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## **1.0 Global Profile of the Company**

Founded in 1866, Nestlé is a leading multinational company in the food and beverage industry (Huang, 2023). With a wide range of popular brands overseen by the corporation (Alexander et al., 2011), the corporation has grown into a dominant force. As part of its commitment to providing high-quality, nourishing goods that improve people's lives (Sánchez et al., 2016), Nestlé has dedicated itself to the purpose of "Good Food, Good Life." A variety of products are offered by Nestlé, such as coffee, chocolate, infant formula, and pet food.

### **Mission**

According to Berry et al., 1983, the company's mission is to offer consumers the best tasting and most nutritious foods and beverages throughout the day.

### **Vision**

To meet evolving consumer needs, the company emphasizes innovation and renovation of its product portfolio (Bhasin, 2023) by adhering to sustainable and responsible business practices. By actively engaging in the creation of shared value for shareholders and society (Ching, 2022), Nestlé leverages its global scale and resources to address societal challenges such as climate change and water scarcity.

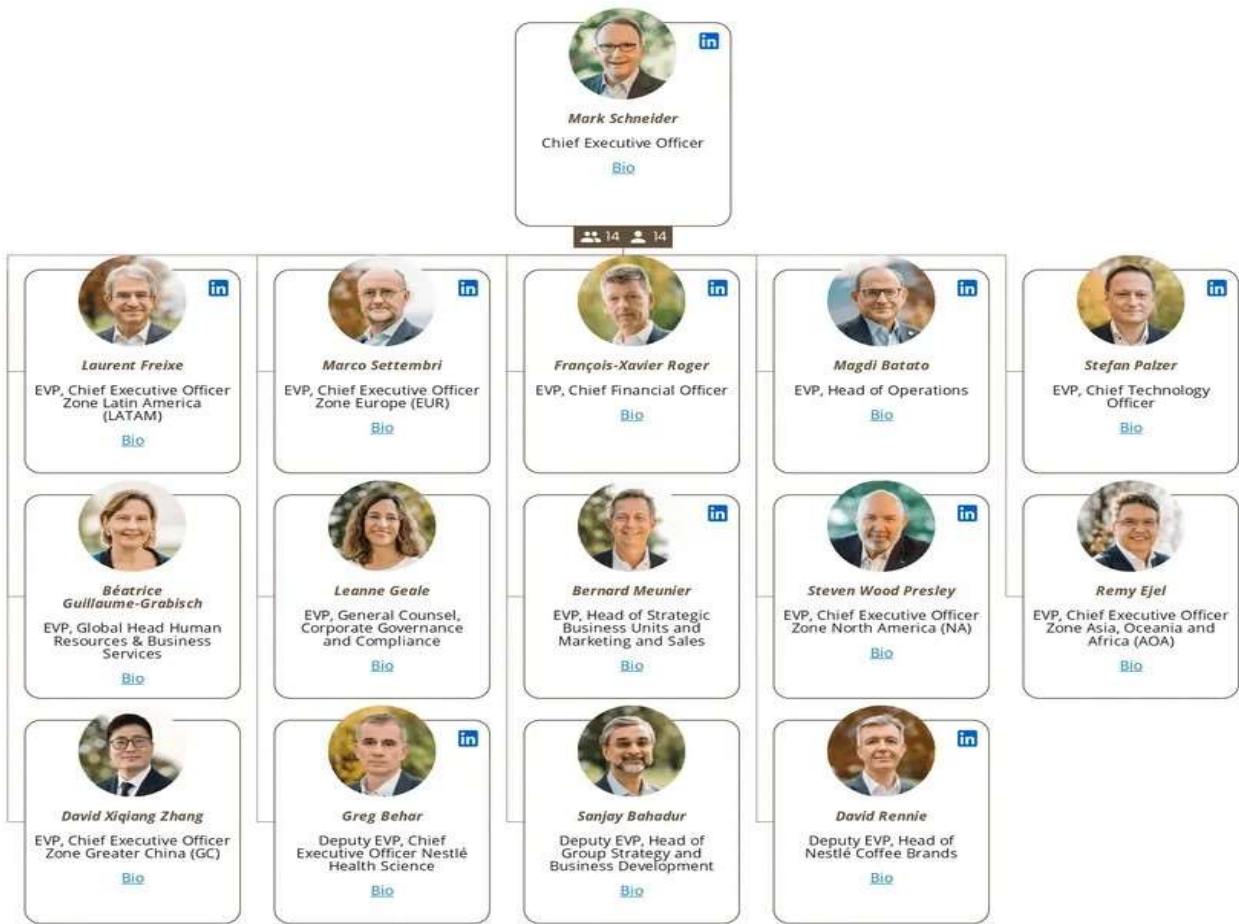
### **Aim and Objectives**

As a company, Nestlé strives to improve quality of life and contribute to a healthier future (About Nestlé in Nigeria. n.d.).

Globally, Nestlé has operations in five zones: North America, Latin America, Europe, Asia, Oceania, and Africa (AOA), as well as Greater China. Through its unique structure, it maintains a dominant position in the global food and beverage market while catering to local needs (Berry, 1983) while maintaining regional autonomy and global coherence.

In the competitive landscape, Nestlé faces formidable competition from industry heavyweights such as Mondelez, MARS, Kraft Heinz, Danone, Hershey's, Unilever, General Mills, Kellogg, Lindt, Ghirardelli, Pepsico, Ferrero Rocher, Amul, Engro Foods, Starbucks, Keurig, Maxwell House, and Coca-Cola. This dynamic and evolving market requires Nestlé to be adaptable and innovative (Cuofano, 2023).

**Figure 1.2:** Organizational Chart of the Company



## 1.2 Environmental Analysis

### 1.2.1 Macro Analysis

Factors	Nigeria	Malaysia
Political Factors	Government initiatives supporting local sourcing.	Positive government stance on foreign investment.

	Policy changes and bureaucracy challenges.	Stable political environment.
	Currency fluctuations affecting import costs.	Adherence to food and nutrition policies.
	Market potential with a growing middle class.	Alignment with Vision 2030 for inclusive growth.
	Operational challenges due to infrastructure weaknesses.	Potential collaboration on public health initiatives.
<b>Social Factors</b>	Emphasis on family and community in culture.	Cultural richness influencing culinary traditions.
	Health awareness and eating habits evolving.	Strong emphasis on family and community.
	Localization opportunities based on cultural diversity.	Growing environmental awareness and sustainability.
	Consumer trends and preferences among the youthful population.	Religious sensitivities and halal certification.
	Opportunities and threats related to environmental consciousness.	Health concerns influencing product portfolio.
<b>Technological Factors</b>	Integration of digital solutions for efficiency.	Leveraging technological richness and a skilled workforce.
	Cybersecurity measures to safeguard data.	Digital initiatives for e-commerce and marketing.
	Blockchain implementation for transparency.	Investment in research and development (R&D).
	Utilizing nutritional information portals.	Smart farming technologies for agricultural efficiency.
<b>Environmental Factors</b>	Opportunities in government collaborations on nutrition and rural development.	Potential for sustainable practices and eco-friendly packaging.
	Threats from regional instability and unpredictable policy changes.	Challenges in navigating complex regulations and potential social unrest.
	Waste management concerns associated with plastic packaging.	Addressing the impact of technological advancements on environmental aspects.

<b>Legal Factors</b>	Challenges with import regulations and high import duties.	Opportunities in government incentives for food manufacturing and halal certification.
	Complex land ownership laws and informal markets.	Compliance with new food safety and labelling regulations.

**1.2.2 Micro Analysis**

**1.2.2.1 Consumer Analysis**

The purchasing habits of consumers in Nigeria can be significantly influenced by their income levels. Local food products and staples are highly regarded, and brand loyalty is often tied to indigenous brands (Business Horizons, n.d.). Consumer preferences are shaped by cultural diversity, while economic fluctuations can affect spending patterns (Bishopton, 2018).

While consumer buying power is more evenly distributed in Malaysia, there is also a balance between loyalty to local brands and affinity for international brands. Purchasing habits reflect diverse preferences influenced by a blend of various cultures. In Malaysia, economic conditions are generally more stable, which influences consistent consumer buying patterns (Bhasin, 2023).

**Similarities**

- **Product Portfolio:** Nestle offers a similar range of products in both Nigeria and Malaysia, including popular items like Maggi, Milo, Nescafé, and Nestlé Pure Life.
- **Local Adaptation:** In both countries, Nestle demonstrates a commitment to adapting its products to local market conditions, considering factors such as quality, size, and packaging.

**Differences**

<b>Aspect</b>	<b>Nigeria</b>	<b>Malaysia</b>
<b>Consumer Loyalty</b>	In Nigeria, the research focuses on the impact of advertising on consumer buying behavior,	In Malaysia, Nestlé’s success is linked to strong brand loyalty, particularly among the youth demographic,

	suggesting a reliance on continuous advertising to shape perceptions and drive purchases.	influenced by a reputation- and trust-driven culture.
<b>Market Dynamics</b>	Nigeria's consumer behavior analysis emphasizes Nestle's longstanding presence and commitment to improving the quality of life, aligning with the local market dynamics.	Malaysia's analysis highlights the influence of cultural factors, with a significant portion of the youth expressing loyalty to Nestlé's products, showcasing the impact of international trends.

#### 1.2.2.2 Competitor Analysis

##### Nigeria Competitors

##### BUA Foods PLC

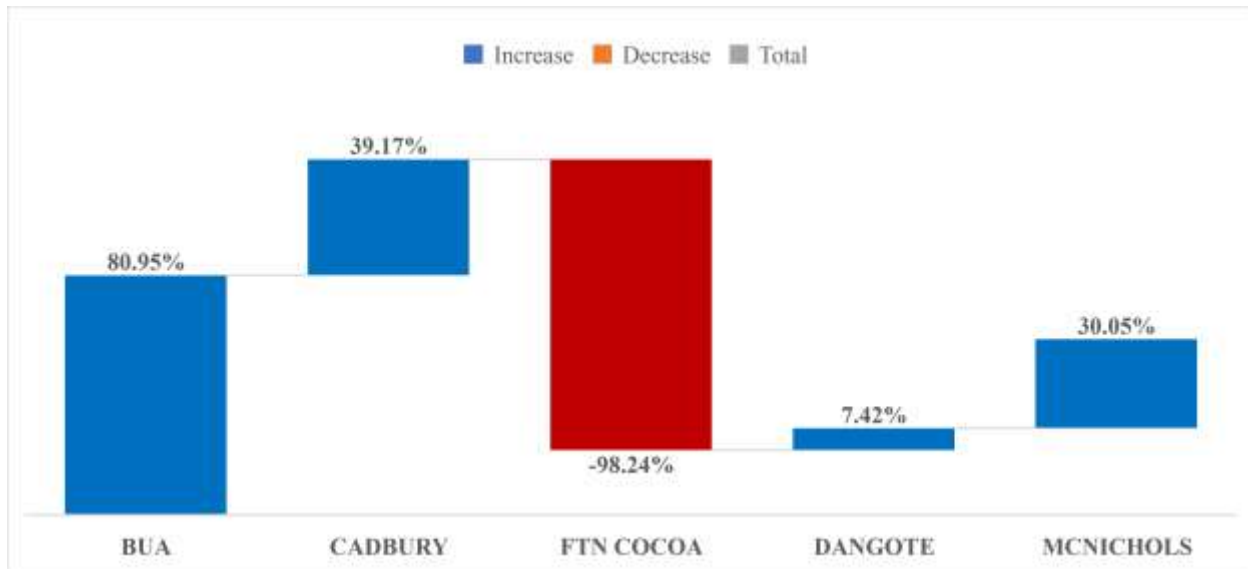
- **Strengths:** In 2022Q3, BUA Foods generated net sales revenue of \$80.95% and an operating profit margin of 2.34% (Business Horizons, n. d.). Their diversified portfolio, including sugar, flour, pasta, rice, and edible oils, strengthens their market presence.
- **Weaknesses:** A high debt-to-equity ratio (-19.92% in 2022Q3) may expose the company to potential risk. Excessive debt may inhibit strategic investment, which could negatively impact future competitiveness.

##### Cadbury Nigeria PLC

- **Strengths:** Cadbury Nigeria demonstrates robust net sales revenue growth (39.17% in 2022Q3) and a significant operating profit margin (8.52% in 2022Q3). Their diversified product range and a rising profile in the EMEA region contribute to their strength.

- **Weaknesses:** The exceptionally high debt-to-equity ratio (1623.45% in 2022Q3) could lead to financial strain. Managing such high debt levels may restrict future expansion and strategic initiatives.

**Fig 1.1:** Net Sales Revenue Growth Comparison of Nestle Nigeria Competitors



## Malaysia Competitors

### Lindt & Sprungli

- **Strengths:** Lindt & Sprungli boasts a strong net sales revenue growth (7.5%) and an impressive operating profit margin (18.5%). Their premium chocolate products and global presence position them as a formidable competitor.
- **Weaknesses:** Limited information on debt-to-equity ratio; however, the reliance on premium offerings may make them susceptible to shifts in consumer preferences.

### Mayora Indah Tbk

- **Strengths:** Mayora Indah Tbk's strength lies in its diverse product range, contributing to net sales revenue growth (4.2%) and a solid operating profit margin (14.2%).
- **Weaknesses:** Lack of available data on debt-to-equity ratio. Reliance on undisclosed revenue figures and workforce details might hinder a comprehensive analysis of their financial health.



## **Future Threats for Nestle:**

Several competitors, including Cadbury Nigeria and BUA Foods, could pose a future threat to Nestle because of their high debt levels. Nestle may leverage this weakness to strengthen its market position if economic conditions change or financial constraints limit their ability to invest in innovation or expansion. Furthermore, Nestle may be able to capitalize on changing consumer preferences as a result of the global trend toward healthier and sustainable products

## **2.1: Assessing the country attractiveness and Entry Strategy**

### **2.1.1 Nestle's Entry Strategy in Nigeria and Malaysia:**

#### **2.1.1.1 Nigeria**

In 1961, Nestle expanded into Nigeria with several key entry strategies aligned with the growing demand for processed food post-independence (Ching, 2022).

1. **Localization:** Nestle adeptly adapted its global offerings to suit local tastes. A notable example is the reformulation of Maggi to incorporate Nigerian flavors, establishing a deep connection with consumers.
2. **Distribution Network:** Nestle established a robust distribution network, reaching remote areas through local partnerships. This ensured widespread product availability, addressing diverse consumer needs.
3. **Marketing and Branding:** Targeted marketing campaigns were aligned with Nigerian cultural nuances. Nestle built brand trust through sponsorships and community engagement, creating a positive brand image.
4. **Investment in Local Production:** Nestle's commitment to local manufacturing, with factories in Lagos and Kaduna, not only created jobs but also instilled a sense of local ownership and brand loyalty.

## **Analysis and Evaluation:**

- **Market Impact:** Nestle commands a dominant market share across various Fast-Moving Consumer Goods (FMCG) categories, contributing significantly to the global Nestle portfolio.

- **Brand Recognition and Reputation:** Nestle enjoys strong brand recognition, synonymous with quality, reliability, and family values, fostering a positive reputation.
- **Economic and Social Impact:** Nestle's local operations have significantly contributed to job creation and the development of the Nigerian economy. Investments in agriculture and community development programs enhance its social impact.

### **Challenges and Future Considerations:**

- **Competitive environment:** Nestle is faced with both local and international competition, necessitating continuous innovation and differentiation of its products.
- **Fluctuations in the economy:** Consumer spending and profitability are affected by economic instability and currency fluctuations.
- **Changing Consumer Preferences:** Nestle must adapt to changing consumer preferences towards healthier and more sustainable products.

#### **2.1.1.2 Malaysia**

**Historical Perspective and Key Success Factors:** Nestle's entry into Malaysia has a longer historical trajectory, dating back to 1912. The success factors include:

- Nestle's early entry contributed to brand recognition and consumer trust, which helped the company succeed in the future.
- Nestle's commitment to localizing products and obtaining Halal certification resonated with Malaysian consumers, resulting in a successful product launch.
- Establishing a robust distribution network was critical to ensuring Nestle products were available throughout the Malaysian market, facilitating effective market penetration.
- **Branding and marketing:** Nestlé built brand loyalty and emotional connections through its strategic marketing campaigns and association with cultural events.
- Creating strong partnerships and collaborations with Malaysian businesses helped Nestle gain insight into the market's nuances and enhance market access.

**Challenges Faced:**

- **Competition:** Intense competition from both local and international players demanded continuous innovation and differentiation to maintain a competitive edge.
- **Economic Fluctuations:** Currency fluctuations and economic downturns posed challenges to Nestle, impacting affordability and profitability.
- **Changing Consumer Preferences:** Shifts in consumer health and environmental concerns necessitated continuous adaptation and diversification of products.

**Evaluation:**

- Nestle's entry into Malaysia stands as a resounding success due to its early entry, localization efforts, and marketing strategies.
- As Nestle navigates a dynamic Malaysian market, it is agile in adapting its products and marketing strategies. With a strong distribution network and local relationships, the company is well positioned for sustained success in Malaysia due to its entrenched presence.

**2.1.2 Assessing Country Attractiveness and Entry Strategy (Matrix Evaluation)**

The Country Attractiveness/Competitive Strengths matrix is applied to assess the effectiveness of Nestle's entry decision in both countries.

**Nigeria:**

- **Country Attractiveness:** High population growth, rising incomes, and a demand for processed food make Nigeria an attractive market.
- **Competitive Strengths:** Nestle's strong market share, brand recognition, and economic and social impact contribute to its competitive strengths.

**Malaysia:**

- **Country Attractiveness:** Stable economic conditions and a growing middle class make Malaysia an attractive market.

- Competitive Strengths: Nestle's early entry, localized approach, and strong distribution network contribute to its competitive strengths.

## **2.2 Strategic Market Formulation**

### **2.2.1 Global Segmentation, Targeting, and Positioning (STP) Approach by Nestle:**

#### **Nestle's Global STP Approach**

In order to satisfy the diverse preferences and needs of consumers around the globe, Nestle adopts a multifaceted approach to Segmentation, Targeting, and Positioning (STP) (Heartofcodes, 2023). Given the cultural, economic, and lifestyle variations across different regions (Marin and Verdier, 2007), a one-size-fits-all strategy is ineffective in the global market.

#### **Segmentation: Nestle's Multiple Segmentation Approach:**

- A variety of Nestle products are segmented by age, income, family structure, and other demographic factors. For example, Gerber is aimed at infants, Nescafé is aimed at busy professionals, and Lean Cuisine is aimed at health-conscious adults.
- Nestle segments its offerings geographically in order to adjust flavors, formulations, and marketing strategies to local preferences. Nestle recognizes regional differences and segments its offerings accordingly.
- Lifestyle and values are crucial in segmenting consumers. Nestle's Health Science range, which emphasizes natural ingredients and scientifically proven health benefits, appeals to wellness-conscious consumers.
- Nestle segments its products based on consumer behavior. Nespresso targets coffee enthusiasts seeking premium experiences, while Maggi targets busy people seeking convenience.

### **Targeting: Nestle's Global Targeting Strategy:**

1. Taking advantage of rising disposable incomes and positioning its products as symbols of luxury and modern lifestyle, Nestle targets young, urban professionals with premium products such as Häagen-Dazs and Nespresso.
2. Nestle focuses on science-backed health benefits and natural ingredients to attract health-conscious consumers worldwide with its Wellness Health Science range.
3. By offering familiar flavors and quality products, Nestle targets the large and underserved rural market with products like Maggi noodles.

### **Positioning: Nestle's Global Positioning Strategy:**

1. This helps Nestle to position itself as a global brand with a local touch, resonating with diverse cultures by fostering partnerships with local businesses and sourcing ingredients domestically.
2. Innovation with Familiarity: Nestle maintains relevance while respecting tradition by introducing new flavors and formats within beloved brands like Nescafé and KitKat. With this innovation-with-familiarity approach, Nestle positions itself as a culturally sensitive brand that is forward-thinking as well.
3. In this premiumization strategy, Nestle offers upscale products that cater to affluent consumers looking for high-quality, luxurious experiences.

#### **2.2.2 Effectiveness of Nestle's Global STP Approach**

It has been able to penetrate the global market, meet a variety of consumer needs, and maintain brand relevance with Nestle's global STP approach. The company has maintained its success in a highly competitive food and beverage industry by adapting its strategies to local nuances while maintaining a cohesive global brand image (Mui Hung Kee et al., 2023) as a result of its ability to adapt to local nuances while maintaining a cohesive global brand image.

### **3.1: Standardisation vs Adaptation (Product decision)**

#### **3.1.1 Nestle's Product Strategy in Nigeria**

In Nigeria, Nestle demonstrates a clear commitment to adaptation in its product strategy. Nestle recognizes the importance of understanding and catering to local preferences. Maggi, for example, has been adapted to incorporate Nigerian flavors as part of the localization effort. It offers dairy products, chocolates, beverages, and ready-to-cook foods. As a result (Bishopton, 2018), the company is showing a deep understanding of Nigerian tastes and a willingness to customize offerings. Maggi Pasta and Maggi Sauce illustrate Nestle's commitment to innovation as well as its sensitivity to changing consumer tastes (Demir and Istanbulu, 2020).

#### **3.1.2 Microanalysis in Nigeria:**

At the micro level, Nestle's adaptation strategy aligns with the socio-cultural dynamics of Nigeria. Maggi is not just a product, but also a cultural icon in Nigerian kitchens (Hung, 2023). Nestle embeds the Maggi brand in the daily lives and culinary traditions of Nigerian households by adapting its brand to local flavors. (Layman, 1989) By customizing at the micro level, consumer satisfaction and loyalty are enhanced.

#### **3.1.3 Nestle's Product Strategy in Malaysia**

Similar to Nigeria, Nestle's product strategy in Malaysia emphasizes adaptation to local tastes and demands. The company introduces products like Indomie noodles and Nunu milk drinks, specifically tailored to suit the preferences of Malaysian consumers (Mui Hung kee *et al.*, 2023). Kit Kat, a globally recognized chocolate brand, is adapted with limited-edition flavors, showcasing Nestle's willingness to innovate and cater to local tastes. This approach allows Nestle to leverage its global brand strength while ensuring that products resonate with the unique preferences of the Malaysian market (Nestle Competitors and Alternatives, 2022).

### **3.1.4 Microanalysis in Malaysia**

A micro-level analysis in Malaysia indicates Nestle's understanding of Malaysia's multicultural and diverse population. Nestle taps into the varied tastes and preferences of Malaysian ethnic groups by introducing products like Indomie noodles and limited-edition Kit Kat flavors. As a result of micro-customization, Nestle's product portfolio becomes more appealing to a wider range of consumers (Nestle India Ltd Share Price Today, n.d.).

### **3.1.5 Effectiveness of the Decision**

The decision to adapt products in both Nigeria and Malaysia proves highly effective for Nestle. When Nestle customizes its offerings to meet local tastes, it meets consumer preferences as well as establishes a stronger emotional connection with its target market. Brand loyalty, positive consumer perceptions, and increased market share are the results of this approach.

### **3.1.6 Standardization vs. Adaptation Balance**

Although Nestle primarily follows an adaptation strategy, it also incorporates globally recognized brands such as Kit Kat to maintain a balance. The limited-edition Kit Kat flavors in Malaysia illustrate a strategic blend of standardization and adaptation. As a result, Nestle has the strength of its global brands while meeting the needs of localization.

## **3.2: Standardisation Vs Adaptation (Distribution Decision)**

### **Nigeria:**

#### **Nestle's Distribution Decision**

Nestle has adopted an adaptation-oriented distribution strategy in Nigeria. As a result of the need for efficient product movement from factories to distributors, retailers, and ultimately consumers, fast-moving consumer goods (FMCG) distribution channels are prevalent (Nestle Marketing Mix (4Ps) Analysis, n.d.). As a result of the local market's characteristics, the company selected rapid and widespread distribution to reach a wide range of consumers (Our Leadership Team, n.d.).

### **Nuances of Adaptation:**

1. **Local Distribution Dynamics:** Nestle recognizes the importance of adapting to local distribution dynamics in Nigeria, where the majority of sales come from European countries. This highlights the need to tailor distribution strategies to accommodate the unique characteristics of the Nigerian market.
2. **Challenges in Chocolate Distribution:** Acknowledging the challenges in distributing chocolates in Nigeria, Nestle is compelled to adapt its distribution approach for this specific product category. This might involve strategic partnerships, innovative logistics solutions, or localized distribution hubs to overcome these challenges.
3. **Effectiveness of the Distribution Decision in Nigeria:** Nestle's adapted distribution strategy in Nigeria has proven effective in addressing the specific demands of the market. The FMCG distribution channel ensures that Nestle's products are efficiently delivered to retailers across the country. Although Nestle's distribution strategy in Nigeria faces challenges, especially in the distribution of chocolates, its adaptability and commitment have contributed to its success.

## **Malaysia:**

### **Nestle's Distribution Decision**

Nestle's distribution strategy in Malaysia, on the other hand, combines standardization with adaptation. Post (1985) maintains an efficient distribution network by cooperating with local partners and utilizing warehouses. Due to the diversity of its geography, Malaysia requires a distribution strategy that caters to the needs of the different regions ( Nestle Expansion into China, 2023).

### **Elements of Standardization:**

1. **Strong Distribution Network:** Nestle's commitment to maintaining a strong distribution network in Malaysia is a standardized element. The company understands the importance of consistency in ensuring that its products are readily available across the country.
2. **Local Collaborations:** Collaborating with local partners in distribution reflects an adaptive component within the standardized structure. Nestle recognizes the significance of local insights and relationships in navigating the intricacies of the Malaysian market.



## **Effectiveness of the Distribution Decision in Malaysia**

Based on the country's diverse geography and market conditions, Nestle's distribution strategy in Malaysia strikes a balance between standardization and adaptation. By combining a standardized distribution network with localized partnerships, the company ensures effective product accessibility and accessibility across Malaysia.

### **3.3: Pricing Decision**

Each country's market dynamics are reflected in Nestle's different pricing strategies in Nigeria and Malaysia. A company's segmentation, targeting, and positioning (STP) approach, as well as macro and microeconomic factors, can be used to evaluate the effectiveness of these strategies.

#### **3.3.1 Nigeria:**

##### **Nestle's Pricing Strategy in Nigeria:**

Nestle uses a perceived quality-based pricing strategy in Nigeria to position products like Maggi as premium products (Nestle Market segmentation, targeting and positioning, n.d.). In a market where consumers often associate higher prices with superior quality, this approach works well. Nestle understands the importance of perceived value and quality in its pricing decisions (Our Leadership Team, n.d.).

##### **Macro Factors:**

1. The economic conditions in Nigeria, such as income levels and purchasing power, are considered by Nestle. Nestle emphasizes the perceived quality and value of Maggi by pricing it higher than some competitors, appealing to consumers who associate higher price with higher quality.
2. The strategy of pricing Maggi higher reflects the brand's strong reputation and consumer trust. Nestle evaluates competitor pricing to ensure its products are positioned appropriately in the market.

3. The diverse regions of Nigeria may have different preferences and affordability levels, so Nestle offers several sizes and bulk discounts to meet the needs of a wide range of consumers.

#### **Micro Factors:**

- **Segmentation, Targeting, and Positioning (STP):** Nestle's STP approach in Nigeria involves targeting consumers who value quality and are willing to pay a premium. Maggi, adapted to Nigerian flavors, caters to local preferences while maintaining a premium positioning.
- **Perceived Value:** Nestle effectively communicates the perceived value of its products through advertising and marketing, reinforcing the idea that the higher price of Maggi is justified by its superior quality and taste.

#### **3.3.2 Malaysia**

##### **Nestle's Pricing Strategy in Malaysia:**

Nestle competes with both local and international players in Malaysia through a competitive pricing strategy. As a result, the company launches products at different price points, taking into account factors such as product quality, competitor pricing, and regional variations (Sanchez et al., 2016).

#### **Macro Factors:**

- Nestle's pricing strategy takes into account the economic conditions in Malaysia, allowing it to appeal to a wide range of consumers.
- In the highly competitive Malaysian market, Nestle adjusts its pricing to remain competitive by launching products at different price points to meet the needs of consumers with different budgets.
- Due to Malaysia's diverse geography, Nestle has adapted its pricing strategy to cater to different regions with different Stock Keeping Units (SKUs).

### **Micro Factors:**

- STP Approach: Nestle's STP strategy in Malaysia involves targeting a diverse customer base with products at a variety of price points. This allows Nestle to capture market share across a wide range of markets.
- The company uses its global brand equity to position itself as a provider of quality and variety in Malaysia with limited-edition flavors like Kit Kat Alpino, as well as premium products like Kit Kat Alpino.

### **Effectiveness Evaluation:**

- The pricing for Maggi is perceived as quality-based, emphasizing enhanced quality and maintaining a premium image. Nestle's approach is effective for conveying value and maintaining the premium image.
- A competitive pricing strategy is effective in Malaysia, where Nestle's products are available at different price points, contributing to its widespread market presence

## **3.4 Promotion Decision**

### **3.4.1 Nigeria**

#### **Microenvironment Analysis**

Nestle's marketing strategy in Nigeria is tailored to resonate with local lifestyles and needs, especially for products like Maggi. Nestle has a keen understanding of the microenvironment, particularly cultural nuances and consumer preferences. Maggi is associated with quick and convenient snacks, aligning with Nigerian families' fast-paced lives, as Nestle tells stories in its campaigns.

#### **Segmentation, Targeting, and Positioning (STP) Impact**

Maggi, for instance, is positioned as a solution for busy mothers looking to prepare delicious meals for their families. The advertising approach aligns with Nestle's STP strategy. Maggi is positioned as an essential kitchen companion and is focused on convenience (Nestlé Market segmentation,

targeting, and positioning (n.d.)). In the Nigerian market, the ads effectively communicate the product's value proposition, contributing to its success.

### **Corporate Social Responsibility (CSR) Initiatives**

A positive public image is contributed to by Nestle's CSR initiatives in Nigeria, including supporting local farmers and sourcing sustainably. Nestle's commitment to community engagement and sustainability is evident in these initiatives. As a result, the brand's image is enhanced and a sense of responsibility is cultivated (Topic: Nestle, 2024).

### **Effectiveness**

As a result of leveraging cultural understanding and aligning with consumer needs, Nigerian advertising is effective. Nestle's products, especially Maggi, have been successful in the Nigerian market because of their storytelling approach and convenience focus. Consumers perceive the brand positively when CSR initiatives are integrated.

### **3.4.2 Malaysia**

As a result of leveraging cultural understanding and aligning with consumer needs, Nigerian advertising is effective. Nestle's products, especially Maggi, have been successful in the Nigerian market because of their storytelling approach and convenience focus. Consumers perceive the brand positively when CSR initiatives are integrated.

### **Microenvironment Analysis**

A diverse and competitive market awaits Nestle in Malaysia. The advertising strategy reflects the brand's commitment to community engagement (Sanchez et al., 2016). As Nestle acknowledges, distributing chocolates is challenging, and a nuanced understanding of market dynamics and strong partnerships are needed (Wolf et al., 2023)

### **Segmentation, Targeting, and Positioning (STP) Impact**

The advertising mix in Malaysia aligns with Nestle's STP strategy. The media mix, including TV, radio, social media, and influencer partnerships, caters to a diverse audience, contributing to effective targeting (Nestlé Market segmentation, targeting, and positioning n.d.).

## **Corporate Social Responsibility (CSR) Initiatives**

Nestle's CSR initiatives in Malaysia, as reflected in the "Nestle Cares" campaign, play a crucial role in improving public relations. By showcasing the brand's commitment to community welfare, nestle enhances its image and builds a positive relationship with Malaysian consumers.

## **Effectiveness**

Advertising in Malaysia is effective, utilizing a broad media mix and emphasizing corporate social responsibility. Nestle's "Nestle Cares" campaign, in particular, contributes to positive public relations and aligns with the brand's positioning. In acknowledging distribution challenges, a strategic approach to overcoming market obstacles is evident.

## **CONCLUSION**

As a result, Nestle's global operations, specifically in Nigeria and Malaysia, are based on a nuanced understanding of local market dynamics and consumer behavior. In order to establish a strong market presence and foster brand loyalty, the company has demonstrated its commitment to adapting in product strategies, distribution decisions, pricing, and promotional efforts.

Nestle tailors its product offering in Nigeria and Malaysia based on local preferences and tastes, demonstrating a keen understanding of cultural nuances. A balance is struck between standardization and adaptation when making distribution decisions for the company, which ensures products are readily available while meeting unique market conditions at the same time. Regardless of whether the pricing strategies are based on perceived quality or competitiveness, Nestlé's pricing strategies align with macroeconomic factors and contribute to a brand's success in a variety of markets.

The promotional decisions showcase Nestle's ability to connect with consumers on a personal level, leveraging storytelling, cultural relevance, and CSR initiatives to strengthen brand perception. In addition to resonating with local lifestyles, this approach contributes to positive public relations and community engagement.

Food and beverage industry complexity has been navigated successfully by Nestle's global segmentation, targeting, and positioning approach, combined with its agility in balancing standardization and adaptation. Its success in Nigeria and Malaysia illustrates Nestle's commitment to providing "Good Food, Good Life" globally, as well as its strategic market formulation and responsiveness to local contexts.

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