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Introduction

The current era of fast paced globalization and global integration (Toporowski, 2010), organizations are starting to expand and enter many foreign markets, with the objective of being a global brand. Entering international market can be challenging, products can't always be standardized, some products will have to be altered according to laws and regulations of some countries, modifications would be needed to fit the preferences of the local people and marketing strategies would have to be altered depending on the country, like use of local celebrities and language, making it easier for the consumers to feel connected with the brand. However, a third strategy is also required, called glocalization, where companies conduct business with the consideration of both global and local markets (Hong & Song, 2010).

Nestle Overview

Nestle is a company that sells consumable products like baby food, cereals, coffee, tea, snacks, etc. They're headquartered in Switzerland, and are the world's largest food and beverage company for the year 2017 (McGrath, 2017). Nestle is also ranked 64 in the fortune 500 list, for the year 2016 (Forbes, 2016). Nestle products are available in 191 countries globally, they have 447 factories and employee around 339,000 employees.

Product

The chosen product is "Nescafe Gold". Nescafe gold is divided into 6 main products, Nescafe gold blend, Nescafe gold decaffeinated, Nescafe gold blend 3in1, Nescafe gold Dark Latte, Nescafe gold Creamy Latte and Nescafe gold Cappuccino (Nescafe, 2018). What makes this product unique is the way it's made with a blend of premium Arabica and Robusta coffee beans, which give the product its rich and unique aroma (Nescafe, 2018).



Picture 1: Nescafe Gold (Nescafe, 2018)

Strategies relating to Product

Globalization

In todays globalized world, it is important to consider the world as one big global market, where products are easily available regardless of location or time (Kanter, 1995). Creating a standardisation strategy is important to reach the global market, and have an international influence, this standardisation strategy should show consistency in products sold globally (Johansson, 2000). The product should universally fulfil the promise of the brand, and globally address the same consumer need, want and demands (Medina & Duffy, 1998).



Picture 2: USA (Walmart, 2017)



Picture 3: China (Alibaba, 2017)



Picture 4: Singapore (Redmart, 2017)



Picture 5: Spain (Carrefour, 2017)



Picture 6: Austria (Austriansupermarket, 2017)



Picture 7: India (Nestle India 2017)

The pictures above show Nescafe gold being sold in six different countries, as seen, bottles in all 6 countries have a gold coloured bottle caps, the same Nescafe logo is used as well with the same red sign on top of the letter ‘e’. Another similarity is the centre of the sticker itself, it’s a picture of a glass of coffee from top video, and gold coloured background to depict the gold brand.

Localization

Localization is when companies make or amend products considered appropriate to the local culture or to satisfy local taste, to successfully enter the local market (Esselink, 2000).



Picture 8: Singapore (GrocerMart, 2017)



Picture 9: India (Amazon India, 2017)



Picture 10: Russia (Shutterstock India, 2017)



Picture 11: Indonesia (Tokopedia, 2017)



Picture 12: China (Alibaba, 2017)



Picture 13: Japan (Amazon Japan, 2017)

The top row of images show Nescafe gold being sold in Singapore, India and the UK. In Singapore, the small pyramid being highlighted is the logo of the health promotion board, it's a certification that proves the drink to be a healthy one, picture 9 shows Nescafe being sold in India, the green logo is a symbol that shows the drink is vegetarian, this mark is mandatory in India (VegetarianMark, 2018) and shows that it can be consumed by everyone, picture 10, 11, 12 and 13 show pictures of Nestle being sold in Russia, Indonesia, China and Japan, and the highlighted part shows text on the packaging that has been translated to the local language because of the labelling laws of the nation.

Glocalization

Glocalization is a combination of both globalization and localization (Robertson, 1992). It's when customized products are produced to make sure they're suitable to both local culture market and global market.



Picture 14: Germany (EnjoyBetterCoffee, 2018)



Picture 15: UK (Amazon, 2016)



Picture 16: Switzerland (Coop, 2016)



Picture 17: Germany (Amazon Germany, 2014)

In Germany English isn't commonly spoken and even thought not required by law, Nescafe produced in Germany has text translated to German on its cover, looking at picture 15 shows Nescafe being sold in the UK, Nescafe bottles at the back always shows that the company is giving back to the community, this is because culturally consumers in the UK are starting to support products that give back to the community (Unilever, 2017). Picture 16 is a bottle of Nescafe gold being sold in Switzerland, the highlighted part showing the text All'Italiana is a product specifically produced for Swiss customers, and some European customers. Picture 17 is the image of a special bottle of Nescafe, as depicted the bottle is all Gold with a numbering on top of the bottle. There were only a limited number of these bottles made with each bottle being labelled with a number on top, this was made for German consumers.

Strategies Related to Promotion

Globalization



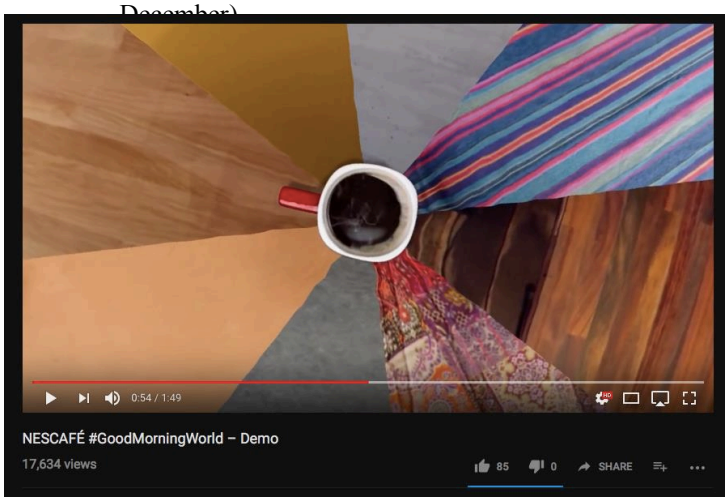
Picture 18: Good Morning World Advertisement (Nescafe, 2016)



Picture 19: Nestle Christmas Advertisement (Nescafe, 2016 December)



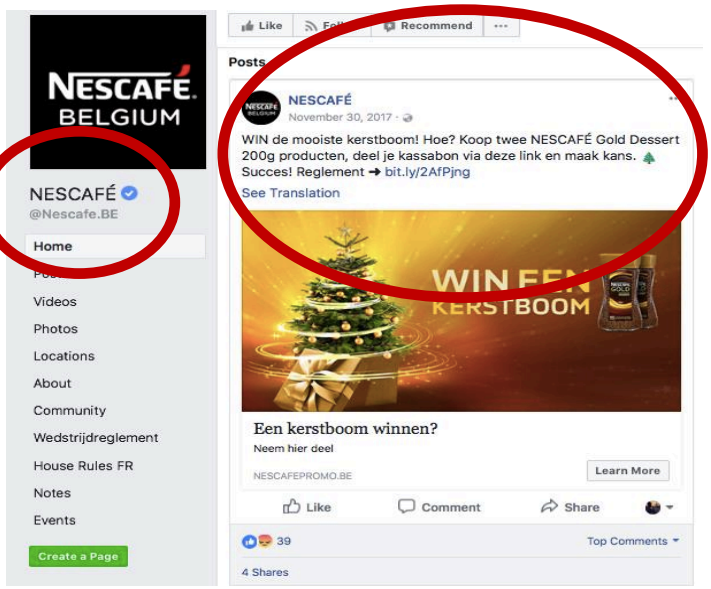
Picture 20 Enriching Life's Best Moments Advertisement (AcelineMT, 2016 December)



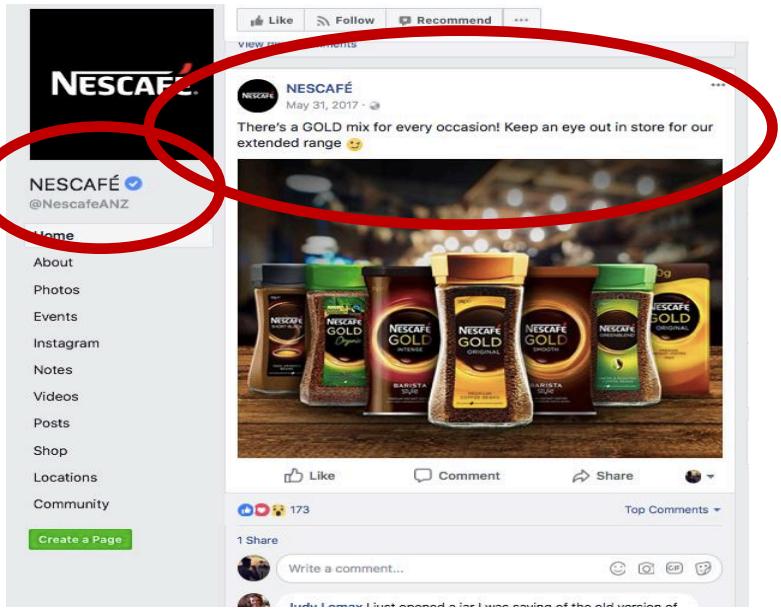
Picture 21: Good Morning World Advertisement (Nestle, 2015December)

Nescafe launched a 'Good Morning World' campaign as seen in picture 18, the video itself shows people from around the world, from different countries, culture and beliefs pass on a cup of coffee after taking a sip, this was to let the consumers know that Nescafe has a unique taste and aroma that can be enjoyed by everyone, picture 19 is a Christmas advertisement, where Nestle quotes 'It all starts with a Nestle', where they encourage the viewers to start their day with Nestle, picture 20 shows a generic Nestle Gold advertisement where the uniqueness of the product is shown, and the last ad shows people from around the world have breakfast and enjoy a cup of Nestle while singing in their native language.

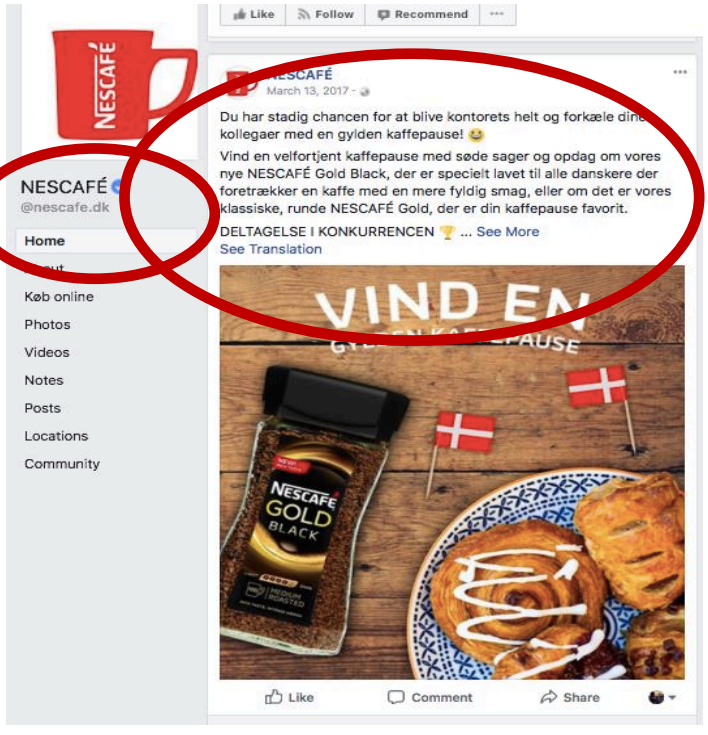
Localization



Picture 22: Nescafe Belgium (Nescafe Belgium, 2017))



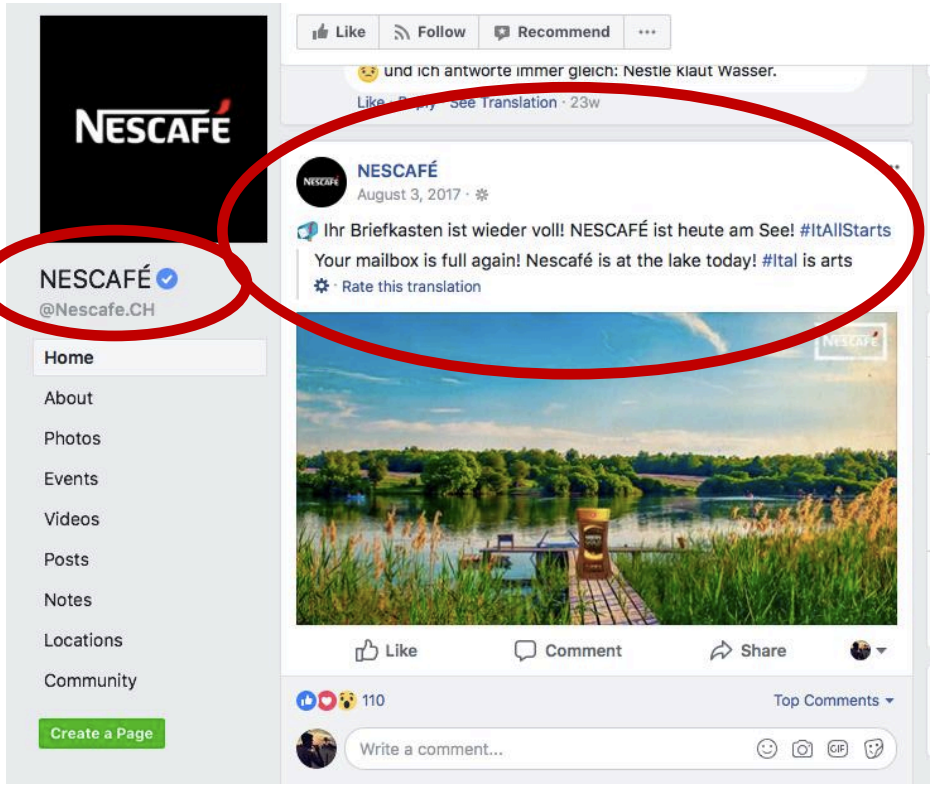
Picture 23: Nescafe Australia (Nescafe Australia, 2017))



Picture 24: Nescafe Denmark (Nescafe Denmark, 2017)



Picture 25: Nescafe Germany (Nescafe Germany, 2017)



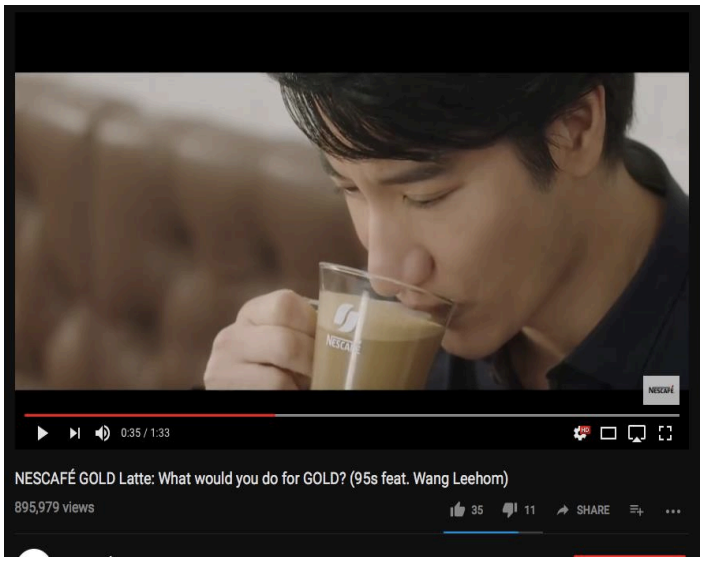
Picture 26: Nescafe Switzerland (Nescafe Switzerland, 2017)

Localization can be seen from pictures 22, 23, 24, 25, and 26. The pictures shown are screenshots taken from the local Nescafe Facebook pages. The 5 countries shown are Belgium, Australia, Denmark, Germany and Switzerland, each country has their own local Facebook page with Nescafe Gold being promoted in their local languages. Nescafe Denmark even has a different cover photo, as compared to the other Nescafe pages.

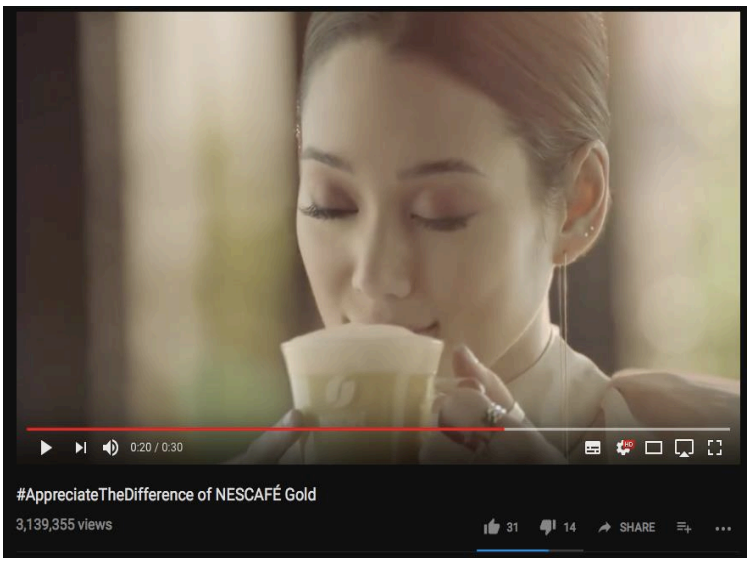
Glocalization



Picture 27: Nelson Makamo (NescafeSA, 2017)



Picture 28: Wang LeeHom (Nescafesg, 2017)



Picture 29: Kim Jones (NescafePH, 2017)



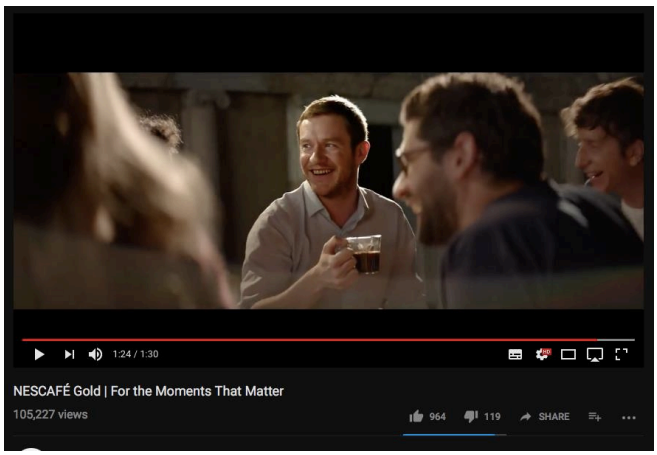
Picture 30: Karan Johar (Nescafe India, 2013)

The examples for Glocalization of promotion shows fours images, from four different countries, the four advertisements show Nestle Gold being consumed by local celebrities, and celebrity's famous in the local country. Picture 27 is a screenshot taken from an ad showing a conversation with a famous artist in South Africa, picture 28 shows a chinses American songwriter for viewers in Singapore, picture 29 shows a famous Filipino model enjoy her coffee, and picture 30 shows a famous Indian director who also hosts a TV show called "Koffee with Karan", enjoy a cup of coffee. All four advertisements convey the message that Nescafe Gold has an amazing taste, and the perfect blend and aroma.

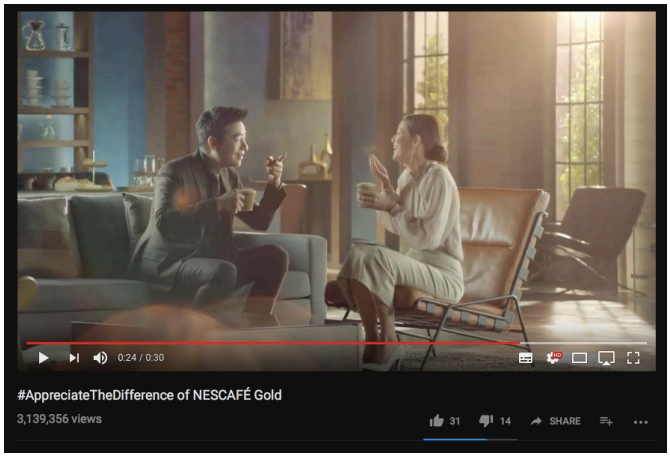
Target Market

A company always chooses to enter a market when it sees a long-term potential in profit or when it sees a profitable current situation, a target market is one, where the company sees one of these potentials and decides on entering that market. Before entering a market, it is also important that a company knows it has customers who find the product attractive and are ready to purchase the product or service (Leverick, 2015). Focusing on a target market makes promotion, pricing and distribution for the company more focused, easier and be more cost effective.

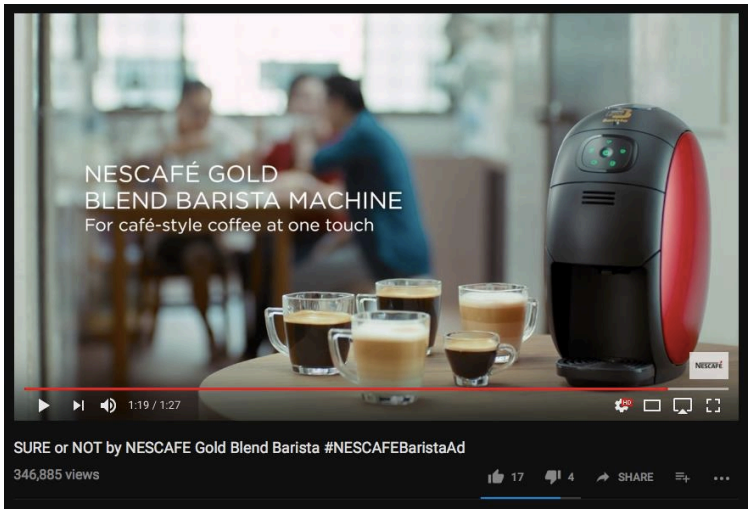
Nescafe generally targets coffee drinkers, mainly those who want their coffee instantly. It's ease and speed of preparation makes it a popular household brand. The main target audiences are the youth mostly those aged between 16-25 years, working professionals (28-38 years), travellers, middle aged and ages consumers. Nescafe targets each target audience in a unique way, for example for home use they sell quick, compact coffee machines (Picture 33). Nescafe Gold is primarily targeted towards working professionals (Picture 32), family and friends (picture 31) and upper middle class income households and above because of its premium quality, and brand image.



Picture 31: Nescafe gold advertisement (UKNescafe, 2017)



Picture 32: Professionals Enjoying Coffee (NescafePH, 2017)



Picture 33: Professionals Enjoying Coffee (Nescafe Singapore, 2016)

Market Segmentation

When markets are divided into various homogeneous groups or segments with similar needs and wants, its known as a market segment (Mcdonald & Dunbar, 1998). This section will explain Demographic segmentation, Geographic segmentation and Psychographic Segmentation.

Demographic Segmentation

Segregating customers based on demographics has always been a popular method of segmenting different consumer groups. This is because the needs, wants and usage rate of consumers are closely knit with demographic variables, and they're comparatively easier to measure as compared to other variables (Mcdonald & Dunbar, 1998. Nescafe segregates consumers based on age group, families, region, gender and socio economic classes. Their focus is on age group and income level, Nescafe primarily targets consumers from their late teens to early thirties segment, and its secondary aim is at those aged 30 and above.

Psychographic Segmentation

Nescafe has types of coffees targeted to towards different psychographic segmentations, for the middle-class income consumers they have coffee brands such as blend 43, Mild Roast and Espresso products, consumers, this provides the consumer both quality and affordability. For some consumer's coffee is a way of showing prosperity and richness in their lives, for such consumers Nescafe has Nescafe Gold, which attracts consumers who want a more premium quality coffee. Nescafe also makes instant coffees for those with an active lifestyle. Consuming Nescafe also reflects a personality of confidence, positivity, success, eagerness, dynamic, optimistic and achievement oriented personality.

Behavioural Segmentation

Consumers of Nescafe have an image of being recharged, expressing positivity etc. Nescafe's market is segmented to nonusers, users for the first time, regular users and potential coffee users. The market under this segmentation is also divided into heavy coffee drinkers, medium to light drinkers and non-coffee drinkers, nestle targets the medium to light consumers. Nescafe also shows itself to be a brand that can be consumed anytime, regardless of the occasion, and can be taken at any time of the day.

Geographic Segmentation

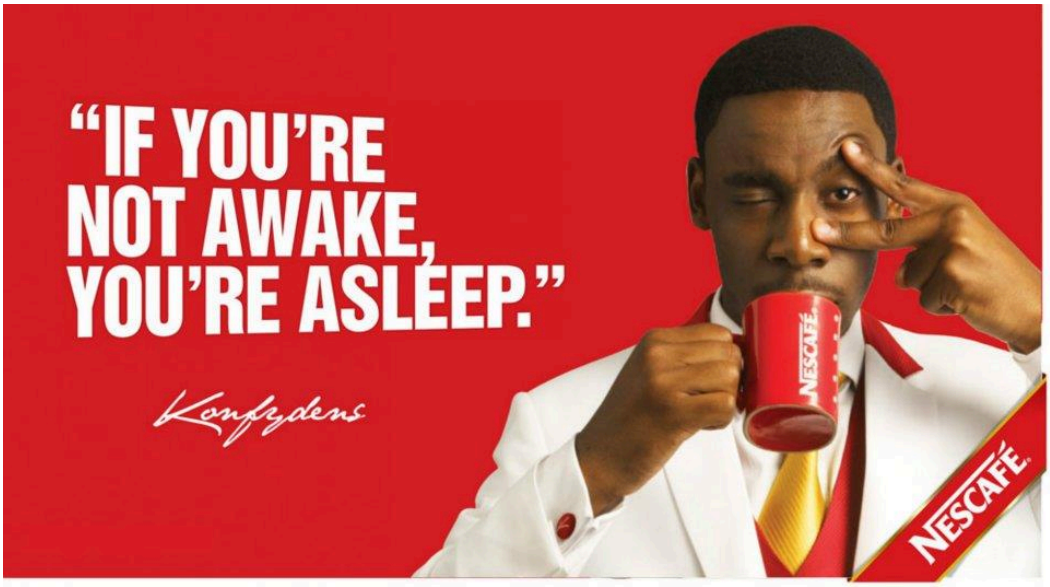
Nescafe is available in 191 countries all over world (Nestle, 2017) and compete with many local and international brands around the world. Nescafe can be found in major grocery stores, small retail stores, and even in street side shops in some developing countries, their flexibility in pricing and wide range of products and made Nescafe the global market leader in Coffee.



Picture 34: Street Coffee Vendor (Pinterest, 2015)



Picture 35: Nescafe Lifestyle Ad (AcelineMT, 2016)



Picture 36: Nescafe Lifestyle Ad (Consulting, 2012)

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