

CHAPTER V

CONCLUSION

5.1. Conclusion

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 Energen Milkuit, because it's not effective to campaign marketing communication activities when the distribution is still very low.

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. One of the examples is, they change their target segmentation strategy from the first launch strategy.

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. That's why writer try to suggest Marketing Plan that needed by Mayora to relaunch and revitalize the brand.

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.



CHAPTER VI RECOMMENDATION

6.1. Recommendation

To revitalize and re-launch Energen Milkuit to become one of key player in biscuit market is a tough task to do considering the history of this brand failed in the past. That's why Milkuit has to have a good marketing strategy to achieve its objective. And all the marketing strategy should be form as a business plan or marketing plan.

The first strategy is to repositioning the brand and finds something unique that become points of difference compare to other competitor. We need to reposition a brand to establish a point of parity on some key image dimension.

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. That's why we suggest the new positioning of Energen Milkuit is a milk biscuit, fortified with iron to help kids grow healthy and active. Energen 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, Energen 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.

Besides repositioning the brand, Energen Milkuit also has to change brand elements. To create a new positioning and image of the brand, Energen Milkuit should modify and update packaging, logos, characters and icons.

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.

Milkuit should have a brief proposition on their message, that easily understand by customers. The message we propose is 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.

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 and the secondary target is kids, male and female, 5-12 years old. With this segmentation, the communication will be more focus and will be easier to develop creative to deliver the messages.

All the strategy will be wrapped up out in action programs or marketing activities. The marketing activities are divided to above the line programs and below the line programs. We recommend that Energen Milkuit should have TV commercial to support their relaunch, not just TV but supported also by print advertising. In below the line, Energen Milkuit should do brand activation through sampling in schools and in the modern market. Display in stores also plays a big role to bring Energen Milkuit to succeed.

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. Energen Milkuit should have a good marketing budget plan so it can be a good tool for evaluation that the marketing strategy works in making profit or not.

A good marketing plan is an essential part of a proactive marketing strategy. However, important benefits that result directly from the process of developing marketing plan, as well as the successful implementation of the marketing plan. A good marketing plan provides a roadmap for both marketing strategy and expected performance.