**COMPETITORS IN CHINA**

**Key Competitor operating in China**

While global giants like Unilever and Danone loom large in Nestlé's Chinese landscape, the true area of rising concern lies with domestic powerhouses. These companies, deeply embedded in the local market, understand its nuances and adapt with agility, posing a formidable challenge to Nestlé's established dominance. Here are some key players to watch:

1. Wahaha: A beverage and snack behemoth, Wahaha has built a loyal consumer base through affordable, innovative products like bottled water and candies. Their extensive distribution network and focus on rural markets make them a force to be reckoned with.
2. Bright Food: This dairy and confectionery giant boasts popular brands like Jin Mai Lang ice cream and Shuijingfang biscuits. Their focus on high-quality ingredients and localized flavors resonates with consumers seeking familiar comfort.
3. Tingyi: Instant noodles are a staple in China, and Tingyi reigns supreme with brands like Master Kong and Hualongwang. Their affordability, variety, and convenience make them a constant threat to Nestlé's Maggi noodles.
4. Luckin Coffee: This homegrown coffee chain has dethroned Starbucks in terms of store count, offering convenient, tech-driven experiences at competitive prices. Their focus on mobile ordering and delivery resonates with the fast-paced Chinese consumer.
5. Feihe and Junlebao: In the crucial infant formula market, domestic brands like Feihe and Junlebao are gaining traction. They understand local concerns about safety and quality, building trust through research and development tailored to Chinese babies' needs.

**Wahaha**

Wahaha, founded by Zong in 1987, initially thrived in China's beverage industry, achieving remarkable sales and market shares over 35 years. Despite its impressive profitability and extensive product range, Wahaha faced a decline in turnover since 2013. The company's leadership, represented by Qinghou Zong and daughter Fuli Zong, implemented strategies like Fuli Zong's "Four Major Initiatives" to revitalize the brand. However, Wahaha encountered challenges such as the lack of new main products, a mismatch between core consumers and new product selling points, and an aging brand image. To address these issues, the author recommends modifications to Wahaha's segmentation, targeting, and positioning, focusing on one or two main products, and implementing Fuli Zong's proposed initiatives.

Wahaha's market strategies involve addressing the decline in turnover by introducing new main products and adjusting its positioning. Fuli Zong's "Four Major Initiatives" emphasize a water turnaround, creating strong IP products, identifying market segments for targeted drinks, and supporting original main products. The company aims to enhance its appeal to young consumers through innovative products and cross-border interactions. The recommendation to shift from commodities to products emphasizes the importance of building long-term customer loyalty through humanistic feelings and a focused product range. The analysis underscores the need for Wahaha to align its ideas on target groups, markets, and positioning for more effective development.

**Bright Food**

Bright Foods, a prominent player in the Chinese food industry, has strategically positioned itself with a low bargaining power of suppliers and buyers, a low threat of new entrants and substitutes, and low industry rivalry. The company's extensive integration across the supply chain minimizes dependence on external suppliers. As a market leader with a strong brand image, Bright Foods enjoys a low threat of substitutes and new entrants, securing its competitive advantage. The company's market strategies include national mergers and strategic alliances, with a focus on expanding into emerging markets like India and Africa. These strategies aim to capitalize on the company's existing strengths and enhance its global presence.

One of the alternatives proposed for Bright Foods is to expand into emerging markets such as India and Africa. This would leverage the diversified population and increasing buying power in these regions, potentially boosting the company's profitability. However, challenges such as political risks and currency volatility in emerging economies need careful consideration. Another alternative suggests national mergers with higher-ranking Chinese liquor and dairy companies, aiming for growth and revenue within China. This option minimizes market research expenses and capitalizes on Bright Foods' established brand image. Alternatively, forming strategic alliances with international food companies aligns with the company's goal of international expansion, leveraging additional resources and enhancing brand presence globally. This option offers potential cost savings and improved customer satisfaction through diversified product offerings.

**Tingyi**

Tingyi biscuits hold a significant position in the Chinese food industry, particularly in Changzhou city. Through a questionnaire-based research method involving 80 residents, the study identifies that the primary consumer group for biscuits in China comprises individuals aged 15 to 30, with a preference for spending over 10 Yuan. The brand most frequently purchased is Oreos, with a preference for soda and sandwich biscuits. The proposed marketing strategies for Tingyi biscuits in Changzhou encompass a combination of growth, pricing, promotion, and product development, as indicated by a SWOT analysis.

**COMPETITORS IN UNITED STATES**

**Key Competitor operating in United States**

**Table 1.0:** Summary of Selected Beverage and Food Companies

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | **Headquarters** | **No. of Employees** | **Revenue** | **Entity Type** |
| PepsiCo Inc | United States of America | - | - | Public |
| Unilever Plc | United Kingdom | 127,000 | $63.2BN | Public |
| Mars Inc | United States of America | 140,000 | $48.0BN | Private |
| The Coca-Cola Co | United States of America | - | - | Public |

**PepsiCo Inc**

PepsiCo strategically positions itself in the global food and beverage industry through a combination of cost leadership and broad differentiation. The company employs a cost leadership strategy, focusing on minimizing operating costs to offer competitive pricing and promotional offers. Simultaneously, PepsiCo utilizes broad differentiation by highlighting unique features in its products, such as marketing Lay's potato chips as a healthful snack due to reduced saturated fat content. In terms of market strategies, PepsiCo employs market penetration, product development, and market development. These involve aggressive marketing, continuous product innovation, and expanding distribution networks to capture new markets and segments globally.

PepsiCo's product offerings showcase diversity, addressing various consumer preferences. The company emphasizes product development by introducing variants like low-calorie, reduced-salt, or low-saturated-fat options. This aligns with their strategy of broad differentiation, offering unique and novel products to attract a wide consumer base. The company's market positioning revolves around maintaining a strong competitive advantage through cost-effective operations, innovative product offerings, and a global presence. PepsiCo's strategies aim to ensure long-term growth and competitiveness in the dynamic food and beverage market.

**Unilever Plc**

Unilever strategically positions itself in the global consumer goods market through a combination of product differentiation and market development strategies. The company's focus on product differentiation is evident in its extensive product portfolio, featuring over 400 brands across cleaning agents, beverages, foods, and personal care. Unilever emphasizes developing innovative products, exemplified by its successful brand 'Axe,' which stands out through attention-grabbing marketing. The adoption of a 'Think Global Act Local Strategy' enables Unilever to maintain a consistent competitive approach in international markets, catering to local needs while building on global branding.

The company's market development strategy involves expanding into new markets or segments, aligning with the changing habits and needs of consumers. Unilever recognizes the importance of addressing the evolving preferences of the middle-class consumer base and actively tailors and develops new products to meet diverse market segments. By leveraging partnerships with retailers and continuously investing in product development competencies, Unilever aims to stay ahead of the competition and maintain a strong market position. Through these strategies, Unilever effectively positions itself as a global leader in consumer goods, striving for sustained growth and competitive advantage.

**Mars Inc**

Mars Incorporated, a global conglomerate in confectionery, pet care, and food products, employs a multifaceted marketing strategy for its diverse product portfolio. Their market strategies encompass product portfolio diversification, brand building, innovation, sustainability, digital marketing, retail partnerships, and strategic sponsorships. Through these initiatives, Mars adapts to evolving consumer preferences and maintains a strong global presence in various industries.

Mars offers an extensive range of products, including iconic confectionery brands like M&M’s and Snickers, pet care products such as Pedigree, and food items like Uncle Ben’s. With a focus on quality, innovation, and sustainability, Mars positions itself as a leading provider of diverse, high-quality consumer goods. The company strategically balances price and value perception, employing different pricing strategies across product categories. Globally distributed, Mars ensures accessibility through robust channel partnerships and efficient logistics. Their promotion mix includes traditional advertising, digital marketing, sponsorships, and CSR initiatives, contributing to a positive brand image. Overall, Mars Incorporated's market strategies and product offerings underscore a commitment to meeting consumer needs while maintaining a strong and ethical corporate identity.

**Coca-Cola Co**

Coca-Cola implements a comprehensive marketing strategy, employing market segmentation, targeting, and positioning to effectively cater to diverse consumer needs. In terms of market segmentation, Coca-Cola classifies its target audience based on geographic, demographic, psychographic, and behavioural factors. This enables the company to tailor its products to meet specific preferences in various regions and among different consumer groups. The targeting strategy of Coca-Cola is broad, encompassing a global market and catering to a wide range of consumers, from the youth to health-conscious individuals. The company positions its products as thirst-quenching, refreshing, and associated with joy and positive experiences, creating a unique identity in a competitive market. Overall, Coca-Cola's market strategies focus on flexibility, adaptability, and a universal appeal, ensuring its products remain iconic and resonate with consumers worldwide.

**Table 2.0:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Company** | **Nestlé** | **PepsiCo** | **Unilever** | **Danone** | **Mars** | **Mondelez International** |
| Founding Date | 1866 | 1965 | 1894 | 1919 | 1911 | 2012 |
| Type | Public | Public | Public | Public | Private | Public |
| Tags | Food & Beverage | Food & Beverage | Manufacturing & Industrial | Food & Beverage | Food & Beverage | Food & Beverage |
| Locations | Vevey, CH (HQ) | Harrison, US (HQ) | London, GB (HQ) | Paris, FR (HQ) | McLean, US (HQ) | Chicago, US (HQ) |
| Employees | 275,000 | 315,000 (2% increase) | 126,988 (14% decrease) | 96,166 | 140,000 (8% increase) | 91,000 (15% increase) |
| Valuation ($) | N/A | $229.5 billion | N/A | $42.9 billion | N/A | $99.5 billion |
| Twitter Followers | 286.9k | 360.2k | 238.3k | 69k | 33.8k | 32.8k |
| Number of Tweets (last 30 days) | 12 | 38 | 25 | 8 | 11 | 49 |
| Average Likes per Tweet (last 30 days) | 4.5 | 10.1 | 10.4 | 28 | 0.1 | 1.3 |
| Percentage of Tweets with Engagement (last 30 days) | 50% | 52.63% | 92% | 100% | 9.09% | 51.02% |
| Employee Rating | 4.1 | 3.9 | 4.1 | 4 | 4.2 | 4 |
| Revenue (est.) | CHF 94.4 billion (FY, 2022) | $86.4 billion (FY, 2022) | €60.1 billion (FY, 2022) | €27.7 billion (FY, 2022) | $45 million (FY, 2022) | $31.5 billion (FY, 2022) |
| Cost of Goods | CHF 48.2 billion (FY, 2022) | $40.6 billion (FY, 2022) | €34 billion (FY, 2022) | €8.9 billion (FY, 2022) | N/A | $20.2 billion (FY, 2022) |
| Gross Profit | CHF 47 billion (FY, 2022) | $45.8 billion (FY, 2022) | €26.1 billion (FY, 2022) | €18.8 billion (FY, 2022) | N/A | $11.3 billion (FY, 2022) |
| Net Income | CHF 9.6 billion (FY, 2022) | $9 billion (FY, 2022) | €8.3 billion (FY, 2022) | €1.1 billion (FY, 2022) | N/A | $2.7 billion (FY, 2022) |
| Operating Brands | N/A | N/A | 400 (FY, 2022) | 100 (FY, 2021) | N/A | N/A |
| Countries | 188 (FY, 2022) | 200 (FY, 2022) | 190 (FY, 2022) | 120 (FY, 2021) | 80 (Jul, 2022) | N/A |

**Diversity of Products and Industries**

Nestlé, Unilever, PepsiCo, Danone, and Mondelez International operate in a diverse range of food and beverage industries, offering a wide array of products.

Mars specializes in confectionery, pet nutrition, and food products, including pet care services.

**Global Presence**

All companies have a significant global presence, with operations in numerous countries.

**Valuation and Financials**

PepsiCo holds the highest valuation among the listed companies.

Nestlé has the highest estimated revenue and net income among the listed companies.

**Social Media Presence**

Engagement on Twitter varies, with Unilever having a high percentage of tweets with engagement (92%).

Mars has a relatively low engagement percentage (9.09%).

**Employee Ratings**

Overall, employee ratings are positive for all companies, with ratings ranging from 3.9 to 4.2.

**Operating Brands**

Unilever boasts a large number of operating brands (400 as of FY, 2022).

**Financial Performance**

Nestlé has a substantial gross profit, emphasizing its financial strength in the industry.

**Specialization**

Danone specializes in Essential Dairy and Plant-Based Products, Waters, and Specialized Nutrition.