

Unilever Foodsolutions Journey (A): Taking On A New Challenge TheCaseSolutions.com

CHALLENGES ENCOUNTERED

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As decades past the company did face challenges on the way to reaching their success.

1939- Suspended the operation due to WORLD WAR II
1947- Made a comeback after the World War II under a new name *Unilever Inc.* and continue to import products such as MILK, MILK powder milk, MILKMAID and NESTLE from other countries.
1960- Nestle and San Miguel Corporation entered into a partnership resulting in formation of Nutritional Products Inc. (Nutripro)
1977- *Unilever Inc.* and *Nutripro Inc.* merged
1986- *Unilever Inc.* changed to its present name as *Nestle Philippines, Inc.*

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1977- Nestle purchases Alcon, manufacturer of eye care products and kits.
1985- Nestle purchases the Food Company Carnation.
1988- Nestle purchases the confectionary company Runette MacIntosh and the past a company Buitoni-Paragina.
1992- Nestle purchases the mineral water company Ferrer.
1998- Nestle purchases Spillers pet foods business.
2000- Nestle sells the Fudus brand in all countries except for Switzerland.
2001- Nestle merges with Buitoni Parina, the premier petfood company in North America and with unique expertise in the dry dog food area.

EVOLUTION OF NESTLE

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1867- Henri Nestle founded the company in Vevey, Switzerland.
1896- Nestle purchases its first factory outside of Switzerland - Viking Milk factory in Norway.
1900- Nestle merges with Anglo-Swiss Condensed Milk Company.
1920- Nestle merges with Peter-Coller-Kohler Company.
1929- Nestle purchases Nestle - the world's first instant chocolate Swiss S.A.
1939- Nestle launches Hosielle - the world's first instant coffee.
1947- Nestle merges with Almonstana S.A. with the brand Maggi.
1962- Nestle purchases Findus.
1974- Nestle becomes a significant shareholder in the Cosmetics Company L'Oréal.

DEVELOPMENT OVER THE YEARS MAINTAINING CORPORATE IMAGE

To be able to meet Nestle's objectives, through the years Nestle continue to develop their products and services offered to the market. And come up with new consumers as an expansion of their services to the



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1991- Nestle pioneered the AIV (Asian Industrial Joint Venture) a regional complementation program.
1996- Nestle Philippines became a wholly owned subsidiary of Nestle S.A. following the latter's purchase of all of San Miguel Corporation's equity shareholding in the company.

Infant Formula Controversy
During the mid-1970's Nestle was involved in an Infant Formula Controversy. It was about the promotion of the use of infant formula to mothers across the world, including developing countries which result to Nestle boycott, which is still ongoing. Nestle continues to draw criticism of its violation of a 1961 World Health Organization code that regulates the advertising of breast milk substitute.

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Labor
Traditionally Nestle had good relations with unions representing its relatively small domestic workforce, but its foreign labor recent is mixed. The company faced conflicts with unions in several countries, especially in the global South and United States.

CASH COW:

- Fruit selection Yogurt
- Nescafe
- Milo
- Carnation
- Nesquik
- Chuckle

LOSING BRANDS:

- Nesfruta
- Acti-Y
- Irish Spring

MAINTAINING THE MARKET SHARE

To Attain Product Quality and Consumer Safety
Nestle up priority to the consumer satisfaction and safety, with modern technologies available the company assure the quality of services and products they will provide the consumers.

Creating an environment sustainability
Nestle aims of producing delicious food and beverages that also have better environmental performance, the company strive to continuously improve the operational efficiency and environmental friendliness of the society.
Nestle contributes to the improvements in agricultural production, the social and economic status of farmers, rural communities and in production systems to make them more environmentally sustainable.

THE HERITAGE/ BRAND EQUITY IN THE PHILIPPINES (Unilever)

Today Unilever is one of the leading manufacturers of home and personal care products, foods, and ice cream. With over 400 brands which made the success of the company possible by reaching so many people's lives in so many different ways. The brand portfolio of the company comes from much loved world favorites including Lipton, Knorr, Dove and Oreo, to brand local such as Blue Bird and Saava. It made Unilever as leader in every field which they work.



CHALLENGES ENCOUNTERED

1900s- Unilever's founding companies produced products made of oils and fats, principally soap and margarine. At the beginning of the 20th century their expansion nearly outweighs the supply of raw materials.

1910s- Tough economic conditions and the First World War make trading difficult for every one, so many businesses form trade associations to protect their shared interests.

1920s- With businesses expanding fast, companies set up negotiations intending to stop others producing the same types of products. But instead they agree to merge - and so Unilever is created.

1930s- Unilever's first decade in no way ends it starts with the Great Depression and ends with the Second World War. But while the business rationalizes operations, it also continues to diversify.

1940s- Unilever's operations around the world begin to fragment, but the business continues to expand further into the food market and increase investment in research and development.

1960s- Unilever is now one of the world's biggest companies, but takes the decision to focus its portfolio, and rationalize its businesses to focus on core products and brands.

1970s- Hard economic conditions and high inflation make the '70s a tough time for everyone, but Unilever is particularly difficult in the fast Moving Consumer Goods (FMCG) sector as the big retailers start to divest their muscles.

THE HERITAGE/ BRAND EQUITY IN THE PHILIPPINES (Nestle)

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Nestle is built on the foundation of hundreds of strong brands under its portfolio which range from categories like coffee, milk, beverages, non-dairy creamer, food, infant nutrition, ice cream and chilled dairy, breakfast cereals, confectionery, and pet-care. Nestle's product and brand portfolio exhibit strong market position. Its products are No. 1 or No. 2 brands in their respective categories.



MAINTAINING THE MARKET SHARE

Continuous development
Unilever is constantly developing new products and developing their brands to be more relevant to more changing lifestyles, expectations and tastes of the market.

Providing Solutions

Food solutions for a healthier you.
Unilever and partners begin to provide healthier options to several key areas. Firstly, helping to lower consumption of saturated fat and sodium from many popular, and developing "better for you" foods that are attractive, easy-to-use.

Global presence
Unilever operates 120 countries worldwide.

CASH COW BRANDS:

- A&C
- Dove
- Knorr
- Lipton
- Nesfruta
- Swif
- Sure Milk
- Vaseline
- Clear
- Selecta

LOSING BRANDS:

- Comfort
- Domex
- Suave

1990s- Business boom as new technology and the European Economic Community lead to rising standards of living in the West, while new markets open up to emerging economies around the globe.

1980s- As the world economy expands, so does Unilever and it sets about developing new products, entering new markets and launching a highly ambitious acquisition program.



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DEVELOPMENT OVER THE YEARS MAINTAINING CORPORATE IMAGE

To be able to meet Nestlé's objectives, through the years Nestle continue to develop their products and services offered to the market. And come up with new products as an expansion of their services to the consumers.



Nestlé

Good Food, Good Life

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EVOLUTION OF NESTLE

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1867-Henri Nestlé founded the company in Vevey, Switzerland.

1898-Nestlé purchases its first factory outside of Switzerland - Viking Milk factory in Norway.

1905-Nestlé merges with Anglo-Swiss Condensed Milk Company.

1929-Nestlé merges with Peter-Cailler-Kohler Chocolates Suisses S.A.

1938-Nestlé launches Nescafé - the world's first instant coffee.

1947-Nestlé merges with Alimentana S.A. with the brand Maggi.

1962-Nestlé purchases Findus.

1974-Nestlé becomes a significant shareholder in the Cosmetics Company L'Oréal.

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1977-Nestlé purchases Alcon, manufacturer of eye care products and kits.

1985-Nestlé purchases the Food Company Carnation.

1988-Nestlé purchases the confectionary company Rowntree Mackintosh and the pasta company Buitoni-Perugina.

1992-Nestlé purchases the mineral water Company Perrier.

1998-Nestlé purchases Spillers pet foods business.

2000-Nestlé sells the Findus brand in all countries except for Switzerland.

2001-Nestlé merges with Ralston Purina, the premier petfood company in North America, and with unique expertise in the dry dog food area.

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As decades past the company did faced challenges on the way to reaching their success.

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1947- Made a comeback after the World War II under a new name Filipro Inc. and continue to import products such as MILO, NIDO powder milk, MILKMAID and NESCAFE from other countries.

1960- Nestle and San Miguel Corporation entered into a partnership resulting in formation of Nutritional Products Inc. (Nutripro)

1977- Filipro Inc. and Nutripro Inc. merged

1986- Filipro, Inc. changed to its present name as Nestle Philippines, Inc.

1991- Nestle pioneered the AIJV (ASEAN Industrial Joint Venture), a regional complementation program.

1998-Nestlé Philippines became a wholly owned subsidiary of Nestlé S.A., following the latter's purchase of all of San Miguel Corporation's equity shareholding in the Company.

Infant Formula Controversy

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CASH COW:

Fruit selection Yogurt

Nescafe

Nestea

Milo

Carnation

Nesquik

Chuckie

LOSING BRANDS:

Nesfruta

Acti-V

Hidden spring