A MARKETING PLAN TO RELAUNCH ENERGEN MILKUIT BACK INTO MARKET

THESIS

ADRIA DEVIUS TIONO 0706169575



UNIVERSITY OF INDONESIA FACULTY OF ECONOMICS MAGISTER OF MANAGEMENT MASTER OF BUSINESS ADMINISTRATION MM-MBA PROGRAM JAKARTA FEBRUARY 2009

A MARKETING PLAN TO RELAUNCH ENERGEN MILKUIT BACK INTO MARKET

THESIS

Submitted to fulfill one of the requirements to obtain degree of Magister Management

> ADRIA DEVIUS TIONO 0706169575



UNIVERSITY OF INDONESIA FACULTY OF ECONOMICS MAGISTER OF MANAGEMENT MASTER OF BUSINESS ADMINISTRATION MM-MBA PROGRAM JAKARTA FEBRUARY 2009

ii

STATEMENT OF ORIGINALITY

This final paper represents my own effort,

any idea or excerpt from other writers in this final paper, either in form of publication or in other form of publication, if any, have been acknowledged in this paper in accordance to the academic standard or reference procedures

Name Adria Devius Tiono Student Number : 0706169575 Signature February 10th, 2009 Date

HALAMAN PENGESAHAN

:

Tesis ini diajukan oleh Nama NPM Program Studi Judul Tesis

: Adria Devius Tiono : 0706169575 : MM-MBA : A Marketing Plan To Relaunch Energen Milkuit Back Into Market

Telah berhasil dipertahankan di hadapan Dewan Penguji dan diterima sebagai bagian persyaratan yang diperlukan untuk memperoleh gelar Magister Management pada Program Studi Magister Management - Master of Business Administration, Fakultas Ekonomi, Universitas Indonesia.

DEWAN PENGUJI

Pembimbing

: Dr. Firmanzah

Ketua

: Dr. Avanti Fontana

want, Ing Sup

Penguji

: Nurdin Sobari MMCAAE (

Ditetapkan di : Jakarta

: 26 Pebruari 2009 Tanggal

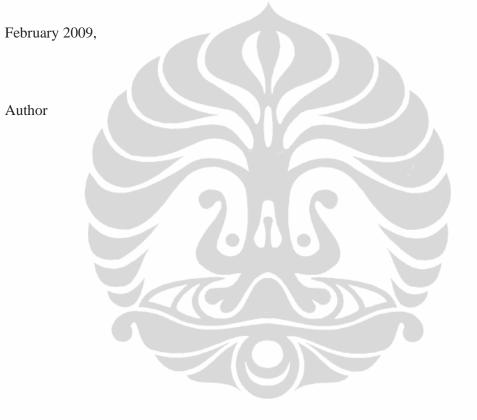
ACKNOWLEDGEMENT

I realize that my success cannot be achieved without the help of God and many people. I am greatly thankful to God, the Almighty, for loving and supporting me in accomplishing many things in my life, including finishing my thesis. I owe many people who help and support me in writing my thesis. My love, gratified, and thankful to:

- 1. Mr. Firmanzah Ph.D for his time and guidance. I can only say thank you for all of your passion in guiding my thesis.
- 2. Mr. Rhenald Kasali, Ph.D as Head of MM Program, Dr. Irwan Adi Ekaputra as Secretary of MM Program, and Dr. Avanti Fontana, S.E. as Coordinator of MM-MBA Program.
- 3. All of the MM-UI professors and staffs who provide me with knowledge, great experience and help. Bu Yanki thank you for being student's best friend!
- All of the Grenoble professors who taught me new experience and knowledge. Spending time with all of you has been a great experience for us, MM-MBA 2007 students.
- 5. My entire classmate in MM-MBA 2007 who give me a great experience and friendship. Paula, Marvin, Evi, Cheppy, Eros, Andra, Hadi, Melissa, Lana, Rani, Olympic Teams, Meidi, Wildan, Pak Tri, Pak Hotman, Pak Arief, Pak Fitri, Ibu Lily, I always have pleasant moment with all of you. If one of you is not member of this class, MM-MBA'07 is never been existed.
- 6. My parents, Johanes Agus Tiono and Livia Salim, for their constant support in many ways. My sisters. Thank you for the big support.
- 7. Ibu Sabrina Kharisanti, thank you for your guidance and support.
- 8. For all my friends in Mayora especially in marketing department, what a wonderful journey with you guys. I have learned a lot from this company and I'm very greatful for the wonderful working environment.

9. I would like dedicate this thesis to my wife in three months from now, Shirley Luciana Widjaya. Thank you for being there for me in all condition.

I also realize that this piece of writing may not be excellent and need much more improvement. However, I still hope that my thesis can be benefit for other MMUI students, especially who like marketing in fast moving consumer goods.



HALAMAN PERNYATAAN PERSETUJUAN PUBLIKASI TUGAS AKHIR UNTUK KEPENTINGAN AKADEMIS

Sebagai sivitas akademik Universitas Indonesia, saya yang bertanda tangan di bawah ini:

Nama	: Adria Devius Tiono
NPM	0706169575
Program Studi	: MM – MBA
Fakultas	: Ekonomi
Jenis karya	: Tesis

Demi pengembangkan ilmu pengetahuan, menyetujui untuk memberikan kepada Universitas Indonesia **Hak Bebas Royalti Noneksklusif** (*Non-exclusive Rolayty-Free Right*) atas karya ilmiah saya yang berjudul:

A Marketing Plan To Relaunch Energen Milkuit Back Into Market

beserta perangkat yang ada (jika diperlukan). Dengan Hak Bebas Royalti Noneksklusif ini Universitas Indonesia berhak menyimpan, mengalihmedia / formatkan, mengelola dalam bentuk pangkalan data (*database*), merawat, dan memublikasikan tugas akhir saya tanpa meminta izin dari saya selama tetap mencantumkan nama saya sebagai penulis/pencipta dan sebagai pemiliki Hak Cipta.

Demikian pernyataan ini saya buat dengan sebenarnya.

Dibuat di : Jakarta Pada Tanggal : 10 February 2009 Yang menyatakan

(Adria Devius Tiono)

vii

A merketing plan..., Adria Devius Tiono, FE UI, 2009

ABSTRACT

Name: Adria Devius TionoConcentration: MM-MBATitle: A Marketing Plan to Relaunch Energen Milkuit Back
Into Market

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. Milkut 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.

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.

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.

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.

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 Energen Milkuit.

Knowing this situation Mayora is willing to revitalize and re-launch Energen Milkuit to become one of key player in biscuit market. Energen Milkuit is aimed to be a significant brand in cookies category with nutrition and health benefit from the product.

Differentiation is the anchor of a brand's equity. Without differentiation a company cannot charge a premium, nor can it sustain a brand. That was what happened with Energen Milkuit that fail to succeed in the market. Energen Milkuit was offering products that quite similar to competitor's product with higher price without any significant differentiation. That's why Energen Milkuit needs to have significant differentiation if they want to fight with competitors.

After Mayora find the suitable differentiation for Energen Milkuit, they need to reposition the brand to establish more compelling points of difference. 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.

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. All strategy for revitalize and relaunch Energen Milkuit should put into marketing plan. The objectives to have marketing plan are to make clear how it will impact three important overall business performance objectives, revenue growth, strategic position, and financial performance.

Keywords: Marketing Plan, Brand Relaunch, Brand Revitalization



TABLE OF CONTENTS

Title	i
Statement of Originality	iii
Validation Statement	iv
Acknowledgement	v
Publication Agreement Statement	vii
Abstract	viii
Table of Contents	х
List of Exhibits	xiii
Lists of Charts	xiv
Lists of Tables	XV
Chapter 1: Introduction	
1.1. Background	1
1.2. Problem Identification	3
1.3. Objective of the Research	3
1.4. Research Methodology	4
1.5. Outline of the report	4
Chapter 2: Theoretical Studies	
2.1. Brand	6
2.1.1. Sub Brand	8
2.2. Brand Extension	9
2.2.1. Brand Extension and Brand Equity	11
2.2.1.1. Positive Effect of Brand Extension	14
2.2.1.2. Negative Effect of Brand Extension	17
2.2.2. Advantages and Disadvantages of Extensions	18
2.2.2.1. Advantages of Brand Extensions	18
2.2.2.2. Disadvantages of Brand Extensions	21

2.3. Dec	cline of the Brand	23
2.3	.1. Deconstructing Brand Decline	25
2.4. Rev	vitalizing Brand	27
2.4	.1. Expanding Brand Awareness	28
2.4	.2. Improving Brand Image	29
2.4	.3. Entering New Markets	30
2.4	.4. Correct the Mismanagement of the Brand	31
2.5. N	Marketing Plan	32
2	2.5.1. The Benefits of a Good marketing Plan	33
2	2.5.2. The Stages of Developing Marketing Plan	35
2.6. I	Designing Marketing Communications Program to Relaunch	
Ι	Brand Extension	38
Chapter 3: C	Company Profile and Industry Review	
3.1. I	PT. Mayora Indah Tbk	43
	3.1.1. Vision and Mision	44
	3.1.2. Organization Structure	45
	3.1.3. Competitors	46
3.2. <i>I</i>	Analysis of Energen Market	47
	3.2.1. Energen – Brand Extension	52
Chapter 4: N	Marketing Plan	
4.1. I	Background	53
4.2. I	Indonesia Biscuit Market Analysis	55
2	4.2.1. Energen Milkuit's Situation Analysis	59
4.3. 8	SWOT Analysis	65
4.4. N	Marketing Objective	67
4.5. N	Marketing Strategy	68
2	4.5.1. Repositioning The Brand	70
2	4.5.2. Changing Brand Elements	71
Z	4.5.3. Marketing Communication Strategy	73

4.6. Action Programs	76
4.7. Budget Projections	78
Chapter 5: Conclusion	

5.1. Conclusion

Chapter 6: Recommendation

6.1. Recommendation 83

80

Bibliography



LIST OF EXHIBITS

Exhibit 2-1 Brand Scope	11
Exhibit 2-2 Brand Equity and The Brand Extension	13
Exhibit 2-3 Decision Sequence for Developing The Promotion Mix	39
Exhibit 3-1 Mayora Business Unit	44
Exhibit 3-2 Mayora Organizational Structure	45
Exhibit 3-3 Energen Brand Portfolio	52
Exhibit 4-1 Reasons not Buying Milkuit after Seen The TV Advertising	63
Exhibit 4-2 Energen Milkuit New Logo	72
Exhibit 4-3 Energen Milkuit New Packaging	72
Exhibit 4-4 Ironmax Icon for Energen Milkuit	73



LIST OF CHARTS

Chart 3-1 TOP 10 Volume Market Share Trend 2007 – 2008	47
Chart 3-2 Market Volume Trend and Growth of Cereal Category	
2006 - 2008	49
Chart 3-3 Cereal Incidence of Usage 2007	50
Chart 3-4 Brand Awareness of Cereal Products in 2007	51
Chart 4-1 Milkuit's Numeric Distribution Level in Indonesia	54
Chart 4-2 Milkuit's Total Sales in Value in First Year Launch	55
Chart 4-3 Trend Biscuit Market 2005 - 2007 in Indonesia	56
Chart 4-4 Segment Contribution and Growth in Biscuit Category 2007	56
Chart 4-5 Biscuit Manufacturers Market Share and Growth in 2007	57
Chart 4-6 Biscuit Incidence of Usage 2007	58
Chart 4-7 Frequency of Consuming Biscuit 2007	59
Chart 4-8 Milkuit's Television Advertising Awareness	61
Chart 4-9 Preference Toward Television Advertising For Adult	61
Chart 4-10 Preference Toward Television Advertising For Kids	62
Chart 4-11 Milkuit's Sales Trend Oktober 2005 – September 2006	64
Chart 4-12 Milkuit's Market Share Trend 2005 – 2006	65

LIST OF TABLES

Table 3-1 Volume Market Share & Distribution Change 2007 – 2008	48
Table 3-2 Value Growth Breakfast Cereal and Powder Milk 2007 – 2008	49
Table 4–1 Milkuit's Five Years Projection Sales Target	67
Table 4-2 Above The Line Programs for Relaunch Milkuit	76
Table 4-3 Below The Line Programs for Relaunch Milkuit	77
Table 4-4 Five Years Profit and Loss Projections for Energen Milkuit	78

