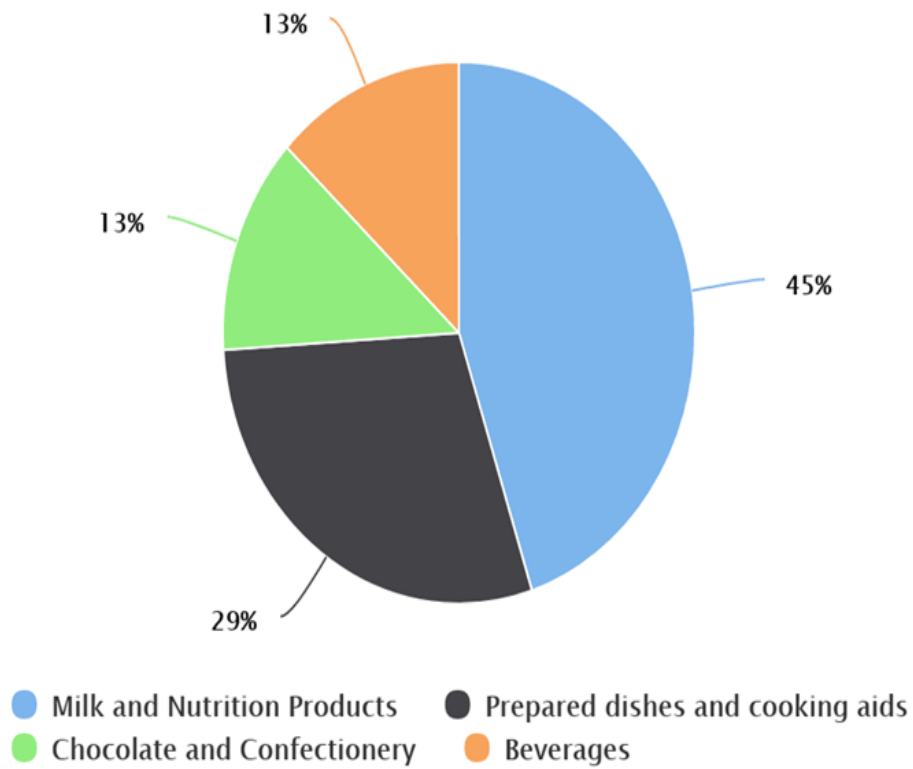
Data analysis and interpretation is the main heart of the study. It is the process of inspecting, cleansing and transforming and modelling data with the goal of discovering useful information, suggestion, conclusion and supporting decision making. For this purpose, secondary sources are mainly used in this study. The collection of secondary data was done by examination of relevant information from the companies already published sources. The main tool used for data analysis and interpretation is ratio analysis.

After identifying a research topic, doing a literature background research, establishing philosophical assumptions and focus problem, deciding on an appropriate research paradigm and methodology with specific purpose, designing a research plan and collecting sufficient data, the next step in the research process is data analysis and interpretation, which precedes reporting of research. Data analysis is a process that involves examining and molding collected data for interpretation to discover relevant information, draw or propose conclusions and support decision-making to solve a research problem. Mean in are identified and information is interpreted.

The ratio analysis is one of the most powerful tools of financial analysis. It is the process of establishing and interpreting various ratios. The ratio analysis is used to study the liquidity, profitability and solvency position of the company. It is with the help of ratios that the financial statements can be analyzed more clearly and decision making can be made from such analysis.



## Nestle India: Segment-wise Revenue Contribution



Data Source: Infimoney



### Current Ratio

YEAR	CURRENT ASSET	CURRENT LIABILITY	CURRENT RATIO
2015-2016	24,796.10	14,757.30	1.68
2016-2017	32,789.90	16,327.00	2
2017-2018	39,373.90	14,927.10	2.63
2018-2019	47,369.50	18,549.50	2.58
2019-2020	38,171.70	21,475.10	1.77

As conventional rule, a current ratio of 2:1 is considered as satisfactory. The current ratio above 2 is considered as adequate. The above table shows that the company has attained the ideal current ratio in the year 2016 - 2.00, 2017 – 2.63, 2018- 2.58. Current ratio measures the adequacy or inadequacy of working capital.



### Fixed Assets Turnover Ratio

Year	Net Sales	Fixed Assets	Ratios
2015-16	81232.7	31286.4	2.5964
2016-17	91,592.80	29176.3	3.1392
2017-18	101351.1	27103.4	3.7394
2018-19	112162.3	25058.2	4.4760
2019-20	122952.7	23700.1	5.1878

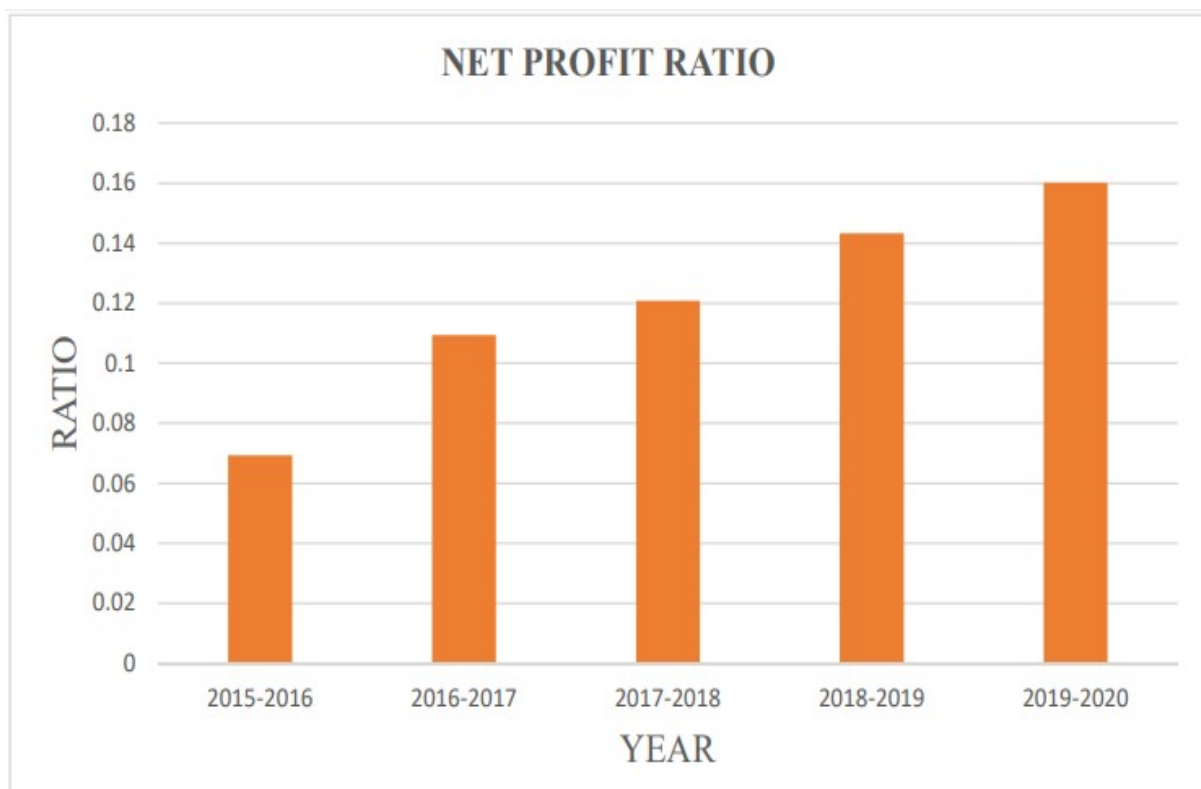
The above table shows the fixed asset turnover ratio of the company. The above table indicates that financing of fixed asset out of short term funds, which is not sound.



### Net Profit Ratio

Year	Net Profit	Sales	Ratios
2015-16	5633	81237	0.069
2016-17	10014	91593	0.109
2017-18	12252	101351	0.120
2018-19	16069	112162	0.143
2019-20	19696	122953	0.160

The above table shows the net profit of the company. The highest net profit ratio is in the year 2019-2020. The lowest net profit ratio is in the year 2015-16. Higher the N/P ratio, better is the profitability. This means higher returns to shareholders.



### Total Assets Turnover Ratio

Year	Net Sales	Total Assets	Ratios
2015-16	81232.7	60804.6	1.335
2016-17	94096	68059.7	1.382
2017-18	101351.1	73625.9	1.376
2018-19	112162.3	80880.8	1.386
2019-20	122952.7	70582	1.741

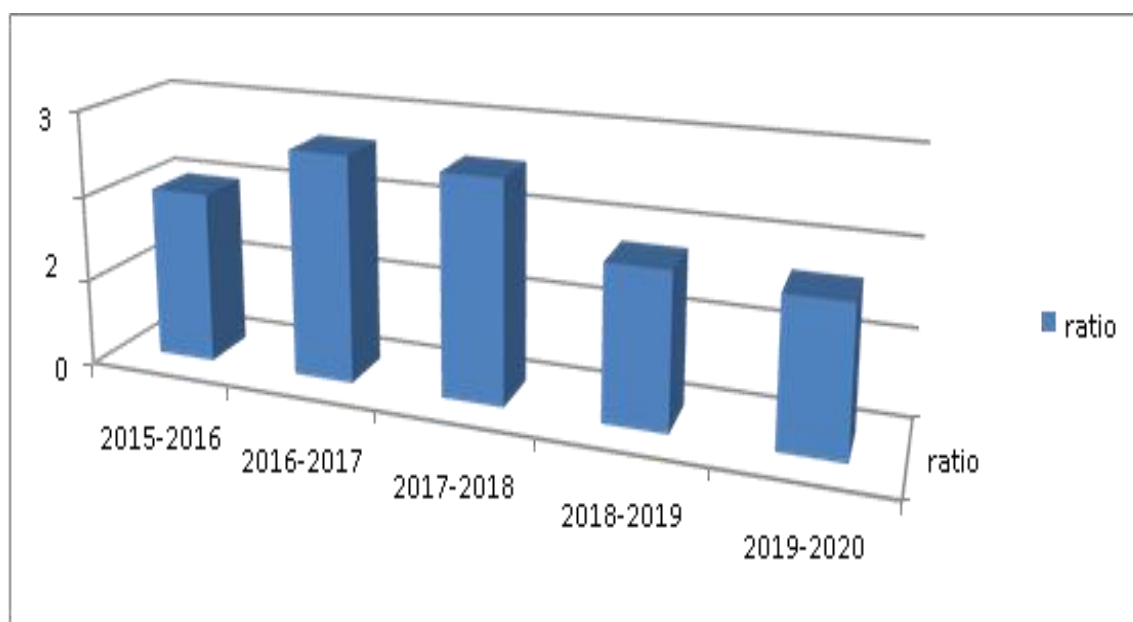
The above table shows the total assets turnover ratio of the company. A high total asset turnover ratio indicates better efficiency of management in the utilization of assets or total funds of the business.



### Current Ratio

Year	Current Assets (Rs. in cr)	Current Liabilities(Rs.in cr)	Ratio
2015-2016	3278.99	1632.70	2.00
2016 -2017	3937.39	1492.71	2.63
2017-2018	4736.95	1854.95	2.55
2018-2019	3817.17	2147.51	1.77
2019-2020	4185.08	2492.55	1.67

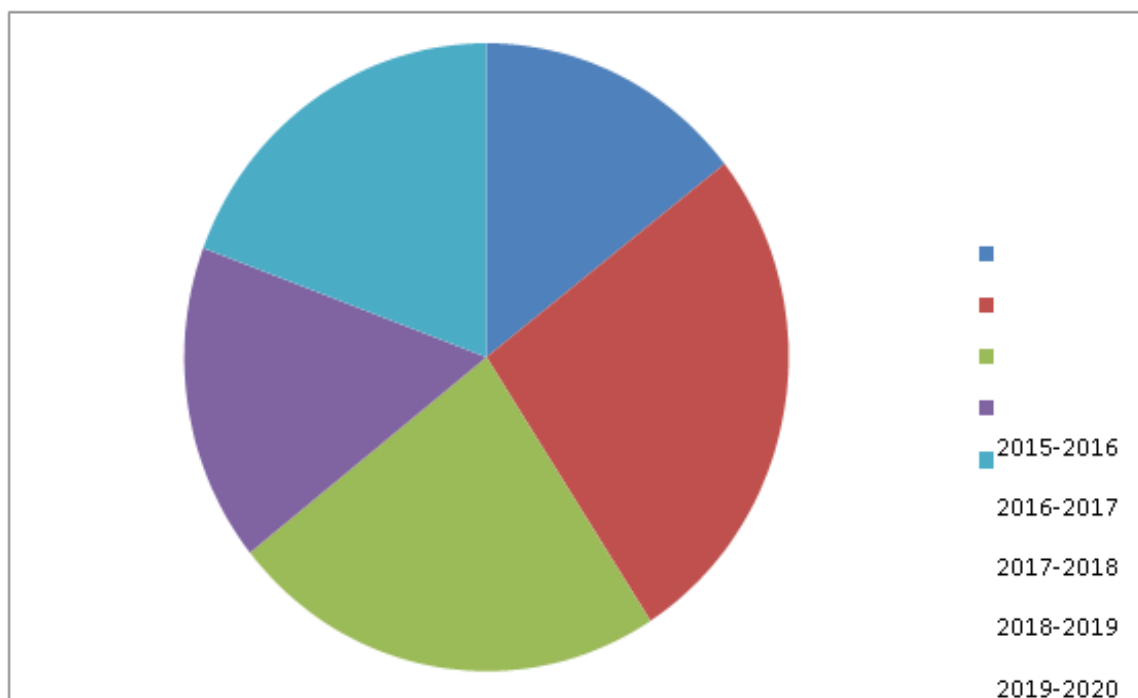
As conventional rule, a current ratio of 2:1 considered as satisfactory. This ideal ratio means that the assets shall be at least twice the current liability. In the past two years the company is not able to attain the ideal ratio.



### Liquid Ratio

Year	Liquid Assets(Rs.in cr)	Current Liabilities(Rs.in cr)	Ratio
2015-2016	880.00	1632.70	0.53
2016-2017	1457.42	1492.71	0.97
2017-2018	1610.06	1854.95	0.86
2018-2019	1308.05	2147.51	0.60
2019-2020	1769.87	2492.55	0.71

Generally, liquid ratio of 1:1 is considered as satisfactory. This means that liquid assets are just equal to the current liabilities. For this company the past five years show a less than liquid ratio, when compared to the satisfactory ratio. It further means that, the company is not able to pay off its current liabilities.



**CHAPTER-6**  
**FINDINGS & CONCLUSION**

## **FINDINGS**

From the experience of my research project with Thakkar Distributors of nestle in Jumbo Darshan Area, I have come to know lot things and it has enhanced my knowledge to great extent I found many things which are well executed by distributors. Here are some of the key findings given by me are purely based on my research. It doesn't have any kind of bias from my side.

They are given as under:

By doing the comparison of nestle and Cadbury chocolates I have found that the preference of the chocolates more preferred by the consumer is Cadbury.

From the analysis I have found that in nestle some brand has covered 50% of the market in one product (munch) of the chocolates which is a very good sign for the company.

Through the research I found that consumer is very conscious about the quality of the product in that matter they are not ready to compromise. And I found both company product are very qualitative.

In some cases I found that if a product is not available in the market than some consumer would to switchover to another product or brand.

So from these survey I have found that the consumption of the chocolates are more on children and teenage group though having any occasion or not having any occasion. The most selling product of both the companies is in small size of chocolates and there market is 72% because it's not much costlier. And also easily available & affordable.

### **Minor:**

According to Nestlé company sales, the higher sales are powdered and liquid beverages with 18,204 sales. The products with high demanded which are Milo, Nescafé, and Nestea. The lower sales are mineral water at 6,526 sales. The sales of milk and Ice cream are 16,406. The products are Nestlé NIDO, Nestlé Coffee-mate, Nestlé Ice cream and Dreyer's. Nutrition and healthcare products have an average of sales compare to the higher sales with the sales of 9,744. Nutrition and healthcare products is such as, Nestlé Nutrition, Nestlé NAN, and Nestlé Gerber. In addition, prepared dishes and cooking aids are like Maggi, Hot pockets, and Lean cuisine with 13,933 sales. The confectionary products like Kit Kat, Milo chocobar and Nestlé Crunch with the sales of 9,065. The Pet care products have the sales of 9,764. For example products like Purina, Friskies and Dog Chow. The total sales of all Nestlé products are 83,642 in 2011 year. The sales of 2011 have decrease 9,373 of sales from 2010.



**Major:**

1. The overall data across the background characteristic categories show that across the background categories the preference for Cadbury chocolate and milk products is better than Nestle.

2. Most respondents would purchase both Chocolate and Milk products of Cadbury for its Taste and that of Nestle for its price.

3. It can be seen that more percentage of respondents has seen the advertisement of both Cadbury and Nestle products.

4. Both companies have been using the promotion media to enhance the reach of their message to the target audience.

5. The overall effectiveness of the Cadbury products has been rated higher than that of Nestle products.

6. It is observed that for Chocolate and Milk products of Cadbury as well as Nestle, most of the respondents take festive season or mood and Word of mouth communication respectively as more important factors affecting their buying individually. Whereas packaging as a factor affects the decisions for both the products in Cadbury.

7. It can be seen that across all the predefined background characteristic categories, more percentage of respondents are satisfied with the availability of quantities or Size of Milk products and Chocolate of Cadbury as well as Nestle.

8. It can be observed that most percentage of respondents are satisfied by the packaging of Chocolate and Milk products of both Cadbury as well as Nestle.

9. Most percentage of respondents believes that there is a difference in Milk products and Chocolate available in India & Other Countries of Cadbury & Nestle.

## **Conclusion**

- The study can be inferred by psychological factor, for example it is not just monetary compensation which motivates an employee, and the study says that the employees need to be motivated with the content for their job.
- That is the employees in any organization need to be constantly provided with opportunities for learning new skills, so that they do not feel monotonous.
- The organizations should emphasize on work life balance, and should provide options to employees, training and development, leave travel concession etc.
- They must be encouraged to participate in decision making and they need to get challenging tasks.

## **CHAPTER-7**

### **SUGGESTION, RCOMMENDATION & BIBLOGRAPHY**

## **Suggestions**

- The profitability position of the company can be utilized in a better or other effective purpose.
- It is advisable to take more efforts to increase the overall efficiency of the business.
- Fluctuations in the ratio shows that there are some kind of management problems or production problems that exist in Nestle Ltd., the top management should take necessary steps to assemble the management and workers in best way.
- They should have good systematic plan on utilization of the resources provided to them and should use its available resources to its best.
- Company has to value its product which should be convenient to the public. The pricing strategies should be in such a way that it should be affordable to all kinds of customers.
- The company has to show an increasing trend in its net profit and it should be maintained.
- The company should try to increase the value of goodwill that the company possess.

## **Recommendations**

1. Nestle company can concentrate on its packaging of a chocolate as consumers are not satisfied with it.
2. Consumers are unsatisfied with the price and quantity of chocolate so companies can concentrate in this regard also.
3. Nestle can concentrate more on price and quantity of the product. According to survey, 54% of the consumers are wanted more quantity of chocolate is lesser price.
4. For promotional offers, company can go for free gifts rather than going for other ways.
5. Keep the taste nice
6. Increase advertising & show your competitive edge
7. Increase loyalty of customer with brand through attractive packages
8. Keep the price low, because the day when price will competitor will be very near to your price your sales will be boost up.
9. Increase its distribution network
10. Try to get more & more party orders
11. Give keen interest to CRM
12. Increase incentives & promotional activities

## **Bibliography**

### Book:

David, F. R. (2009). Strategic management: concept and cases (12th Edition). NJ: Pearson Prentice Hall.

Hanson, D., Hitt, M., Ireland, R. D., & Hoskisson, R. E. (2011). Strategic Management: Competitiveness and globalization (Asia-Pacific 4th Edition). South Melbourne: Cengage Learning Australia.

### Electronic Media:

Jones, S. (2012). Strategic Management at Nestle.

Retrieved September 17, 2012, from <http://www.articlesbase.com/management-articles/strategic-management-at-nestle-5907881.html>

Nestle (2012), Nestlé' Good Food, Good Life.

Retrieved September 18, 2012, from <http://www.nestle.com>

Nestle (2011). The world's leading Nutrition, Health and Wellness Company Annual Report 2011.

Retrieved September 20, 2012, from <http://www.nestle.com>

Scribd Inc. (2012). Competitive Advantage of Nestle. Retrieved September 19, 2012, from <http://www.scribd.com/>

<http://kninn.blogspot.in/2010/06/recommendations-for-nestle.html>

