**CONSUMER BEHAVIOR IN KEY MARKET 1 (CHINA)**

A study titled **Customer Satisfaction and Brand Loyalty: A Case Study of Nestlé was** conducted by Daisy Mui Hung Kee, Zi Wei Gan, Yi Qi Chan, Hui Tian Lee, Xiang Yee Tan, and Sin Wei Lee from Universiti Sains Malaysia.

The study investigates the relationship between customer satisfaction and brand loyalty through a comprehensive case study of Nestlé. Conducted by scholars from Universiti Sains Malaysia, the project aims to unravel the intricate dynamics influencing consumer perceptions and loyalty towards the Nestlé brand in South-eastern Asia specifically China

To achieve their aim the study was conducted by:

1. Exploring the factors contributing to customer satisfaction with Nestlé products.
2. Examining the correlation between customer satisfaction and brand loyalty.
3. Analysing the impact of marketing strategies on customer perception and loyalty.

Their methodology employs a mixed-method approach, combining qualitative and quantitative techniques. Surveys and interviews are conducted to gather consumer opinions and preferences. Statistical analysis is employed to identify patterns and correlations in the data.

The study reveals a strong positive correlation between customer satisfaction and brand loyalty. Key factors influencing satisfaction include product quality, customer service, and brand reputation. Marketing strategies, such as targeted promotions and social media engagement, also play a significant role in shaping consumer perceptions.

The study's findings, particularly the significant brand loyalty observed among Nestlé customers, align with broader consumer behavior trends in China. Chinese consumers often exhibit strong brand loyalty, influenced by cultural factors such as trust and reputation. Nestlé's enduring presence in the market, spanning over a century, resonates with Chinese consumers who place immense value on established brands. Evidence from consumer surveys in China supports this, revealing that well-established international brands, like Nestlé, enjoy a higher level of trust and loyalty among Chinese consumers compared to newer entrants.

The study's focus on the age group of 18-25 years old provides valuable insights into the role of youth in shaping customer behavior in China. This demographic, often characterized by its openness to global trends and preferences, is instrumental in driving brand loyalty. Evidently, the 40% agreement among respondents that they would exclusively purchase Nestlé products suggests a strong influence of brand loyalty among the younger Chinese population. This aligns with broader observations in China, where the youth play a pivotal role in influencing consumption patterns and contributing significantly to the success of well-established brands.

**Figure 1.0**: Age distribution of Nestle Customers in China

**Figure 2.0:** Comparison of Customer Satisfaction Level

**Table 1.0**: Survey on Nestle Customer Satisfaction (N=100)

|  |  |  |
| --- | --- | --- |
| **RESPONSE** | **FREQUENCY** | **PERCENTAGE** |
| **Nestlé's products meet my expectations** |  |  |
| Strongly Disagree | 0 | 0 |
| Disagree | 2 | 2 |
| Neutral | 23 | 23 |
| Agree | 60 | 60 |
| Strongly Agree | 15 | 15 |
| **I have good experience with Nestlé's products** |  |  |
| Strongly Disagree | 0 | 0 |
| Disagree | 2 | 2 |
| Neutral | 22 | 22 |
| Agree | 64 | 64 |
| Strongly Agree | 12 | 12 |
| **I am happy to purchase Nestlé's products** |  |  |
| Strongly Disagree | 1 | 1 |
| Disagree | 1 | 1 |
| Neutral | 17 | 17 |
| Agree | 56 | 56 |
| Strongly Agree | 25 | 25 |
| **I am satisfied with Nestlé products quality** |  |  |
| Strongly Disagree | 2 | 2 |
| Disagree | 1 | 1 |
| Neutral | 17 | 17 |
| Agree | 55 | 55 |
| Strongly Agree | 25 | 25 |
| **I am satisfied with Nestlé products design and packaging** |  |  |
| Strongly Disagree | 1 | 1 |
| Disagree | 1 | 1 |
| Neutral | 15 | 15 |
| Agree | 59 | 59 |
| Strongly Agree | 24 | 24 |

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