

# Internship Report on Profitability Analysis of Nescafé Kiosk

**Course Title- Internship**

**Course Code- INT 4399**

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**Date of Submission- 17<sup>th</sup> April 2019**



**United International University**  
*QUEST FOR EXCELLENCE*

# **Internship Report on Profitability Analysis of Nescafé Kiosk**

**April 17, 2019**

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Subject: **Application for accepting the internship report**

Dear Madam,

I am **Hamim Rahman**, from **United International University** would like to notify you that, with the grace of Almighty Allah and your kind facilitation I have completed the report as per your instruction to meet my internship requirement on “**Profitability Analysis of Nescafé Kiosk**”. Thank you for giving me the opportunity to work on a topic for which I have learned a lot of things.

I have tried my best to prepare a detail and informative report in limited time and resources. The analysis part of the report becomes easy with the help and instructions of my supervisor.

Your acceptance and appreciation is very necessary and it will encourage me a lot. Therefore, I, hope that you would be kind enough to accept my report and oblige thereby.

**Yours sincerely,**

**Hamim Rahman**

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## **Acknowledgment**

At first, I want to give thanks to almighty Allah for helping me and giving me the strength to prepare this report on “*Profitability Analysis of Nescafé Kiosk*”. I would like to express my heartiest gratitude and respect to my honorable faculty, course instructor Nusrat Farzana Mam of United International University and my line manager at NBL Alal Hossain Dhali, Manager- Nestlé Professional, Nestlé Bangladesh Ltd. Without their precious advice, support and guidance it would not have been possible to prepare this term paper. I have gathered necessary information from my job responsibilities, previous data from distribution house and from various websites. I want to thank all the people who have helped me by providing the data necessary for preparing the report. It was a great learning experience for me.

## **Executive Summary**

In modern time human starts his day at 7'o clock in the morning and comes to a conclusion of his daily activity at 10'o clock in the night. During these 15 hours people spend most of his time out of home which means he might have his breakfast and dinner at home but he/she must get their lunch, evening snack outside their home. This long tiresome journey might put his regular mental capacity in a halt for couple of times. At this point he feels the necessity of a cup of coffee. This is how a new concept has been raised which is Nestlé Professional, out of home consumption.

Nescafé Kiosk is one of the out of home consumption element which creates a new business potentiality. The main goal of this report is to explore how this modern system of business is implicating. Starting from 2014 more than 70 kiosk is placed and the number is increasing day by day. With the help of brand value and a well service this business had soon get a good feedback and continuously it is increasing. It is not only a revenue generating business for Nestlé, it is a way to serve the customers directly.

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# **Chapter One- Introduction**



## ***1.1 Introduction***

Learning is a never ending process and whenever it comes to business studies it becomes a lifetime skill. A business student learns all the theories of doing business throughout his/her four years of journey. In the very last stage an internship becomes a necessity in order to make the learning of four years successful and comprehensive. In this particular course a student gets the opportunity of learning the implications of most of theories and examples he/she has read in her bachelor life. I was a very lucky individual who got the opportunity of getting into Nestlé Bangladesh Limited (NBL) as an intern. It should be noted that NBL is the market leader in transitional food industry and the most lucrative corporate house in FMCG industry. Here I have been assigned with one of the most rapid growing business function Nestlé Professional. This business function particularly focuses on out of home consumption and alternative trade channel. In order to get engaged with consumers in a more sophisticated way Nestlé Professional (NP) ensures the availability of almost all of the NBL products at every possible places he/she visits like the universities, business institutions, restaurants, hospitals even in the street fast food corners. NP logo establishes itself as an agent who is one step ahead of its consumers to reach them. In all over Bangladesh it operates its business through an established network of its Authorized Distributors. Luckily, I was assigned with its 3<sup>rd</sup> largest distribution point named ***Allied Trade Linkers*** located with all set up at Motijheel, Dhaka.

## ***1.2 Objective of the report***

Basically each report has some objectives and so this report has some objectives too. This report is not only grounded to fulfill the academic requirements but this unique report has many others objectives behind it.

The core and main objective of this report is to find and pursue the ***Project financing and profitability of Nescafé Kiosk***. Also there are some other objectives that should be considered as well:

- To fulfill academic requirement.
- To get introduced with corporate culture of an organization.
- To perceive the actual corporate scenario.
- To apply the knowledge gained from courses and books in corporate day to day life.
- To learn how organizations do their business planning for serve the customers with a higher satisfaction level.
- To know how the organization control each of their business functions.
- To know how organizations make a new model of business and make it sustainable.

## ***1.3 Origin of the report***

This internship report has been prepared to fulfill an academic purpose. I, Hamim Rahman from department of Bachelor of Business Administration (BBA) was supervised by Nusrat Farzana (Assistant professor at UIU, School of Business and Economics). The information and elements shared in the report are completely biasness free and outcome of my learning from internship. All data are given in the report accumulation of primary and secondary data. Primary data will enhance the acceptance of the report and the secondary data will take this report one step further. All the secondary data I have taken and used in the report are given in the reference part.

### ***1.4 Scope of the study***

The report prepared based on Project financing and profitability analysis of Nescafé Kiosk which is a business model of Nestlé Professional a business function of Nestlé Bangladesh limited. I have been able to work with the expert personnel of Nestlé Bangladesh Limited who have incessantly supported me by providing the information and sharing their experiences and last but not the least guided me to the correct and easy path from which I get the maximum benefit of learning.

### ***1.5 Methodology***

The data which I used to prepare this report are the collaboration of both primary and secondary data. Primary data I used were gather from my internship experience and as well as from the NBL authority provided me those data. Secondary data I took were from the kiosks operators appointed by distribution points. All the data I used were verified by both NBL authority and the distributors.

### ***1.6 Sampling technique***

The sample was a probability sample because the population was specified as well as the sample has been taken on the basis of the researchers' expediency.

### ***1.7 Limitations of the study***

Though I selected a new and relevant topic, I have faced severe obstacles during the research and analysis. Some of the limitations are as follows-

- I was supervised by the experts regarding this kiosk project but still I was a new joiner in this industry and thus many terms and planning were beyond my understanding.
- I managed to collect the data only of few kiosk however it could be done on a whole including the kiosks under all the distributors.
- I could have managed the data of the other kiosks also but due to shortage of time I could not able to continue by going through all the kiosks.

As I was doing my internship with some full time duties, so I could not do everything with the purpose of fetching all data. Consequently I was unable to go to a bunch of places to collect the samples accumulation.

# *Chapter Two- Company*

## *Overview*

## ***2.1 Nestlé Profile:***

Nestlé is a worldwide renowned name in the Fast-Moving Consumer Goods (FMCG) industry, especially in food & beverage sector. The company has been working to ensure nutrition, health and wellness for more than 150 years, operating in 189 countries. Globally Nestlé has a market of \$87+ billion, the highest in Food & Beverage sector. Apart from food, Nestlé also has some very prominent fashion brands under its umbrella of offerings. Nestlé also has ownership of L’Oreal, GARNIER, THE BODY SHOP, MAYBELLINE, DIESEL, YSL, GIORGIO ARMANI and some other famous brands. Globally, Nestlé has more than 100+ brands, 2000+ products, 335,000+ employees, 436 factories in 85 countries.

In Bangladesh, Nestlé started its journey back in 1998. Now, Nestlé has a factory in Bangladesh. It is situated in Sreepur, Gazipur. Globally Nestlé is the biggest FMCG Company, but in Bangladesh, it is not that big yet. Currently Nestlé Bangladesh is operating with only 12 brands. Nestlé Bangladesh is now in market creation phase of its operation. In Bangladesh, Nestlé has 3 business functions. These 3 functions generate the revenue for the company. These are Nutrition, Food & Beverage (F&B) and Nestlé Professional. Each of the business works in a very distinctive way. Nestlé nutrition and F&B are the main contributors of company’s earnings.

## ***2.2 History of Nestlé:***

The history of Nestlé started from as early as 1866. The separate companies from Switzerland formed the ancient company that became today’s Nestlé. The first venture was named Anglo-Swiss Condensed Milk established in 1867 in Cham, Switzerland by Charles, who was the then US consul in Switzerland and his brother named George Peter. In the next decades, they expanded their business rigorously throughout Europe and the United States. The other venture started concurrently in 1866 by Henri Nestlé in Vevey, Switzerland; a milk-based baby food company. Later they merged together and formed the largest food and beverage company- today’s Nestlé. Henri Nestlé retired in 1875 but the company, under new ownership, retained his name as Société Farine Lactée Henri Nestlé.

1866	<b>Foundation of Anglo-Swiss Condensed Milk Co.</b>
1867	Henri Nestlé's Infant cereal developed
1905	Nestlé and Anglo Swiss Condensed Milk Co. (new name after merger)
1929	Merger with Peter, Cailler, Kohler Chocolats Suisses S.A.
1934	Launch of <i>Milo</i>
1938	Launch of <i>Nescafé</i>
1947	Nestlé Alimentana S.A. (new name after merger with Maggi)
1948	Launch of <i>Nestea</i> and <i>Nesquik</i>
1969	Vittel (initially equity interest only)
1971	Merger with Ursina-Franck
1973	Stouffer's (with <i>Lean Cuisine</i> )
1974	L'Oréal (associate)
1977	Nestlé S.A. (new company name) Alcon (disposed in August 2010)
1981	Galderma (joint venture with L'Oréal - full acquisition announced for 2014)
1985	Carnation (with <i>Coffee-mate</i> and <i>Friskies</i> )
1986	Creation of Nestlé Nespresso S.A. and Herta
1988	Buitoni-Perugina, Rowntree (with <i>KitKat</i> )
1990	Cereal Partners Worldwide (joint venture with General Mills)
1991	Beverage Partners Worldwide (joint venture with Coca-Cola)
1992	Perrier (with <i>Poland Spring</i> )
1993	Creation of Nestlé Sources Internationales (2002: Nestlé Waters)
1997	Creation of Nutrition Strategic Business Division (2006: Nestlé Nutrition)
1998	San Pellegrino and Spillers Petfoods Launch of <i>Nestlé Pure Life</i>
2000	PowerBar (disposal announced for 2014)
2001	Ralston Purina
2002	Schöller, Chef America Dairy Partners Americas (joint venture with Fonterra) Laboratoires innéov (joint venture with L'Oréal)
2003	Mövenpick and Dreyer's
2005	Wagner
2006	Creation of Food Services Strategic Business Division (2009: Nestlé Professional) Lactalis Nestlé Produits Frais (associate) Jenny Craig (disposed in 2013), Uncle Tobys, Delta Ice Cream
2007	Novartis Medical Nutrition, Gerber, Henniez
2008	Ruzanna
2010	Kraft Food's frozen pizza, Waggin Train, Malher, Technocom, Vitaflo
2011	Creation of Nestlé Health Science and Nestlé Institute of Health Sciences Yinlu, Hsu Fu Chi (partnerships) in China
2012	Wyeth Nutrition
2013	Pamlab
2014	Take a look at all our latest news in the Media section

### **2.3 Nestlé Vision:**

“Nestlé aim is to meet consumers’ needs on a daily basis by letting them know the importance of food habit & create awareness among people about the food habit and let people know the impact of good food on their mind.

### **2.4 Nestlé Mission:**

"Good Food, Good Life" – slogan of Nestlé. Good Food is the only source of good health for life.

### **2.5 Business Functions of Nestlé:**

There are 3 different types of business functions of Nestlé Bangladesh Limited as well as Nestlé global. They are:

#### **2.5.1 Food & Beverage (FnB):**

Nestlé globally doing business for 150 years. The most famous consumer’s brands are MAGGI, Nescafé, Nestea, KitKat, Milo, Cerelac, Pure Life, Coffee Mate etc. Mainly food and beverage business function focuses on the reach of the products to end consumers.

#### **2.5.2 Nestlé Nutrition (NN):**

Nestlé Nutrition team works toward continually adding value for society. It is working through greater access to safe, high quality responsibility produced nutritious food and greater knowledge nutrition and health issues. Nestlé Nutrition has baby foods and healthcare food products under nutrition business function.



### ***2.5.3 Nestlé Professional (NP):***

In modern day to day life, people are busy with job & businesses. People spent very small amount of time for lunch during job hour. Even they get a very less time for cooking food in the morning. Nestlé Professional focuses on the “Out of Home Consumption” of their customers. The items Nestlé professional serves to its customers are ready made and easy to eat or take. As an example Nescafé Vending machine is very useful. It saves lot more time and it is also easy to use. Across the world different product has been launched under Nestlé professional. Some are not available in all the countries. The products are launched and introduced based on the demand of the particular region or country.

### ***2.6 Nestlé Professional’s Overview***

Nestlé Professional is a food service department and a key growth pillars for the Nestlé Group. Nestlé Professionals focuses on the out-of-home consumptions. This wing has its own products and stock keeping units (SKU’s) to cater the out-of-home consumptions of the customers. It has a different set of target market and channels to reach these specific set of customers. Globally, Nestlé Professionals account for 55.8% of the total revenues generated by Nestlé Global, but this wing contributes only 2.69% of the revenues in Bangladesh since this wing is relatively new in Bangladesh, though it has a huge potential.

Nestlé Professional started its operation in Bangladesh from 2006. Since then its business has grown much. Though its total contribution to the business of Nestlé Bangladesh is very low, it is continuously growing and its rate is 20%. Food & Beverage and Nestlé Nutrition has already reached to a matured level. So, in those business functions the growth rate is limited. On the other hand, Nestlé professional has a very potential market.

### ***2.6.1 Nestlé Professional's History***

**Established: 2006**

**Function: Out of home consumption**

**Geographical Territory: All over the Bangladesh**

**Motto- "Making More Possible"**

In the year of 2006 a new business function was founded by Nestlé named *Creation of Food Services Strategic Business Division*. After three years, in 2009 it was renamed as Nestlé Professional with a new purpose and improved goal.

### ***2.6.2 Nestlé Professional's Goal***

Nestlé Professional's goal is to help our customers to grow their businesses with our creative, branded beverage and culinary solutions and insuring health, wellness and nutrition.

*"Help our customers grow their businesses with our creative, branded beverage and culinary solutions"*

### ***2.6.3 Nestlé Professional's Mission***

Nestlé Professional becomes an inspiring growth partner that delivers creative, branded food and beverage solutions enabling operators to innovate, and delight their consumers.

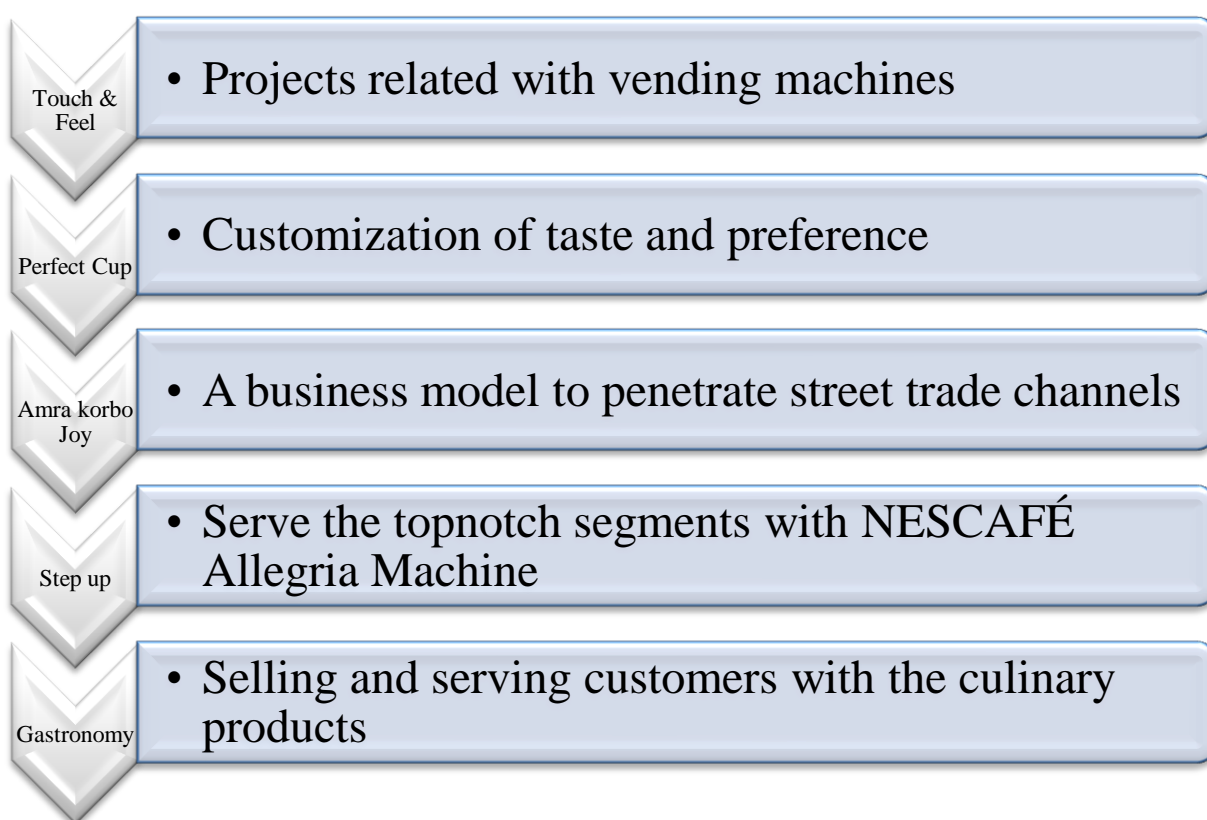
*"To become an inspiring growth partner that delivers creative, branded food and beverage solutions enabling operators to innovate, and delight their consumers."*

### 2.6.4 Nestlé Professional's Vision

Nestlé Professional's goal is to help its customers achieve optimal health, so it has reduced sugar, salt and saturated fats in its products and leads the industry in research on nutrition and wellness." (Nestlé professional)

### 2.6.5 Nestlé Professional's Project:

Nestlé Professional currently deals with five concentration area. They are-



### 2.6.6 Market Size:

Nestlé Bangladesh is doing business in Bangladesh for many years. It is serving its customers through various consumer goods. But the now people are getting busier day by day and Nestlé professional targets those people who consumes foods on a regular basis out of home. The main goal of Nestlé professional is to serve readymade foods to its customers.

### **2.6.7 Customers of Nestlé Professional:**

Customers of Nestlé Professional are easily understandable by its name- professional. Basically Nestlé targeted the professional people who mostly consume foods out of home. But it will not stuck with corporate people but it also targets the large segment who needs to consume foods out of home may be not on a regular basis. For example, in a hospital waiting patients, in bus or train terminal waiting passengers, students of college, universities all are the target customers of Nestlé Professional.

### **2.6.8 Products of Nestlé Professional:**

The core products of Nestlé Professionals are:

<b>Segment</b>	<b>Products/ Brands</b>
<b>Beverage</b>	Nescafé Hot Double Option Vending Machine
	Allegría Premium Coffee Machine
	Nescafé 3 in 1 Vending Machine Premix
	Nestea Lemon Tea Premix
	Nestea Milk Tea Premix
	Nescafé Coffee 200gJar
<b>Dairy</b>	Nescafé Coffee Mate- 1kg
	Everyday full cream milk powder- 500gm
<b>Culinary</b>	MAGGI Soya Sauce
	MAGGI Oyster Sauce
	MAGGI Healthy Soup
	MAGGI Noodles

## 2.7 Nescafé Kiosk:

Nescafé kiosk is a pop up store which is set up directly by Nestlé & monitor and operate by the authorized distributor of Nestlé Bangladesh Limited. It is under Nestlé Professional business function. Mainly the kiosk is set up at the places where customers have to wait for long time or there is a gathering of customers. For example, hospitals, universities, colleges, shopping malls, amusement park etc.

The main purpose of Nescafé Kiosk to provide quality and hygienic foods to the end consumers at a cheap price. To fulfill this motive Nestlé targets the places like hospitals, school, colleges and universities. To ensure the hygiene and quality Nestlé directly monitors and controls it by its own distributor not by any third party. The company bears all the costs regarding the kiosk setup. Then the distributor invests the vending machines, appoints kiosk operators and bears other variable costs.



### ***2.7.1 Customers of Nescafé Kiosk:***

Generally, kiosks are given at a place where customers gather or waits or where it has a higher visibility. It may also set up in an open place. Kiosk targets all kinds of customers but it focuses much on a specific segment for example for universities, the target customers are the students, for hospitals target customers are the patient. Also the other visitors or staffs are the customers too.

### ***2.7.2 Kiosk as a Business Model:***

Setting up a kiosk is a systematic process. It requires few steps to setting up a kiosk. The process can be divided into several parts:

- ❖ **Place Selection:** To Place a kiosk the main factor is choose of the place where we want to set up the kiosk. It can be either in a hospital, university, shopping mall or amusement park.
- ❖ **Taking Permission:** The next crucial part is to take permission from the authority of the place where we want to set up the kiosk. It requires some time to get approval from the authority. After getting the approval we make a contract with the authority and offer them some profit sharing or rent, based on their demand. We take electric and water support from the authority to smooth operation of the kiosk.
- ❖ **Prepare the Kiosk:** After finalizing the contract we align our vendor who makes the kiosk. Vendor sends their pupil to visit the place where the kiosk will set up, and design as per the decoration and size. Generally they prepare the kiosk within 5 to 10 days. The initial costs for making the kiosk are borne by the NBL itself. Then it is handed over to the authorized distributors of Nestlé Professional.
- ❖ **Aligning Distributor:** In the earlier discussion I mentioned the operation of Nescafé kiosk is done by the authorized distributors of Nestlé professional. Based on the area, the nearest distributor is aligned with the kiosks. Then set

up necessary instruments such as vending machines, kiosk operators, rice cookers and all the other things.

- ❖ **Inauguration:** After getting all the things done a small inauguration ceremony takes place. Higher officials from both the NBL and the authority sides presents in the ceremony. It also helps to maintain a good relationship with different organization by setting up kiosk.
- ❖ **Operation:** The distributor recruits necessary man power to run the kiosk. They also bears the necessary cost to serve the customers with finished products. They can only sell Nestlé branded products. They cannot sell other brand's products at Nescafé kiosk. After one month they share the rent or profit with the authority as per the contract.

Kiosk as a business model is very much effective because it has various aspects. The Nescafé branded pop up stores gives a branding of Nescafé, the distributor sells the products of Nestlé Professional and they get profited as well as NBL authority get profited, and last but not the least consumers are getting quality food, hygienic food out of home.

### 2.7.3 List of kiosks under different distributor:

There are total number of 65 kiosks running at different places all over Bangladesh. As discussed earlier only authorized distributors can set up Nescafé branded kiosks and operate them. A glimpse of the kiosks are shown below-

NSU	Banani Specialized hospital
MIST	Sishu Matri Hospital
Dhaka University	Ahsanullah cancer medical hospital
AIUB	Cambrian College_Uttara
Square Hospital	Begum Fozilatunnessa memorial hospital KPJ
Medinova hospital	Cambrian College All branches
Ibne Sina hospital	Gazipur Cantonment Public School.
Apollo hospital	Prime bank eye hospital
Rapa Plaza	Jahangir nagar university, Science faculty
Kamlapur railway station	Delta health care
Asgar Ali Hospital	Dhaka Medical College
Ibrahim Cardiac hospital	NHTTI
Jahangirnagar University	Air Force Canteen
Bangladesh Medical	Islami Bank Hospital
Metlife Alico	Boishakhi restaurant, near Nestlé factory
Think tank	Bar B Q kitchen, in front of Nestlé factory
DU teachers' club	UIU
Mokbul hossain Clg	And More



Kiosks at Square Hospital



Kiosks at Dhaka Medical College



**Chapter- Three Comparison**  
**among kiosk at different**  
**places (5 samples)**

### **3.1 List of Kiosks**

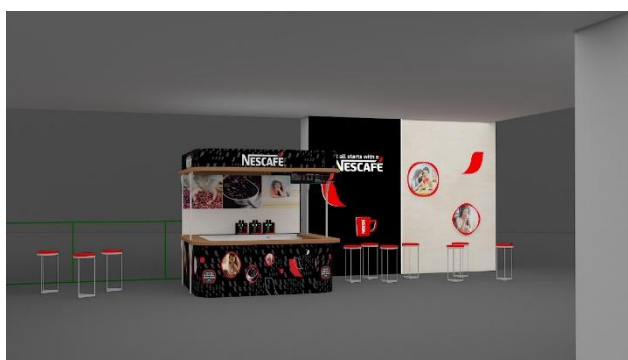
We have chosen 5 kiosks as our sample to calculate the profitability. We have taken only 5 among many other kiosks. On the selection of the kiosk we have taken two hospitals, one educational institution and one corporate office & one public transport area. It will give us a different view of the sales at different places. The list of the kiosks is given below:

- Square Hospital
- Kamalapur Railway Station
- North South University
- Metlife Building
- Apollo Hospital

### **3.2 Setup Cost**

To setup a Nescafé Kiosk there are different types of initial expenses occurs which is borne by the NBL itself. The NBL authority makes the infrastructure of the Nescafé Kiosk by the agency. Previously the kiosk is made with different design depends on where the kiosk is being placed. But now all the kiosk is designed same in different size. That means all the kiosk's look is same but based on the space provided by the authority where the kiosk will be placed the size may vary. Generally kiosk's size differ from 6ft\*6ft, 4ft\*6ft, 3ft\*3ft. The most common and the preferable size for kiosk is 6ft\*6ft.

After preparing the kiosk by the agency they also deliver the kiosk at the designated place and setup it. It also occurs some charges. The total process of preparing and setting up the kiosk including delivery costs around BDT 130,000 to BDT 150,000.



Graphical representation of a Kiosk, Provided by the agency

After placing the kiosk the main elements; the vending machines are placed. Basically three types of vending machines are placed in the kiosks. All the kiosks have Nescafé Hot vending machine, Nescafé Cruncher machine (Cold Option machine) in common. Some kiosks have the Nescafé Alegria 510 machine (premium coffee machine) also. NBL authority has also decided to serve MAGGI Noodles and MAGGI Soup solutions to all of its Kiosks. It also requires additional two/ three rice cookers to prepare the food solution. But still all the kiosks doesn't have all these solutions available.

**Costs from the Vending Machines:**

<u>Sl No</u>	<u>Images</u>	<u>Item Name</u>	<u>Availability</u>
1		Nescafé Spectra 3	In all Kiosks
2		Nescafé Spectra 2	In all Kiosks
3		Nescafé Cruncher Machine	In all kiosks
4		Nescafé Alegria 510	Not in all kiosks

**Cost from the vending machines**

<b><u>Beverage Solution</u></b>	<b><u>Costs</u></b>
Nescafé Spectra 3	BDT 46,000/-
NescaféCruncher Machine	BDT 56,000/-
Nescafé Alegria 510	BDT 25,000/-
<b>Total</b>	<b>BDT 127,000/-</b>

Only one from the Spectra 3 and spectra 2 is available in the kiosks. Spectra 3 is just the upgraded version of the Spectra 2. So, the total investment with vending machine is around

So total setup cost for a Nescafé Kiosk is around BDT 250,000 – 280,000

***3.3 Sale from the Kiosks***

To analyze the sale data we collect the data of 2017 and 2018 month by month of all the five kiosks. The item sold in each and every kiosk is the Coffee and Lemon tea. Many kiosks also have some other beverages like Milk Tea, MAGGI Noodles, MAGGI Soup, Nestlé branded chocolates etc. I have taken the data of the coffee and Lemon tea sale which is prepared by the Nescafé 1kg 3 in 1 Premix and Nestea Lemon Tea 500gm Pack. These two items are use both in hot vending machine & the Cruncher machine (Cold Option). Both these machines are double option means they both have Coffee and Lemon tea serving option. Items serve with these two machines are:

1. NESCAFÉ Perfect cup
2. NESTEA Lemon Tea
3. NESCAFÉ Frappe
4. NESTEA Iced Tea

The data of sale of beverages are given below:

### Sale of Nescafé Coffee in 2017

Total Sale of Coffee (Hot & Cold)													
Year	Month	Square Hospital		NSU		Kamalapur Railway Station		MetLife Building		Apollo Hospital		Total (Perfect Cup)	Total (Frappe)
		Perfect Cup	Frappe	Perfect Cup	Frappe	Perfect Cup	Frappe	Perfect Cup	Frappe	Perfect Cup	Frappe		
2017	January	19989	1209	7506	487	7992	187	1247	33	21982	1200	58716	3116
	February	17984	1345	15322	1261	7260	152	1239	26	22230	1325	64035	4109
	March	18326	1231	14784	1297	6732	190	1316	36	18732	1175	59890	3929
	April	17258	1477	13649	1167	6435	225	1187	44	17534	1032	56063	3945
	May	13982	809	3862	150	6018	166	955	17	12281	919	37098	2061
	June	2125	271	344	57	4022	208	0	0	3722	395	10213	931
	July	14261	1498	11379	1290	6347	239	1022	39	16004	1550	49013	4616
	August	12705	1208	10478	1345	9450	163	976	23	18072	1376	51681	4115
	September	13517	962	6443	622	8700	184	753	19	17434	740	46847	2527
	October	16430	1434	13067	1235	6930	201	950	31	19634	1721	57011	4622
	November	20982	1202	13900	1348	6100	191	1027	28	21023	1580	63032	4349
	December	22745	1166	14006	1253	7477	168	1230	24	20784	1327	66242	3938
											<b>619841</b>	<b>42258</b>	

In 2017, from the five kiosks total **619,841** cup regular hot coffee were sold and **42,258** cups Frappe (Cold Coffee) were sold.

## Sale of Nescafé Coffee in 2018

Total Sale of Coffee (Hot & Cold)													
Year	Month	Square Hospital		NSU		Kamalapur Railway Station		MetLife Building		Apollo Hospital		Total (Perfect Cup)	Total (Frappe)
		Perfect Cup	Frappe	Perfect Cup	Frappe	Perfect Cup	Frappe	Perfect Cup	Frappe	Perfect Cup	Frappe		
2018	January	23258	1049	6164	405	6871	156	1041	46	20675	838	58009	2494
	February	21059	1129	14700	1153	9275	171	903	27	19345	1086	65282	3566
	March	20484	1216	13897	1078	7312	205	1102	32	19788	11	62583	2542
	April	19633	1380	14542	1134	6484	216	1175	40	19210	11	61044	2781
	May	6940	556	7890	201	2841	248	658	15	7059	549	25388	1569
	June	5980	402	2681	86	4909	392	720	19	6043	486	20333	1385
	July	17526	1459	11845	1156	6209	236	986	34	15563	984	52129	3869
	August	19449	1328	12058	1084	6819	207	1047	34	17227	1226	56600	3879
	September	14005	1009	5130	943	8154	297	998	41	18012	1109	46299	3399
	October	21568	1273	12632	1005	7006	246	1105	31	18114	1339	60425	3894
	November	22741	1235	12009	970	6700	192	1281	34	20045	897	62776	3328
	December	22625	1171	11798	1055	7252	172	1169	39	19122	983	61966	3420
<b>Total</b>												<b>632,834</b>	<b>36,126</b>

In 2018, from the five kiosks total **632,834** cup regular hot coffee were sold and **36,126** cups Frappe (Cold Coffee) were sold.

**So, the total sale from 2017 & 2018 is:**

Beverage	Cups
Total Sale of <b>Perfect Cup</b> (2017 & 2018)	1,252,675 Cups
Total Sale of <b>Frappe</b> (2017 & 2018)	78,384

NESCAFÉ Vending Premix used to make these cups:

Particulars	Total 3 in 1 Premix (KG)
Total Premix use from Perfect cup (1252675*.014)	17,537kg
Total Premix use from Frappe (78384*.030)	2,351.52 kg
<b>Total Premix Use</b>	<b>19,889 kg</b>

Here, recipe for perfect cup is 14 gm per cup (90ml) and for frappe 30 gm per cup (180ml)

The carton configuration of NESCAFÉ 3in1 Premix is 16 pieces/ carton. So total **(19889/16)= 1243 cases.**

### Sale of NesteaLemon Tea in 2017

Total Sale of Nestea (Hot & Cold)													
Year	Month	Square Hospital		NSU		Kamalapur Railway Station		MetLife Building		Apollo Hospital		Total (Lemon Tea)	Total (Iced Tea)
		Lemon Tea	Iced Tea	Lemon Tea	Iced Tea	Lemon Tea	Iced Tea	Lemon Tea	Iced Tea	Lemon Tea	Iced Tea		
2017	January	2659	426	862	256	1266	263	511	19	1354	249	6652	1213
	February	3248	349	2184	872	1119	230	446	16	1176	260	8173	1727
	March	2413	522	2380	750	1274	289	509	22	1094	218	7670	1801
	April	2546	411	2269	813	1209	264	437	25	1110	251	7571	1764
	May	1130	294	729	462	981	177	327	17	750	183	3917	1133
	June	855	96	191	19	553	317	0	0	291	78	1890	510
	July	2921	386	1863	682	819	281	449	17	1325	176	7377	1542
	August	3183	411	1992	771	1107	305	426	19	1267	225	7975	1731
	September	2410	316	709	414	986	296	372	21	1009	192	5486	1239
	October	2782	409	2279	936	1271	252	465	20	1143	206	7940	1823
	November	3007	334	2501	511	1186	239	422	19	1117	119	8233	1222
	December	2893	362	2384	694	1264	291	489	18	1238	167	8268	1532
<b>Total</b>												<b>81152</b>	<b>17237</b>

In 2017, from the five kiosks total **81,152** cup Nestea Lemon Tea were sold and **17,237** cups Iced Tea were sold.

### Sale of Nestea Lemon Tea in 2018

Total Sale of Nestea (Hot & Cold)													
Year	Month	Square Hospital		NSU		Kamalapur Railway Station		MetLife Building		Apollo Hospital		Total (Lemon Tea)	Total (Iced Tea)
		Lemon Tea	Iced Tea	Lemon Tea	Iced Tea	Lemon Tea	Iced Tea	Lemon Tea	Iced Tea	Lemon Tea	Iced Tea		
2018	January	2761	442	971	238	1142	281	441	16	1132	198	6447	1175
	February	3614	402	1841	717	990	194	398	14	1205	249	8048	1576
	March	2511	469	1784	619	930	266	364	13	1308	194	6897	1561
	April	2830	506	1909	588	1023	222	299	17	1164	252	7225	1585
	May	1482	225	736	100	902	260	223	6	802	132	4145	723
	June	1206	278	422	49	717	200	194	8	723	91	3262	626
	July	2436	429	2016	1025	522	249	406	19	1049	236	6429	1958
	August	2841	443	1840	872	1123	238	422	16	1230	284	7456	1853
	September	2906	353	508	455	1010	359	356	12	1098	307	5878	1486
	October	3168	460	1749	784	1145	217	379	22	1340	286	7781	1769
	November	3048	417	1967	735	1201	266	332	17	1163	294	7711	1729
	December	3205	399	2153	813	1174	289	503	21	1259	316	8294	1838
<b>Total</b>												<b>79573</b>	<b>17879</b>

In 2018, from the five kiosks total **79,573** cups Nestea lemon tea were sold and **17,879** cups Iced Tea were sold.

**Now, the total sale from 2017 & 2018 is:**

<b>Beverage</b>	<b>Cups</b>
Total Sale of <b>NESTEA Lemon Tea</b> (2017 & 2018)	160, 725 Cups
Total Sale of <b>Iced Tea</b> (2017 & 2018)	35,116 Cups

NESTEA Lemon Tea Premix used to make these cups:

<b>Particulars</b>	<b>Total 3 in 1 Premix (KG)</b>
Total Premix use from Lemon Tea (160725*.014)	2250 kg
Total Premix use from Iced Tea (35116*.028)	983 kg
<b>Total Premix Use</b>	<b>3233 kg</b>

Here, recipe for perfect cup is 14 gm per cup (90ml) and for frappe 28 gm per cup (180ml)

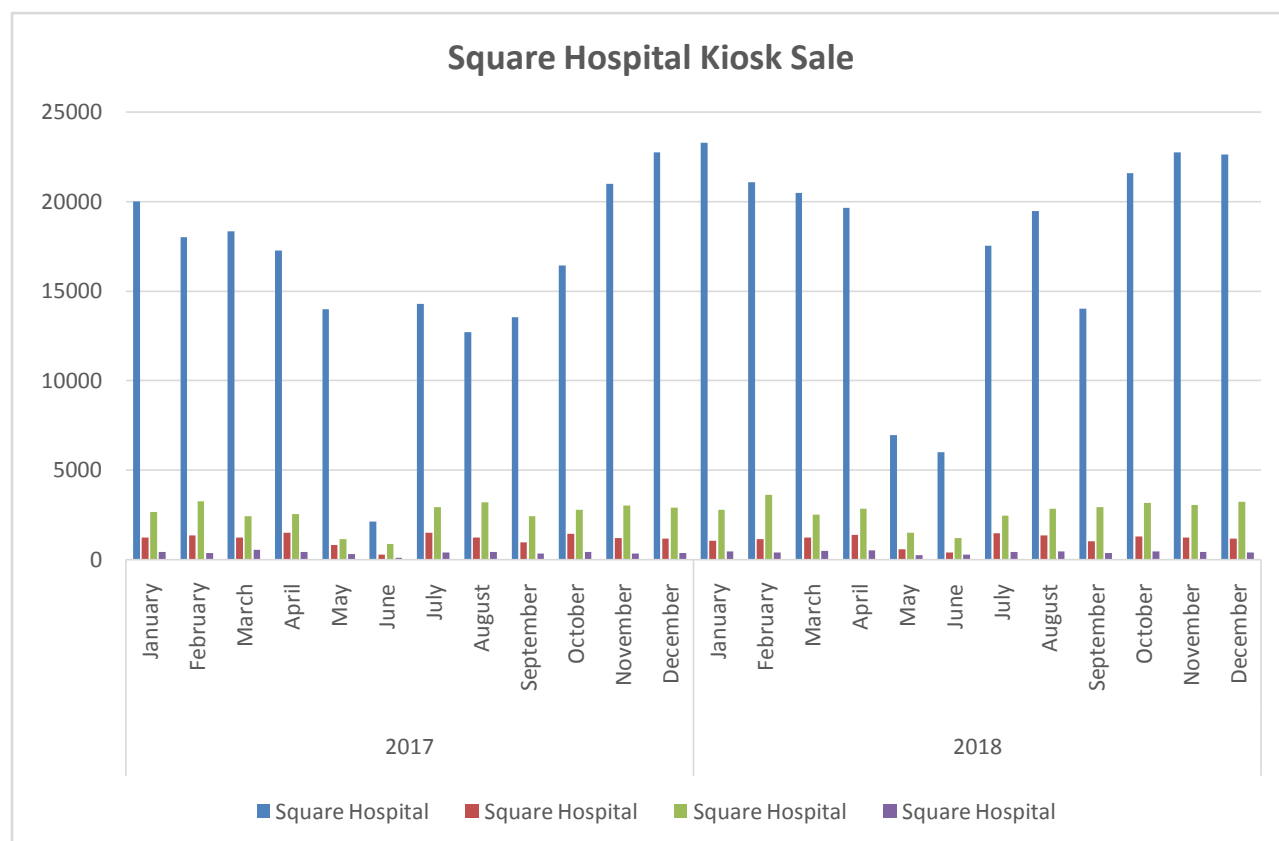
The carton configuration of NESTEA Lemon Tea is 24 pieces/ carton. So total **(3233/12)**  
**=270 cases.**



### 3.4 Comparison of the sale of the kiosks

As we saw in the previous part that the difference of sale from difference kiosk in year 2017 & 2018.

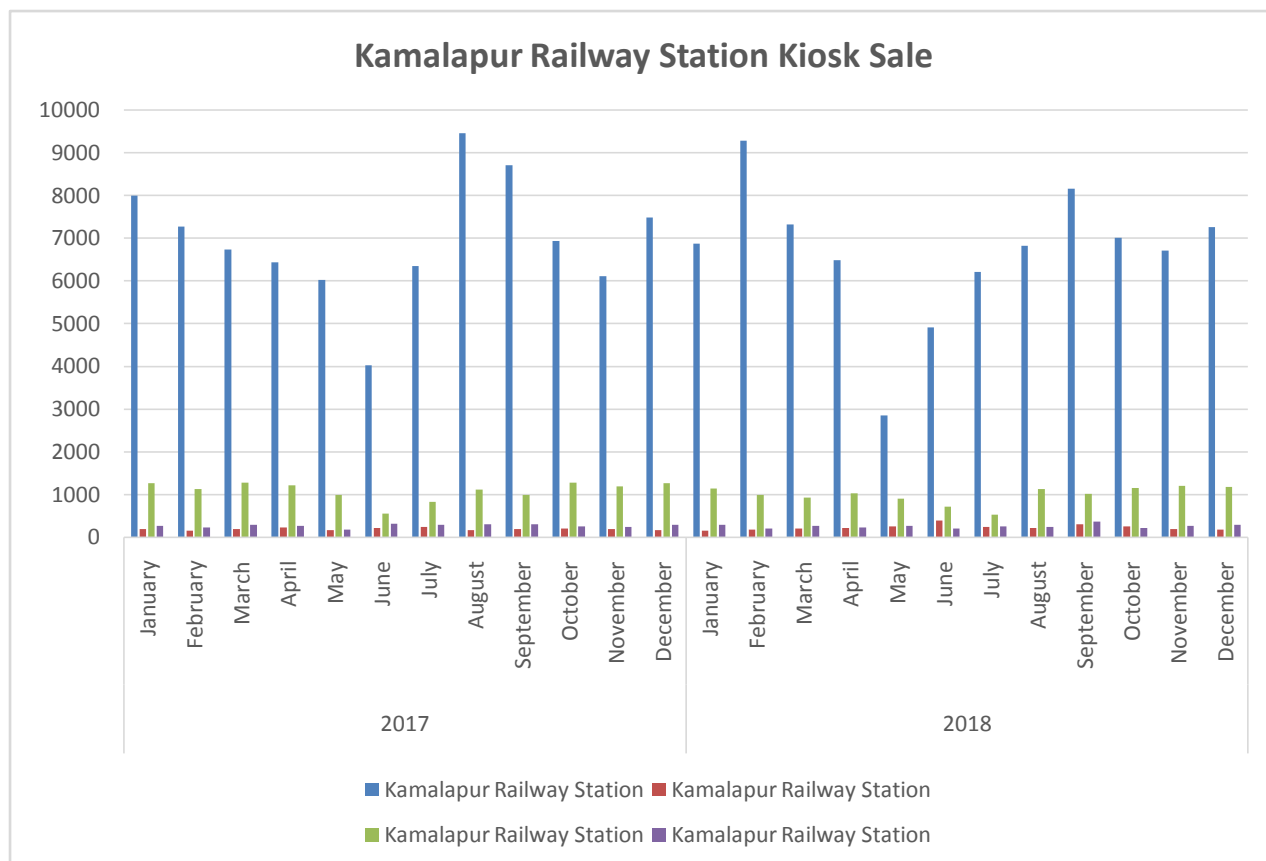
Here some graphs are present to clarify the year wise sale changes:



Here we can see that, the most number of cup of Nescafé Coffee and Nестea Lemon tea had been sold on the month of January and February. The seasonal impact is clearly visible here.

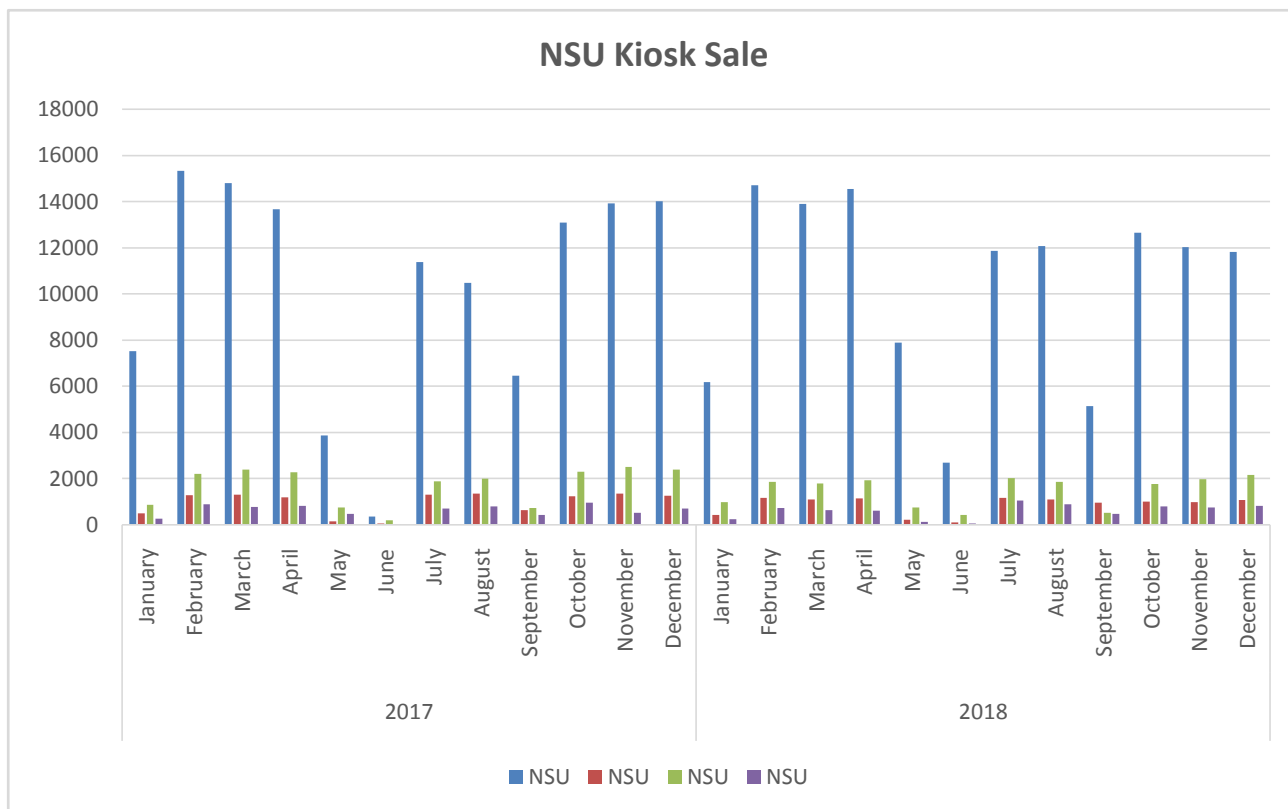
In the Ramadan which was on June month on 2017 and on May and June month together in 2018, the sale of coffee and other beverages was the lowest. As the customers came and didn't take any beverages in the day time, so the sale fallen down drastically in the Ramadan time. Other than that the sale was quite stable in summer as it was increasing month by month towards the winter season.

Another interesting note is in the hospitals the sale of summer doesn't fall in higher portion. Because, in the summer the number of patient is higher than winter. So the sale remains pretty much stable.



The scenario in kamalapur Railway station’s kiosk is almost same. It has a higher sale in winter season than summer season. The lowest sale is in the Ramadan period as people were fasting and didn’t take any food or other items. The sale of Nestea Lemon tea is very low in comparison to Nescafé coffee. It may be the less awareness about Nestea lemon. Nestlé doesn’t brand or promote the Nestea lemon tea that much they promote the Nescafé brand. So it should be taken under concern.

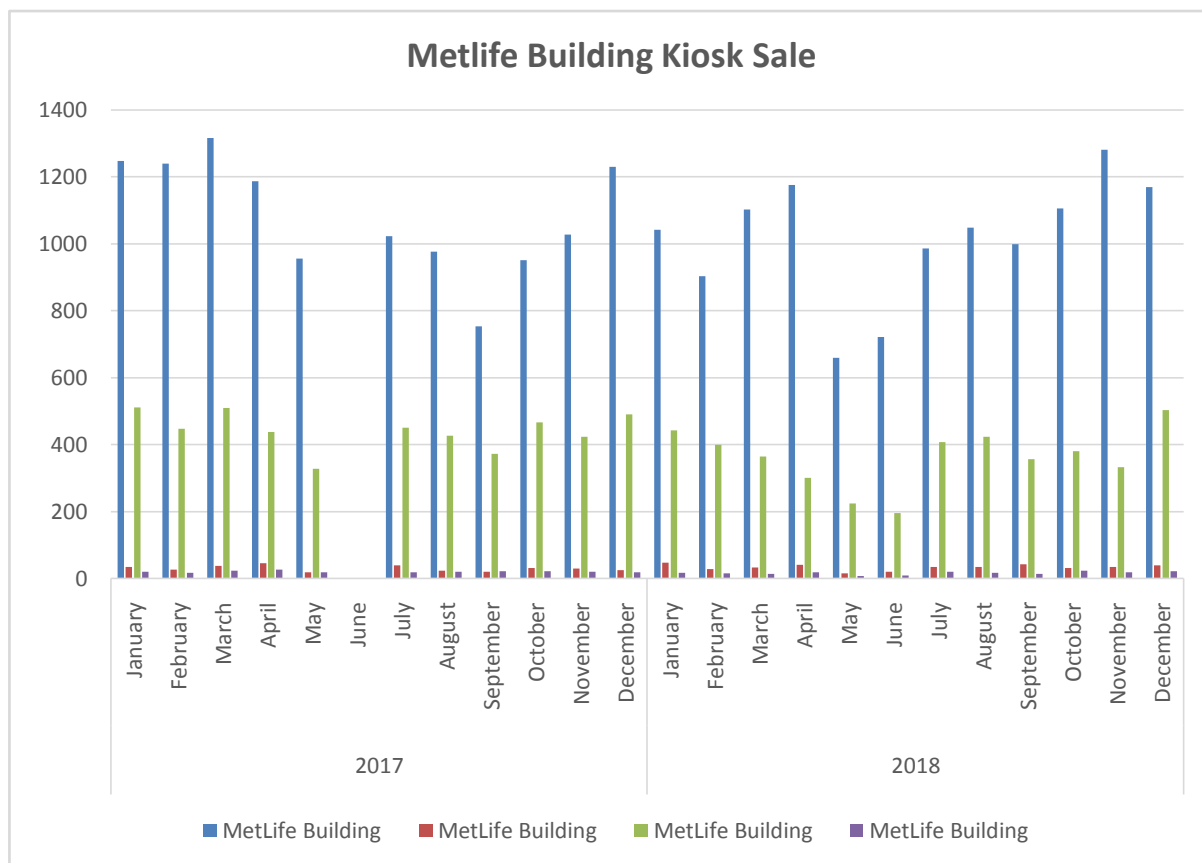
In the time of Eid ul Adha the sale of beverages increased although it was in summer time. Because of engaging more people in the same area during the ‘Eid time the sale increased. In the both 2017 and 2018 the same thing visible. So any occasion or holiday that drives people go home or the countryside increases the sale of kamalapur Railway station’s Kiosk.



The kiosk of North South University was started back in 2014. At NSU total 4 kiosk is operating at present. The data given in the above chart is the accumulation of the sale of those 4 kiosks.

In any university the common reason of sale drop is very obvious. Other than the common reasons also a big problem is the semester/ trimester break. Generally in the private university continue a trimester system and most of public and some other private university follows the semester system. In the gap between these trimester/ semester there is a holiday of 15-25 days. On this time the sale reduces a lot as there is no students. Also on the vacations or religious festivals the university remains closed so as the sale also fall.

Seasonal impact is also visible in the graph. In winter sale increased and in summer it decreased. But the consumption of Nestea Lemon tea and Nescafé Frappe is higher in compare with the Nescafé Hot coffee, which is a good side.

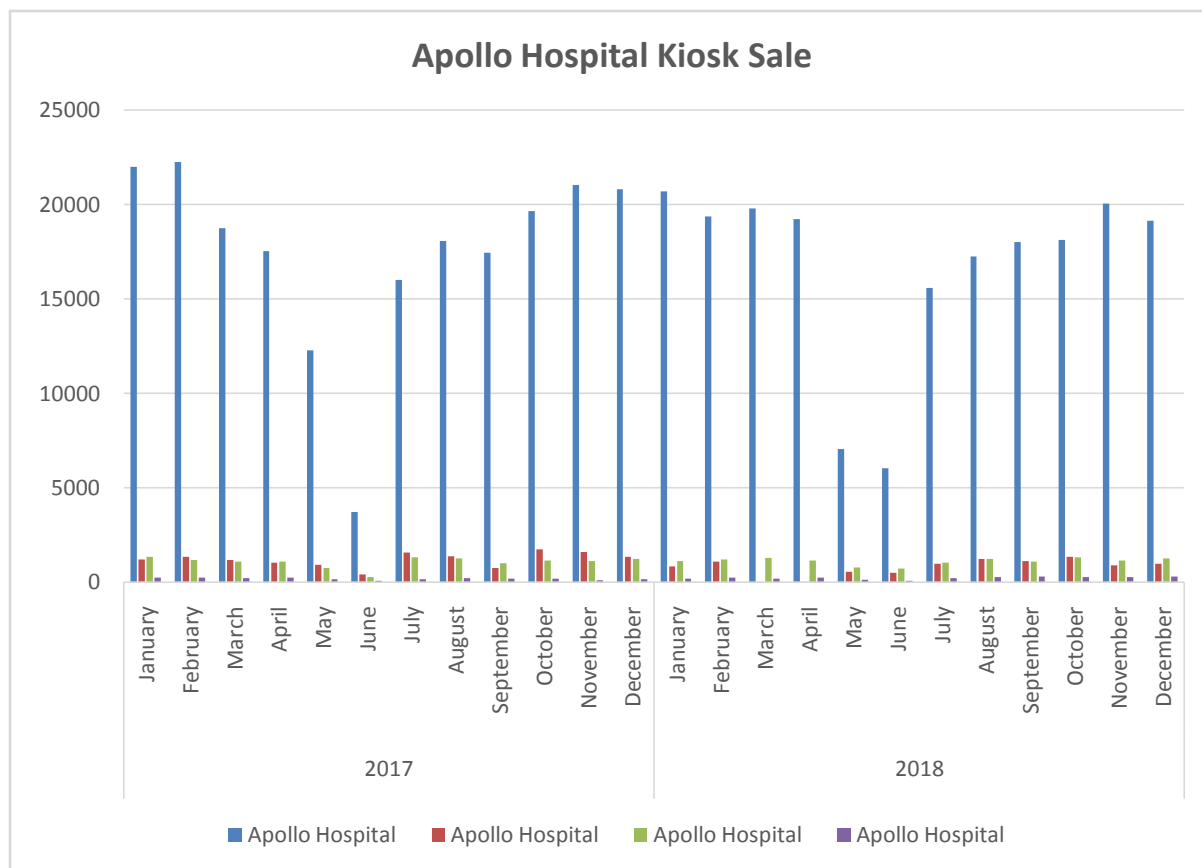


The kiosk of MetLife building is situated at Motijheel, and it is one of the first kiosk. It is the head office of MetLife which was previously the Alico, a subsidiary of AIG group, USA. The kiosk is situated at the ground floor of the MetLife building.

In contrast of the other kiosks, the sale of the MetLife building kiosk is very lower. It has a continuous sale and the sale is pretty much stable. In the winter the sale increases a little, and during summer sale decreases. The Frappe and Iced tea consumption is average 10-20 cups per day.

We can see the December and January month has the highest sale, and during Ramadan the sale is nil. This is because in the Ramadan the kiosk of MetLife building remains close. As the office time is from 9 am to 2pm so the kiosk doesn't operate during Ramadan. In 2017 the Ramadan was at June month and in 2018 Ramadan was in between May and July.

As the place is visited by a large number of people every day the sale is constant. Recently a Nescafé Alegria machine has also started to serve Espresso, Latte, Americano, Cappuccino and Lungo; the premium coffee to its customers and also it will help to generate more revenue from the Kiosk.



Apollo Hospital has 6 kiosks operating at different floor of the building. It is one of the kiosks with large sale. If we look closely it is visible that 2017 had a little bit large sale than 2018. It can be for various reasons. Also during Ramadan month the sale was lowest. The sale of Nestea lemon tea and Frappe was also good, but the sale of Nestea lemon tea was less.

The seasonal impact is also clear on the sales figure. The winter season has the highest sale. During summer the sales of Nescafé beverage was fallen down. But soon it recovers on the starting of winter.

To increase the sales of the Apollo Hospital, recently Nestlé branded chocolates has also introduced in the Apollo Hospital’s kiosk.

### ***3.5 Factors impacting the sales***

There are lots of internal and external factors which affects the sales of kiosks. We can divide them into several parts. Based on the consideration of the factors the main reasons are describing. The first thing we can consider is seasonal impact. As in our country the winter season don't last longer, it effects the sale of the kiosks. Another important issue that need to keep in mind is the basic customers of the kiosks. And another main thing that I will discuss is the place where the kiosk is placed.

#### ***3.5.1 Seasonal Impact***

In winter season the sale of coffee and Nestea lemon tea increases and the cold beverages decreases. From the above graph we can see that at all the kiosk the sale of the lemon tea and coffee increased. But the cold beverages decreased slightly. Another most important thing I found while working to gather information regarding the kiosk that in the hospitals the patients, in our case our prospected customers of the kiosk are more in the summers than winter. Because generally people get sick more in summer than winter. So the sale of the coffee and other beverages doesn't affect much in the hospitals.

#### ***3.5.2 Geographical Analysis***

Nescafé kiosk is placed in various places where there is a gather of people and they wait for some time. At kamalpur railway station the kiosk is place at a very good place and everyday their visit a bunch of people. On the holidays and weekend the crowd gets four to tens time more. But the sale is not very high because everyone remains on hurry to catch the train. But in the holiday times the sale increase a lot because more number of people visits same place and they also waits for a longer time than usual. Another much important scenario is visible at the universities and the educational organizations. During the semester/ trimester break or vacation the sale decreases as the number of student is not that much during those time. So it also effect the sales.

# *Chapter Four- Findings*

Nescafé Kiosk is a great business model that is not only providing profit to NBL but also it is giving a brand visibility. It is more crucial than the other products or services of Nestlé professional because it gives a chance to serve direct to the consumers. It can make them delight with proper service or make them dissatisfied. There are some findings that I got while working on this kiosk project. Some of the findings I am sharing here:

- In some kiosks the operators are not highly trained to manage their customers.
- The operators are not maintain the dress code and the hygiene standard properly.
- The problem of political personnel and their demand of weekly and monthly commission and some cases the authority asks for bribe.
- Problem with providing the customers with change of money.
- Sudden technical problem with vending machines causes discontinuation of providing service for a while.
- Lack of brand visibility for example the acrylic banner; lit banner is not working properly.
- The operators don't stay in the kiosk all the time. Sometime they goes outside or gossip with others which affects the service providing to the customers.
- Not having any sales target to the operators targets for kiosk sale.



# *Chapter Five-* *Recommendation*

NP Business is not a business function like others it is far more challenging because of its complexity of people management and massive gap in the market. In order to make it a well infrastructure business I had to develop the whole system from the scratch. Firstly, I redesigned the attire of manpower and made them wear Nescafé T-shirts, Caps, and Shoes etc. It has increased the visibility and awareness as well as the confidence of the sales force. Thirdly, a strong employee feedback system was required as everyday sales team faces something new so I developed a daily feedback reporting system.

There are some recommendations that I think will help to run this business more efficiently;

- The kiosk operator should have sales targets so that they use the 100 percent of their time in the kiosk properly.
- Distributors can introduce KPI based incentive program at the kiosks to the operators so that they motivate to sale to the customers. For example they can be given addition one taka incentive per sale of a cup of coffee or other beverages.
- Adequate number of T-shirt and caps should be provided to the kiosk operators so that they can remain uniformed while doing their duty.
- All the products can be introduced to the maximum numbers of the kiosk like MAGGI Noodles and MAGGI Soup which will give them additional revenue.
- Kiosk supervisor should be recruited to monitor and fix the problems regarding the kiosks.

# *Chapter Six- Conclusion*

Since the day of inception Nestlé Bangladesh Limited has been carrying a positive brand image and brand equity towards the mass people. This is the secret of this fastest growing reputed FMCG MNC in Bangladesh. The company continues to focus on presenting a panacea to the problems of consumers by regularly modifying the existing products, introducing new products, concentrating on new opportunities and improving the communication system. And all these activities are performed by a set of hard working and talented employees working with a positive aggression and reactivates. The sales Nestlé Bangladesh Limited generates is mainly based on distributors.

Nestlé Professional is contributing good amount in overall business of Nestlé Bangladesh Limited. Nestlé Professional is a new concept for Bangladesh and its growing very fast. In 2017, Nestlé Professional has achieved 36% growth nationally.

To maintain this growth, Nestlé Professional team is trying to ensure the best distribution but here they have no direct control over the sales. With the help of strong strategic marketing plan, the distribution channel can be run smoothly. Day by day, the sales figure is increasing but this function can develop its distribution efficiency, if the team follows the things, which have been recommended in the part of recommendation.

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## **Nestlé Bangladesh Limited Personnel**

1. *Masum Uddin Khan, Country Business Manager- Nestlé Professional, Nestlé Bangladesh Ltd*
2. *Alal Hossain Dhali, Manager- Nestlé Profesional, Nestlé Bangladesh Ltd*
3. *Sohebur Rahman, Senior Officer, Nestlé Profesional, Nestlé Bangladesh Ltd*