

CHAPTER IV MARKETING PLAN

4.1. Background

Milkuit is a brand extension from Energen. It is one of Energen tools to strengthen the brand image and brand equity towards brand that associated with nutrition and health. Milkuit has launched at June 2004, and it is the first brand and line extension from Energen after 13 years known as milk and cereal products.

Energen Milkuit is a milk biscuits that made by pure milk, fortified with basic vitamins and mineral with a rich taste of milk. The product have through some consumer taste research before it launched, and the result was very convincing because the taste is well accepted among respondents.

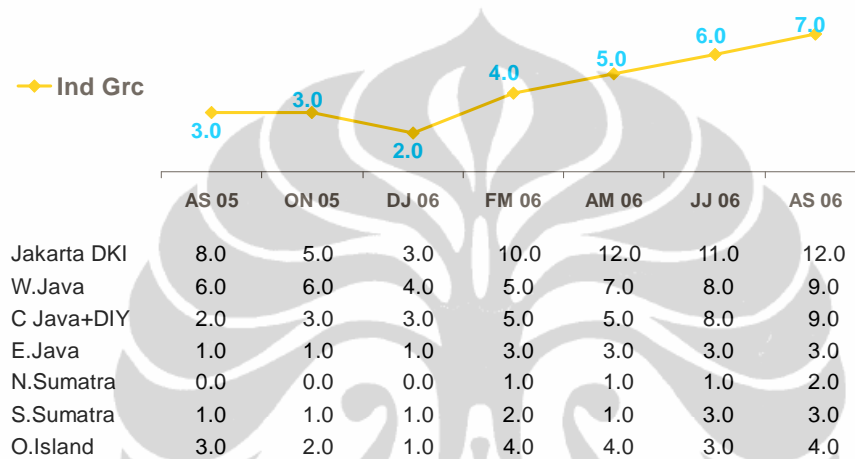
The product launch is not very smooth, several factors were behind this trouble. First, the product didn't get through marketing concept of new product development process. It was only focusing on development of the product itself, creating taste that accepted by consumers and the packaging design was created without any strategic direction. The marketing team were instructed to think the marketing strategy after the product is ready to launch, and they are not involved when the product was developed.

Second, the management directions also play a role in this failure. When the first brief, the management want this product become a premium product and only sold in modern trade at Rp. 1.000 per pack that doubled competitor's price. But sales in modern trade are limited, management demanded higher volume, and then the marketing team are releasing this product to traditional trade without any proper preparation and strategy. They created a smaller box to fit traditional trade pricing structure and end up with sachet strings.

Third, the distribution in traditional trade is very weak, this happened because the distribution system and teams from Mayora is not really working well. Inbisco, a distribution company and sister company from Mayora is not applied direct distribution system, They have different sub distributors in

every area. With indirect distribution system, Inbisco have less power to reach certain numeric distribution in short term period. This condition was not favourable for a new product such as Milkuit, because it's not effective to campaign marketing communication activities when the distribution is still very low.

Chart 4-1 Milkuit's Numeric Distribution Level in Indonesia

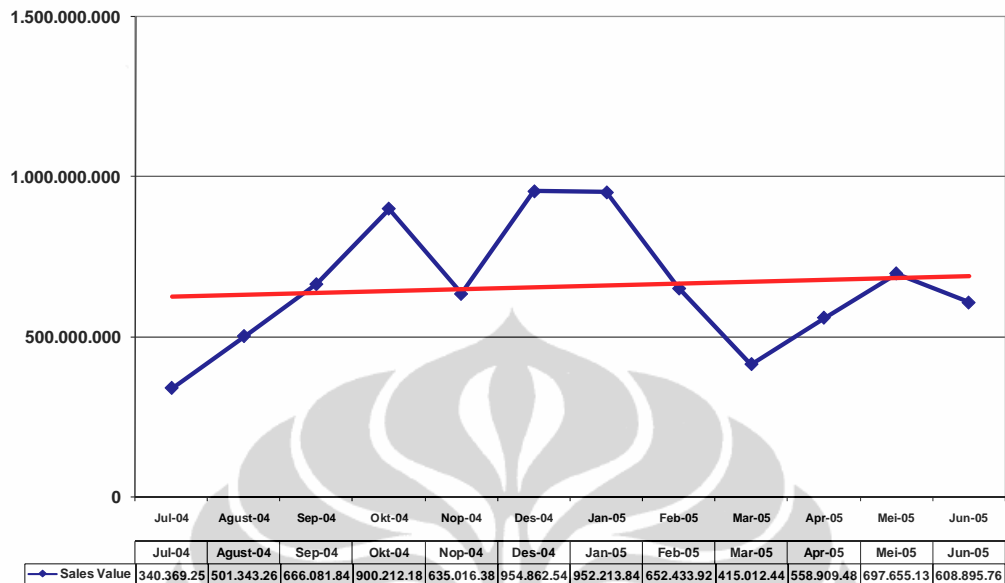


Source : AC Nielsen Retail Audit

Chart 4-1 shows that Milkuit's numeric distribution is only 7% from total universe outlets in Indonesia. This number is very low, if we compare to Biskuat as market leader, they already have 67% numeric distribution.

Fourth, inconsistent communication strategy is one of the biggest contribution to failure of this new brand extension from Energen. It's hard for marketing team to determine a proper strategy because there are no marketing researches before they develop Milkuit. One of the examples is, they change their target segmentation strategy from the first launch strategy.

Chart 4-2 Milkuit's Total Sales in Value in First Year Launch



Source : PT. Mayora Indah Tbk.

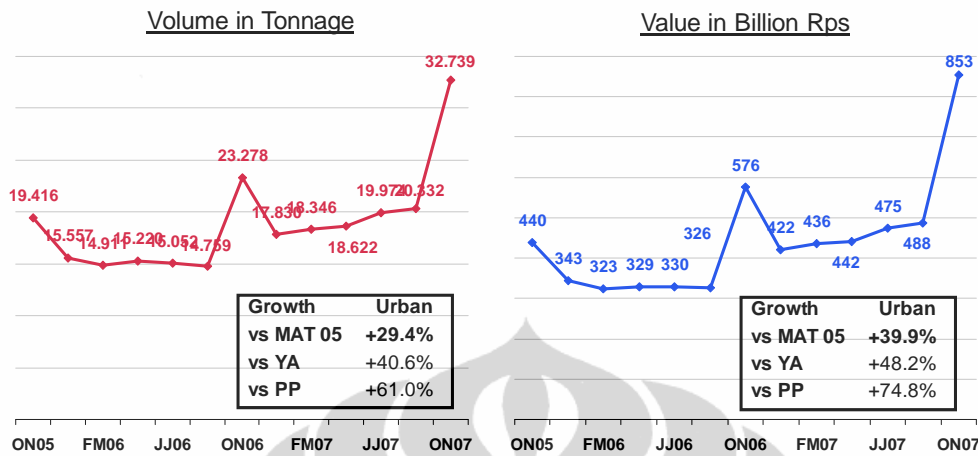
Chart 4-2 shows that trend sales of Milkuit is far below the expectation because the trend is not significantly growing even in first year of launch, even marketing team was already spending media campaign in television and others, but it was still not enough to increase Milkuit's sales.

So the strategic market objective of this marketing plan is to revitalize and re-launch Milkuit to become one of key player in biscuit market. Milkuit is aimed to be a brand that wellknown in cookies category with nutrition and health benefit from the product.

4.2. Market Analysis - Biscuit Market in Indonesia

Consumer goods is one of the growing business in Indonesia, especially in food and beverages company. A lot of companies compete in this market, not only national company but also multinational company with global brands, for instance Nestle, Danone and Kraft. One of the fast growing categories is in biscuit products. If we look at the modern trade market, large number of new biscuit product are entering the shelf every year, this condition indicate the category growth rapidly.

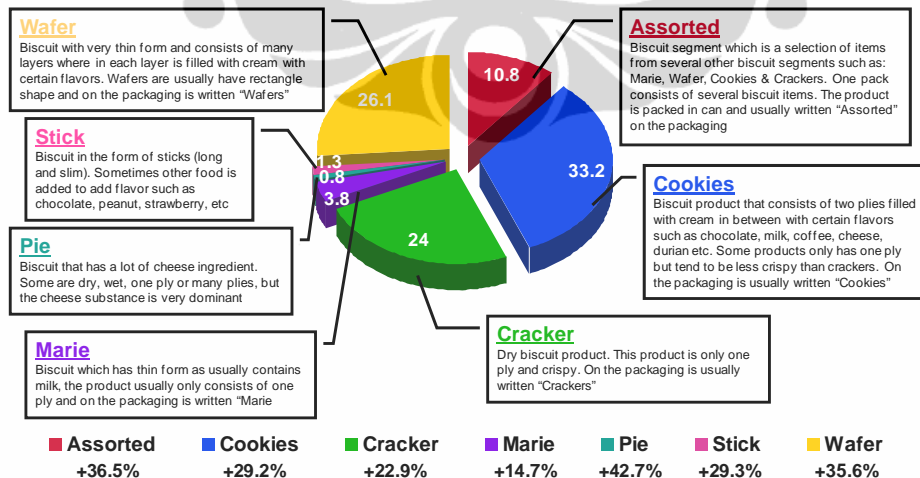
Chart 4-3 Trend Biscuit Market 2005 - 2007 in Indonesia



Source : AC Nielsen Retail Audit

Chart 4-3, trend of biscuit market in Indonesia are slightly increasing from year to year. Total market value grow almost 40 % compare to running 12 months last year, and followed by market volume grow almost 30 % . The growth is considered high compare to economic growth in Indonesia which only around 6 – 10 %.

Chart 4-4 Segment Contribution and Growth in Biscuit Category 2007



Source : AC Nielsen Retail Audit

According to AC Nielsen, biscuit products are divided into several segment which are wafer, cookies, stick, pie, marie, cracker, and assorted. Chart 4-4, shows that every segment in biscuit category are growing in 2007 compare to 2006. The biggest growth is in assorted segment that usually dominating the market in festive seasons, followed by wafer, stick and cookies. The biggest contribution from biscuit category is at cookies segment where the major manufacturers play in this segment such as Danone with Biskuat as a brand, Kraft with Oreo, and Mayora itself with Roma.

Chart 4-5 Biscuit Manufacturers Market Share and Growth in 2007

	Volume Share MAT 07	Share Change vs MAT 06	Growth vs MAT 06
Khong Guan	27.8	3.5	48
Danone Biscuit	11.7	-0.7	21.7
Mayora	9.8	-0.4	24.6
Ultra Prima Abadi	9.5	0.8	40.9
Arnotts	5.7	-2	-4.6
Universal Indofood	4.8	-1.2	3.7
Garuda Food Jaya	4.6	1	63.0
Interbis Sejahtera	4.3	-1.5	-4.8
United Waru Biscuit	3.3	-0.7	6.4
Asia Sakti Wahid Food	2.9	0	29.1

Source : AC Nielsen Retail Audit

Chart 4-5, if we look at manufacturer's portfolio in biscuit category, Khong Guan still as a market leader with over 25% volume market share, and they are still growing. This shows that Khong Guan as an old player in this category can survive in the market even be a leader for a long term period. This condition also supported by the growing demand from consumers. Danone is also playing a significant role in biscuit category as a runner up with only one brand that very successful, that is "Biskuat". Compare to Khong Guan that has a lot of brands and products line in category, "Biskuat" succeed dominated cookies segment by delivering a good positioning with low price to consumers in Indonesia. Mayora comes in third place, Mayora is also supported by "Roma" as a brand that very popular in biscuit category, but the difference with

Danone is Roma has a lot of product lines and spread over several segments in example Roma Malkist and Roma Cream Crackers in crackers segment, Roma Kelapa and Roma Better in cookies category, and Roma Marie in marie segment, while Biskuat only plays only in cookies category. However Danone, Mayora and others are losing their share to Khong Guan, Ultra Prima Abadi and Garuda Food which grew larger than the market.

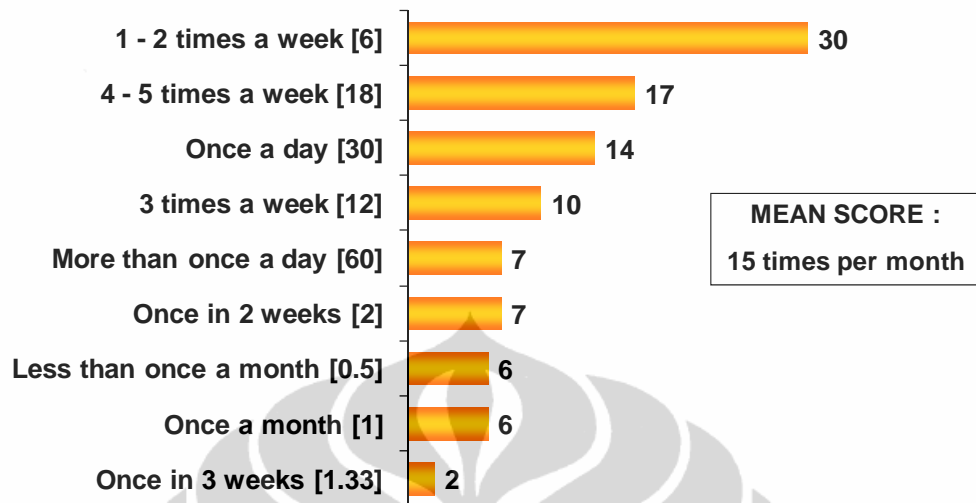
Chart 4-6 Biscuit Incidence of Usage 2007



Source : Marketing Research Indonesia

Biscuit market in Indonesia is already established since a long time ago. Biscuit are usually consumed as snacks or meals replacement for certain consumers. Chart 4-6 shows that biscuit' penetration level is already reach 99%, it means there are only one percent from population in Indonesia were not eating biscuit. From Chart 4-7, we find out that people eat biscuit almost every day or at least one time in two days. This frequency is very high compare to other snacks category or other non primary foods category.

Chart 4-7 Frequency of Consuming Biscuit 2007



Source: Marketing Research Indonesia

Trends of the biscuit industry seem very attractive for a lot of manufacturers or companies. With their own brand, companies are struggling to be the best in the market to obtain a large number of consumers and sales volumes to reach the maximum profit. If we look at the data, market value for a year in biscuit category is reaching 6 trillion rupiah and made this category become one of the largest categories in food industry. Biscuit in Indonesia comes in a lot of variety, from the branded to unbranded ones, from high quality to low quality products, from containing any nutrition value to unhealthy products, from the expensive biscuit to cheap biscuit, all are in the market. These made companies have to have good marketing strategy to be competitive and be a better player among all the competitors.

4.2.1 Energen Milkuit's Situation Analysis

Positioning of Energen Milkuit when comes in first launch is practical, healthy, and nutritious biscuits for young, creative, and smart children. For kids, Milkuit is fun with mom's approval.

Milkuit is targeted to male or female, 5-12yrs, social economic status ABC+, living in urban and sub-urban area, nationwide as a primary target. A boy or girl who is in primary school, coming from well educated and well

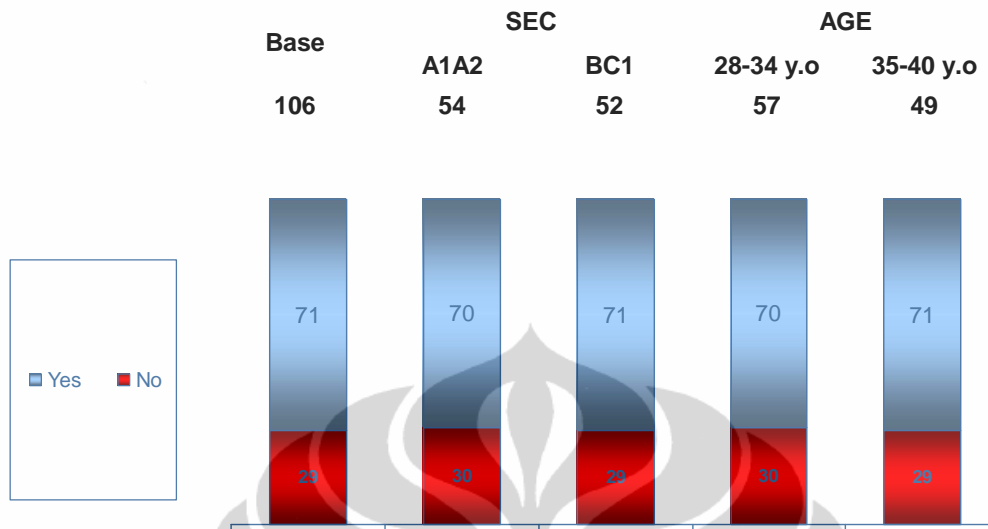
being family, smart, creative, fun loving, and dynamic. He or she has many daily activities at school, extra-curricular programs, and home. He or she loves to play with friends and siblings, and they love snacking. He or she knows that his/her mom does not like them snacking because it is not healthy; and he/she has to get mom's approval for snacking.

The secondary target market of Milkuit is housewives, 28 – 40yrs, ABC+ SEC, living in urban and sub-urban area, nationwide. Young housewife or working housewife who is smart, well-educated, dynamic, up-to-date, sociable, strives to provide the best nutrition to her family and children. She is practical and she values time due to her hectic lifestyle. She believes children should have nutritious food intakes to support their mental and physical development. She also believes that snacking is not healthy that is why she will limit snacks in her children's daily diet. However, she will approve her kids to have nutritious snacks.

The communication strategy is building awareness to kids and their moms about Milkuit as a new product in the market with 'Energi Putih' as a properties that described the power of the biscuit that have little shape but it has good benefits and nutrition in it and "Kecil-Kecil Menggigit" become a tagline which describe one bite sizes biscuits as differentiator from other competitors products.

Energen Milkuit was introduced to the market with a soft launch in July 2004 and full launch in October 2004. Heavy advertising weight was put to support the launch in October 2004. However, the first 2 months sales were not up to the expectation. It is suspected that the advertising has not been able to communicate well and not able to create trial among target consumers.

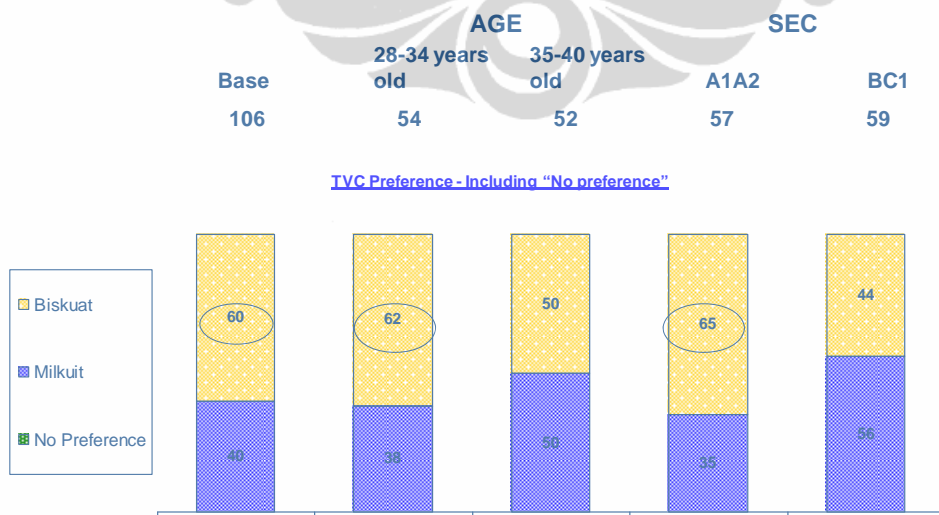
Chart 4-8 Milkuit's Television Advertising Awareness



Source : Synovate Indonesia

Chart 4-8 shows result of advertising check research that conducted by a research agency. The awareness of the advertising material is quite good, there are 71 % of female respondents between 28 – 40 years old that already seen Milkuit advertising in television.

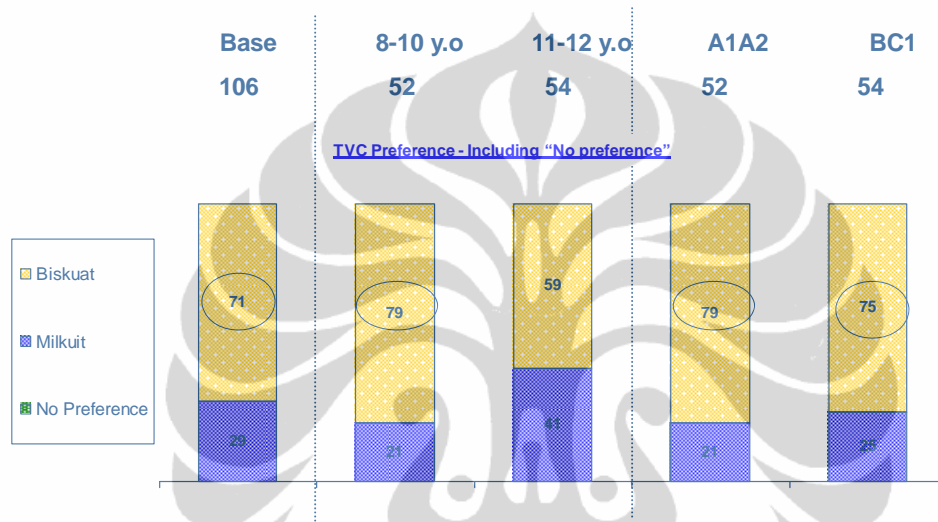
Chart 4-9 Preference Toward Television Adults



Source : Synovate Indonesia

But if we seen in Chart 4-9, it shows that after seen Biskuat advertising and Milkuit advertising materials, 60 % consumer are prefer Biskuat than Milkuit advertising. This may affected by the advertising materials that more targeted for kids and using cartoon pictures in a part of the materials that's not appealing and suitable for moms.

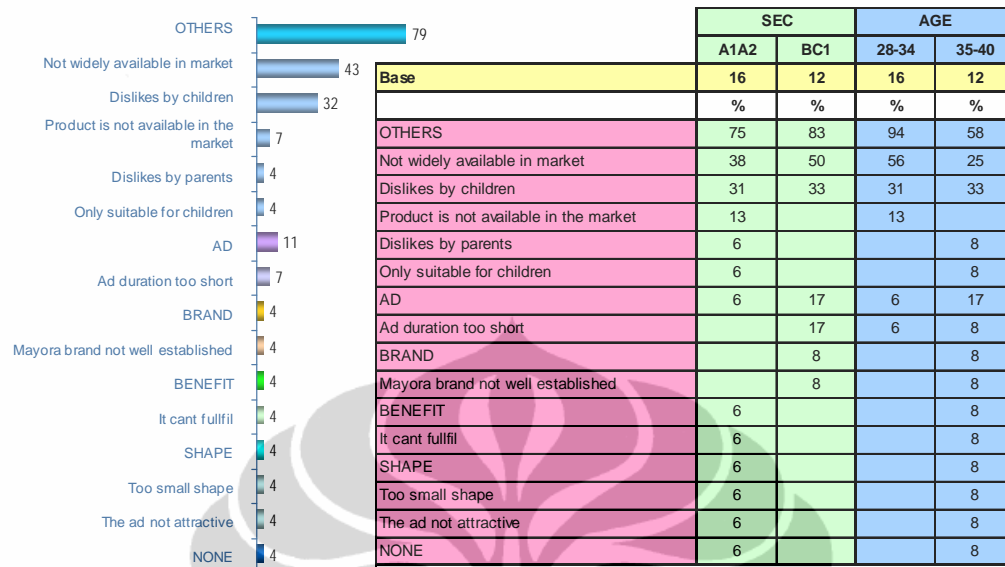
Chart 4-10 Preference Toward Television Advertising For Kids



Source : Synovate Indonesia

However in Chart 4-10 shows those kids between eight until twelve years old also prefer Biskuat advertising rather than Milkuit. It was an indication that actually the advertising materials are not attractive or confusing the target consumers, and it caused consumers are prefer competitor's advertising materials than Milkuit has.

Exhibit 4-10 Reasons not Buying Milkuit after Seen The TV Advertising



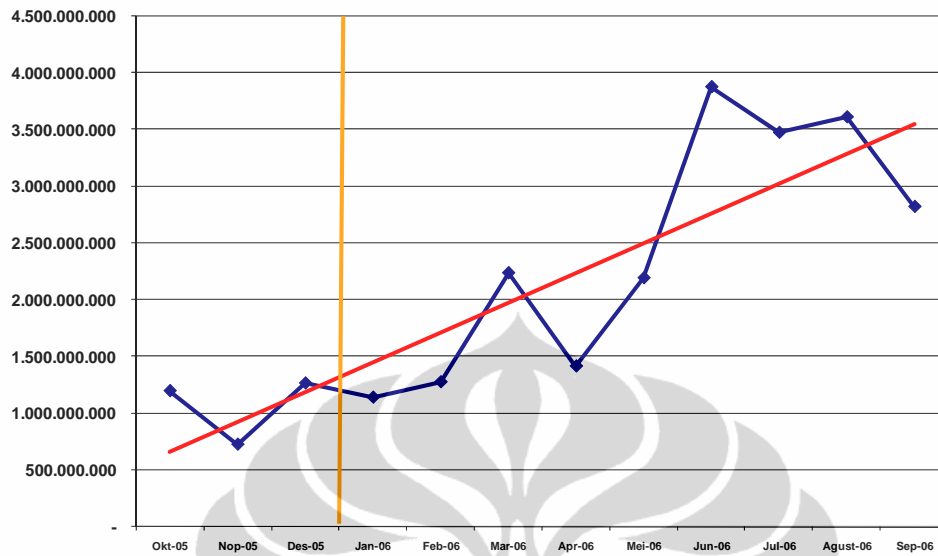
. Source : Synovate Indonesia

Besides advertising materials, distribution also one of the factors that supported the failure of the Milkuit launch in 2004, exhibit 4-1. TV advertising would not work if the distribution of the product is still low, because people that already seen the advertising would search the products in stores. If it's not available in stores, they would be disappointed and seek for another products or brand.

In 2005, the marketing team of Energen realizes that are something wrong with the strategy of the first product launch. The problems are the distributions not perform very well, advertising materials are not strong enough to create intention to buy from consumers. Some respondents even think the products is candy not biscuit, means that the advertising are not clearly describe about the products which very important and significant when the first launch of new product.

With several considerations, marketing team is changing their communication target. Previously, moms were become secondary target and kids become primary target. Now, they switch the target which is moms become primary target and kids become secondary target.

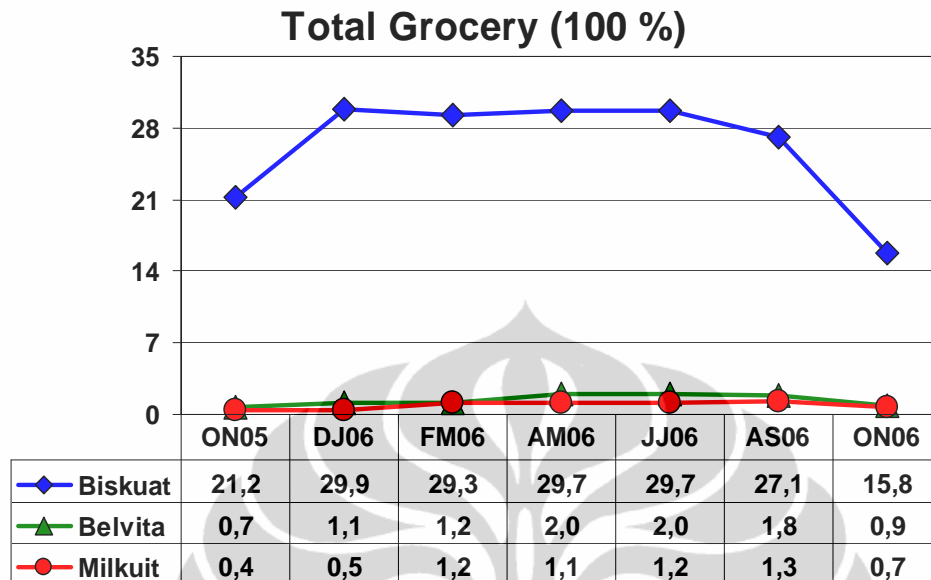
Chart 4-11 Milkuit's Sales Trend Oktober 2005 – September 2006



Source : PT. Mayora Indah Tbk.

With a new target market and new advertising materials, Milkuit's sales are increasing rapidly. Chart 4-11. This condition also supported by distribution that also getting better. Changing target market to moms is a right decision, because moms care about their kids' development, healthiness and nutrition needs. When it comes to food products that have nutrition values, moms have to trust the product first before they give it to their kids because they concern about their kids health. In the other hand, kids seems more impulsive and do not have so much consideration before buying products or demanding their moms to buy products. The most important factors for them is fun and have a good taste. Advertising which appealing for kids is one of the drivers for kids to choose products or brands and we hardly find kids that loyal to a product or brand.

Chart 4-12 Milkuit's Market Share Trend 2005 - 2006



Source : AC Nielsen Retail Audit

However if we look at Chart 4-11, it shows us that Milkuit only have 1.3% market share as the highest, this number still very far from Biskuat as main competitor that could reach 29.9% market share from total cookies market. Seems like the marketing team is not completed several steps that also suggested by theories that explained in Chapter II, which are:

1. Expanding brand awareness
2. Improving brand image by repositioning the brand or change the brand elements
3. Entering new market
4. Correct the mismanagement of the brand

4.3. SWOT Analysis

From all the data that we have gathered from Mayora, we can conclude what become the strengths and weaknesses of Energen Milkuit in order to success in the market. Besides evaluate from internal factors, we also have to look for external factor that become opportunities for Milkuit and threats that become boundaries for Milkuit to success in the market.

1. Strengths :

- Milkuit has a rich milk taste compare to all the competitors, even to marie biscuit that already well known for milk biscuit in Indonesia.
- Milkuit has a good nutrition value, it contains eight vitamins and four minerals that needed by human body as a essential nutrition for health maintenance.
- Milkuit has a unique shape of biscuit. With one-bite size shape makes Milkuit easy to consume and also playful. The shape is different with the common biscuit in the market that usually in large size with round or square shape.
- Milkuit has one serving pack size, one pack of Milkuit is for one time consumption. This packaging made Milkuit easy to carry everywhere and suitable for people that busy and mobile. The other benefit from this type of packaging is to maintain the biscuit freshness, because we don't have to keep the rest of biscuit in the packaging or any other materials.
- Milkuit is comes from Energen, a brand that already well known in the market and already become a trusted brand in consumers mind.

2. Weaknesses:

- Milkuit has a higher price compared to the other competitors.
- Milkuit already have a bad history in sales and distribution, which will set up perception for distribution team and market that this product was failed before and it's hard to make it succeed.
- Energen as umbrella brand for Milkuit, this far has known by a brand for cereal products. It will need more effort to unite Energen with its subbrand.

3. Opportunities:

- Nowadays people or consumers are more aware and concern about their health. A lot of adults struggle to have a nutrition

they need by consuming a healthy food or products. Not only adults, moms also concerned about their kids' daily nutrition intake that very important for their development.

- Biscuit's penetration level is already reach 99%, which means this category is already build and consume by 99% people in Indonesia.
- The frequency of consuming biscuit is very high. People eat biscuit almost every day or at least one time in two days.
- Biscuit market has a constant growth year to year, and until this time the market is still growing.

4. Threats

- Milkuit's competitors are already strong in the market. Biskuat is one of the tough competitors because it's also claims having nutrition with lower price and higher awareness.
- Milkuit's competitors are having a stronger resources, and it's usually comes from well known multinational companies such as Danone and Kraft.

4.4. Marketing Objective

Energen Milkuit's financial objectives are to :

- Produce net profits of 11,7 billion rupiah in second year with a target profit margin of 15,1 percent on total sales.
- Achieve first-year total sales revenue of 60 billion rupiah. Table 4-1.

Table 4 – 1 Milkuit's Five Years Projection Sales Target

	2009	2009	2009	2009	2009
Sales Value (in million)	59.774	77.706	101.018	126.273	157.841
Sales Volume (in carton)	574.750	747.175	971.328	1.214.159	1.517.699
Annual Growth		30%	30%	25%	25%

Source : PT. Mayora Indah Tbk.

Energen Milkuit's marketing objectives are to :

- Re-launch Milkuit by creating stronger health claim beyond competitors.
- Achieve a first year unit sales volume of 574.750, which represents a projected market share of 2 percent.
- Generate 40 percent brand awareness within the consumer target market and 50 percent brand awareness within the business target market by the end of next year.
- Achieve 60% distribution level in retail based on AC Nielsen Retail Audit by the end of this year.
- Build strong image of Milkuit as nutritiously rich milk biscuit that always understand and try to fulfill consumers' basic nutrition needs.
- To convinced consumer of Milkuit's nutrition content and build Milkuit brand equity as healthy – nutritious milk biscuits.

4.5. Marketing Strategy

Differentiation is the anchor of a brand's equity. Without differentiation a company cannot charge a premium, nor can it sustain a brand. After all, how a brand is differentiated is at the core of any persuasive marketing message by a company to urge customers to buy its brand. Lack of differentiation will lead to decline of a brand. That was what happened with Milkuit that fail to succeed in the market. Milkuit was offering products that quite similar to competitor's product with higher price without any significant differentiation.

Brand awareness also the most widely used gauge of brand knowledge. If brand awareness is falling, this could be a serious long-term problem. Unfortunately this happen to Milkuit, because the advertising cut through is low, it means the advertising didn't create enough recall for brand awareness.

Besides the brand, the products perceived value was not as high as value for money, because Milkuit's brand logo and packaging design was not describe and convey existing positioning. That's why consumers are not really convinced of the product claims.

According to Keller there are number of advantages for brand extensions, one of the important advantage is to facilitate new product acceptance. With Energen as an umbrella brand, Milkuit has easier task to fulfill in order to be succeed because it's already has a significant awareness and loyalty from its consumers.

Mayora has done some focus group discussion research to find any consumer insight in order to construct a good marketing plan and strategy to relaunch and revitalize Milkuit. There are some factors that consumers have when they selected biscuit products, first is the composition of the product. It must contain no or less harmful content, such as mono sodium glutamate (MSG), bright coloring and preservatives. These ingredients are claimed to be known through reading the ingredient content on the pack. Too much chocolate and sugar which can be tasted through its sweetness level is also considered by customers. Therefore a biscuit product should contain healthy ingredients such as milk defined through the milk taste and picture of milk on the pack. Vitamin or mineral claims on the pack, such as: protein, vitamin, milk, calcium he sweetness level should be just right, not too sweet nor too plain as children will not like it.

Second is the brand of the product itself. Manufacturing brand or umbrella brand is one factor that plays an important role as well-known brands have the advantage of being associated to positive attributes, such as good quality product, doesn't use harmful ingredients, being experienced in the industry and known for having tasty products, therefore is being credible / trusted. Once a product uses a well-known brand, then the selection process gets much shorter as consumers tend to believe on the brand and do not feel the need to check further on the ingredient content on its pack,

Third, healthy ingredient claims should be supported by good tasting product. It should have milky taste, just right sweetness level, not too sweet nor too plain and available in kids' favorite flavors, such as chocolate, strawberry and milk.

Fourth, Price denotes quality of the brand as low price leads to lower quality product association, while higher price could associate a brand to

having higher quality. However, caution to be considered when setting price too high which will result in reluctance to purchase. Pricing should be based on competitor's price points, content or pack size, while incorporating the brand image and claims altogether.

4.5.1. Repositioning The Brand

However, to be succeeding in the market, Milkuit have to be revitalized. There are two options to revitalize a brand. First, expand the depth or breadth of brand awareness, or both, by improving consumer recall and recognition of the brand during purchase or consumption settings. Second, improve the strength, favorability, and uniqueness of brand associations making up the brand image. This may require programs directed at existing or new brand associations.

In some cases, repositioning the brand requires us to establish more compelling points of difference. This may simply reminding consumers of the virtues of a brand that they have begun to take for granted. In the other hand, we need to reposition a brand to establish a point of parity on some key image dimension. Updating a brand may require some combination of new products, new advertising, new promotions, new packaging, and so forth.

To be difference with the other competitors we have to seek any information that related with the product or some issues that related with health or product claims. As we know in Indonesia level of education is still low, that also determine some health issues in the public. One of the issues is "Anemia in children nutrition is one of the vital nutrition problem in Indonesia. Number of children population in Indonesia is around 20 millions, estimated 50% of the children are having malnutrition or anemia from a need of iron and protein. Source : Health Department Republik Indonesia.

Most foods contain iron, but only a small part of that iron is absorbed into the blood circulation. IDA (iron deficiency anemia) causes fatigue, drowsiness, impaired immune response and reduced work capacity. Severe chronic IDA in children has been reported to cause irreversible harm to their learning capability.

Iron deficiency anemia is known to impair psychomotor development, affects physical activity and work capacity, lowers resistance to infection and adversely affects birth outcomes and infant and maternal survival.

The most common effect of anemia on children are physical development, brain development, motoric and mental development will be decreasing. They will not develop with a normal condition and they will lose concentration or lose their ability to learn in school. While the effect for adults are reducing work productivity.

Unfortunately anemia cases are not only happened on poor people or low economic status, but also on middle high social economic status. That's why Milkuit could use these issues in its strategy to relaunch the brand. There are no biscuit products in the market that contain iron because of it will affect product's taste. Mayora's resource and development department has succeeded to make Milkuit biscuit containing iron without harming the good taste of the product.

From that point of view, we suggest the new positioning of Energen Milkuit is a milk biscuit, fortified with iron to help kids grow healthy and active. Milkuit is not only a biscuit containing milk, but biscuit made of milk and completed with all the goodness of milk. The 'fortification' suggests the product is more than the ordinary biscuits. Healthy is the intended consumer take out, Milkuit need to say it to claim the health benefit as its own. Active is the intended consumer take out, as the benefit from iron fortified. Rather than 'curing' anemia which sounds too medicinal. The big idea from the brand is 'Milkuit taking care of the children of the nation'.

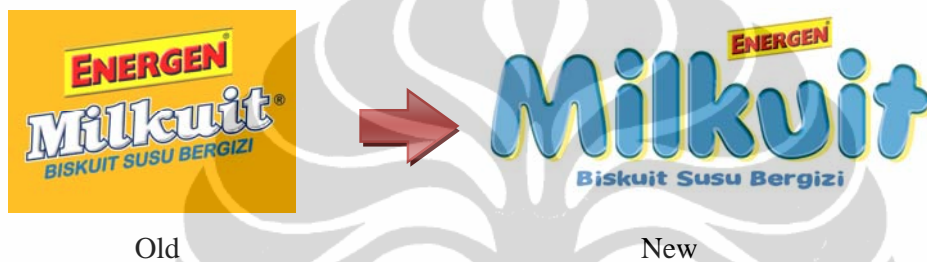
4.5.2. Changing Brand Elements

Often we must change one or more brand elements to either convey new information or signal that the brand has taken on new meaning because the product or some other aspect of the marketing program has changed. The brand name is typically the most important brand elements, and it's often the most difficult to change. It is easier to change other brand elements, and we may need to, especially if they play an important awareness or image function such

as modify and update packaging, logos and characters. We noted there that changes generally should be moderate and evolutionary in nature, and marketers must take great care to preserve the most salient aspects of the brand elements.

Milkuit needs to change its logos and characters, because the previous brand logo is not describing the products and the positioning of the product. Milkuit is stand as a milk biscuit product, that's why it should have logo that shows the perception or image of milk product.

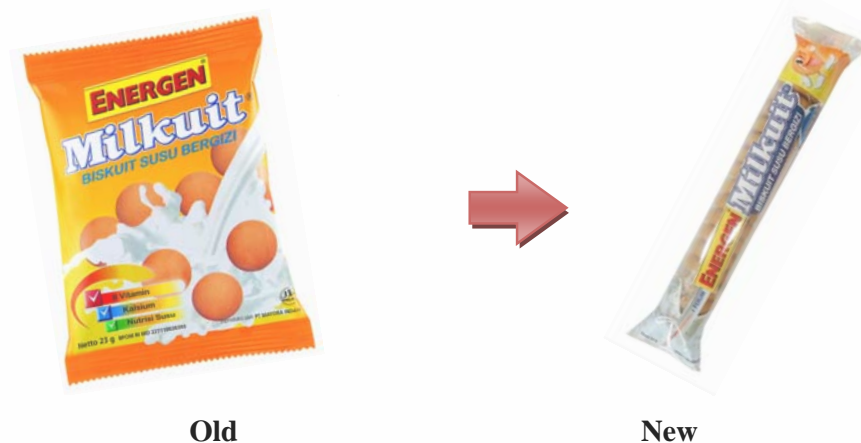
Exhibit 4-2 Energen Milkuit New Logo



Source: PT. Mayora Indah Tbk.

Besides changing their brand logo, Energen Milkuit should change their packaging. Although existing packaging is simple and on one serving packsize, but it's not convey the price of the product that higher than its competitors. Because sachet form of packaging are more perceived as a snack product and usually sold with a cheap price. That's why Milkuit should have a new packaging which unique, fun and not perceived as a snack product.

Exhibit 4-3 Energen Milkuit New Packaging



Source: PT. Mayora Indah Tbk.

To build awareness in new packaging with a new formulation of Milkuit that become key differentiation from other competitors, Milkuit need an icon to establish the fortification in the front of packaging and all communication materials. This icon will create awareness that Energen Milkuit now fortified with Iron.

Exhibit 4-4 Ironmax Icon for Energen Milkuit



Source :PT. Mayora Indah Tbk.

Mayora has done some FGD research with independent research company to get the insight of respondent about the new packaging. And the result is the new pack design generated positive reaction because it has a unique shape which is driven more by the small sized pack. The pack is practical to carry around, particularly by kids when they are on the go. It is easy to use, the way to eat them is like the “Mentos” way. The overall graphic was found to be attractive, not using too much color or pictures.

4.5.3. Marketing Communications Strategy

Energen Milkuit must have a proper marketing communication strategy to be success in this relaunch. The communication strategy will determine whether the consumer aware and buy the products or not. Milkuit have failed with the communication strategy before because the communication message didn't reach the customers so they just have a little recall of communication message from the advertising material.

That's why Milkuit should have a brief proposition on their message, that are nutritiously rich “milky” biscuits, worth to consume because of the

nutrition value and Milkuit represents the mom's care and love to her children and family because she concerns about children basic nutrition needs and health.

Drawing on the association of an existing brand, whether it is a functional association, a brand personality, a lifestyle association, or some other basis for a customer relationship can provide support a point of differentiation efficiently, credibly, and economically. A strong association can help the communication task as well as positioning of a brand. Milkuit should have a personality of the brand, so the customers could know what kind of brand and product Milkuit are. The expected personalities of Milkuit are:

- I'm so much more than my size
- I'm the one who moms trust
- I'm the one who make moms feel secure of their children and family.
- I'm willing to help Indonesian to get out from nutrition deficiency.

Milkuit's brand promises are:

- We Fight against the boringness of Milk
- We care about the future of Indonesia children and family, and try to provide them good nutrition.
- We help you to be a good & responsible mom by providing nutritious and high quality biscuits to your family daily diet.

After we set up the brand attributes, it's also important to determine Milkuit's target market in order to focus on certain segment of customers. Demographically, Milkuit's primary target market is housewives, 28 – 40 years old, social economic status ABC+, and living in urban and sub-urban area, nationwide. By psychographic the target is a young housewife/working housewife who is smart, well-educated, dynamic, up-to-date, and sociable, strives to provide the best nutrition to her family and children. She is practical and she values time due to her hectic lifestyle. She believes children should have nutritious food intakes to support their mental and physical development. She also believes that snacking is not healthy that is why she will limit snacks in her children's daily diet except nutritious snacks.

Milkuit's secondary target is male and female, 5-12 years old, social economic status ABC+, living in urban and sub-urban area, nationwide. By psychographic the target is a boy and girl who are in primary school, coming from well educated and well being family, smart, creative, fun loving, and dynamic. He or she has many daily activities at school, extra-curricular programs, and home. He or she loves to play with friends and siblings, and they love snacking. He or she knows that his or her mom does not like them snacking because it is not healthy; and he or she has to get mom's approval for snacking.

Desired response from the customers after seeing our advertising material is 'Peace of mind. I should provide Milkuit for my family and keep it in my grocery stocks because it is nutritious, healthy, and for sure my family will love it' for moms. And desired response for kids is Milkuit is fun, healthy and gives me lots of energy'.

The usage and purchase habit shows that customers are basically open to try out new brands of biscuits in the market. Within the family with school age children, the influence in brand selection mainly comes from the children, however, mother would have the final decision whether to buy or not buy. When children are outside of home, they claimed to follow what their mothers told them in terms of food/drink selection, including the brands. Mothers told the kids on the list of allowed and not allowed brands to buy and consume

Children's awareness about brands comes mainly from TV advertisements and friends. While with university students and working women, decision lies within their own consideration. However, there are somewhat influences in their brand selection process from their awareness to the brands available at home, aside from advertisements.

Appeal towards the brand will further supported by advertisements and product taste. Advertisements is preferred with humorous style is being acceptable by all groups as it is easier to remember. Emotional bonding to the ad is also important.

That's why we should divide Milkuit's marketing communication strategy into three stages. First stage is launching stage, in this stage we are

focus on introduce a new Milkuit with a new fortification, new packaging and new health benefits, creating awareness and acceptance of milk biscuit that fortified with iron. Second stage is sustaining stage, in this stage we are raising awareness about anemia and malnutrition of Indonesian children, and Milkuit now exist to help the children in order to get essential nutrition they need. Third stage is the extension stage, this stage is where we have to create a good habit of consuming Milkuit.

4.6. Action Programs

In marketing goods, especially consumer goods, when advertising dominates, the idea is to communicate with the consumer and encourage him or her to pull the product through the distribution channel, by demanding that the channel stock the product. This strategy is called a **pull strategy**. Major consumer goods marketers typically use pull strategies. For consumer goods when personal selling dominates, the marketer attempts to convince channel members to stock the product, so consumer will meet it at their local stores, this so called **push strategy**.

In order to execute marketing strategy that have been stated in previous sub chapter, we should set the programs that supports the whole strategy. The marketing activities are divided to above the line programs and below the line programs.

Table 4-2 Above The Line Programs for Relaunch Milkuit

NO.	ATL	JAN	FEB	MAR	APR	MEI	JUN	JUL	AGUST	SEP	OKT	NOP	DES
1.	TV COMMERCIAL												
	PRODUCTION												
	PLACEMENT			NEW TVC				Maintain				Maintain	
	+ SPONSORSHIP												
2	PRINT AD.												
	NEWSPAPER												
	MAGAZINE												

Source : PT. Mayora Indah Tbk.

Advertising is used by Mayora to building awareness a new positioning of Milkuit with a new message. Table 4-2 shows that Milkuit will campaign through TV commercial and print advertising. All above the line campaign will

be integrated in launching period, February until March. TV commercial will put on July until August and November until December for maintaining stage, while print advertising will be used in September until November.

Besides above the line campaign, Mayora plan to do below the line activities to support Milkuit relaunch, Table 4-3. One of big activities during launching is sampling program. With sampling, customers will know the product taste and product knowledge that share by sales promotion girl. In food products, sampling is effective because customers will directly try the product and if they like it, they will action to buy the product. These sampling programs will be held in modern trade market and also in schools. The cities are Jakarta, Bandung, Semarang, Yogyakarta, Medan, Palembang, Makasar, Surabaya, Malang and Denpasar.

Table 4-3 Below The Line Programs for Relaunch Milkuit

NO.	BTL	JAN	FEB	MAR	APR	MEI	JUN	JUL	AGUST	SEP	OKT	NOP	DES
1.	Outlet Display Programs in Traditional Market												
2.	Outlet Display Programs in Modern Market & Sampling												
3.	School to School Sampling Programs												
4.	Task Force - Distribution												

Source : PT. Mayora Indah Tbk.

Key of success for a new product launch is in availability and visibility. Availability referred to numeric distribution which is the most important factors in order to put our products everywhere before we campaigning for advertising. So when we do advertising campaign, the customers will aware of the products and search it in outlets or stores. When the customers do not find any products that they are expected they will feel disappointed and probably switch to other brand. That's why we need task force to achieve target numeric distribution in short term period.

After we put our products everywhere, we need also look for visibility. Displays in outlet also play a big role in launching stage, because when

customers sees the product in outlets after saw the advertising, they will recall the advertising they have seen and buy the products.

4.7. Budget Projections

Each marketing strategy must be adequately resourced if it is to have a chance to succeed. When the new resources required are added to the existing base, a total budget for marketing plan can be systematically derived. This “bottom-up” approach to setting the marketing budget is directly tied to specific marketing strategies and key performance issues. Deviation from the resources allocated should be reconciled with the resulting impact on performance.

Action plan allows us to build a supporting budget. On the revenue side, this budget shows the forecasted sales volume in units and value. On the expense side, it shows the expected cost of production, distribution, and marketing.

Table 4-4 Five Years Profit and Loss Projections for Energen Milkuit

Description	Year I		Year II		Year III		Year IV		Year V		Total	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Total Sales	59.774	100,0%	77.786	100,0%	101.018	100,0%	126.273	100,0%	157.841	100,0%	522.612	100,0%
COGS												
Raw Material	28.213	33,8%	23.545	30,3%	31.518	31,2%	49.786	32,3%	52.561	33,3%	168.622	32,3%
Packaging Material	14.881	23,4%	17.251	22,2%	23.335	23,1%	29.889	23,6%	36.383	23,0%	120.701	23,1%
DL	4.668	7,8%	4.662	6,0%	6.465	6,4%	8.839	7,0%	10.891	6,9%	35.517	6,8%
FDH	3.648	6,1%	3.497	4,5%	4.950	4,9%	6.586	5,2%	8.050	5,1%	26.710	5,1%
Total COGS	42.531	71,2%	48.955	63,0%	66.268	65,6%	85.992	68,1%	107.885	68,3%	351.550	67,3%
Gross Margin	17.243	28,8%	28.751	37,0%	34.750	34,4%	40.281	31,9%	50.836	31,7%	171.061	32,7%
Marketing Expense												
Above The Line	12.681	21,2%	9.988	12,9%	10.987	10,9%	12.885	9,6%	12.698	8,0%	58.431	11,2%
Below The Line	4.914	8,2%	5.813	6,5%	5.263	5,2%	5.799	4,6%	6.879	3,9%	27.059	5,2%
Others	583	0,9%	665	0,9%	665	0,7%	665	0,5%	665	0,4%	3.163	0,6%
Total Mkt Expense	18.898	30,3%	15.666	20,2%	16.915	16,7%	18.549	14,7%	19.434	12,3%	88.653	17,0%
Mkt Contribution	(855)	-1,4%	13.886	16,8%	17.835	17,7%	21.741	17,2%	30.682	19,4%	82.408	15,8%
General Exp.	1.385	2,2%	1.378	1,8%	1.387	1,4%	1.467	1,2%	1.614	1,0%	7.152	1,4%
NOP Income / (Loss)	(2.158)	-3,6%	11.716	15,1%	16.438	16,3%	28.274	16,1%	28.988	18,4%	75.256	14,4%

Source : PT. Mayora Indah Tbk.

Table 4-4 shows profit and loss statement of Milkuit for five years ahead from the time of relaunch. From the sales projection it shows increasing sales trend with total sales 522.612 billion rupiah for five years.. Gross margin forecasted will be around 30 % which in first year the gross

margin will be lower because it's still introduction time for factory to produce the product. There is a loss in first year because of large advertising and promotion budget to support the relaunch, but after first year the ratio of advertising and promotion budget will reduce because of increasing sales is larger than increasing budget. In total five years Milkuit still generate net operating profit 75.256 billion rupiah with 14,4 percent from total 5 years sales.

