CHAPTER I
INTRODUCTION

1.1. Background

Nowadays people around the world are more aware of the healthy living. This health awareness caused by a lot of health cases in the world, from the basic one such as diabetes, until more serious cases like HIV or bird flu that become popular health issues in the entire country right now. Usually people think that this awareness only happened in advanced country because of higher education level, but as the growth of information technology and other factors, people in less developed countries or so called emerging countries are now becoming more health conscious.

Mass media was one of the important contributors to build awareness among the people. It's not focus specific health problems or health disease but also overall health problems like nutrition needs that seems so important now for Indonesian family.

People are striving to keep their good health in many ways, by doing sports and consuming food that healthy and nutritious is one of the options. It's proven by the fitness centers that rapidly grow especially in Jakarta. Besides the growing of fitness centers, the other indicators are several food products like biscuits, milk and others are also now claiming to consumer that the products have fortified with the vitamins, minerals or another advanced nutrition to fulfill consumer health needs.

Several companies realize the growing demand become potential market to entry and they are confident the market will be growing and become larger in the future, one of them is PT. Mayora Indah Tbk. Energen is one of the well-known brands from Mayora for cereal products. Start entering the market at 1991, Energen is pioneer of the cereal category with instant milk and cereal product. Since the first launch, Energen is a market leader in total cereal category with over 60% of market share. Multinational company like Nestle is still following the leader and there all several companies that tempted to enter this category because the total market is very large with small amount of players. Besides that, the

cereal market also growing constantly year to year. The growth is around 20 – 30 % yearly, and this is caused by Energen that drive the growth in this category especially in mix category

Mix cereal category is a subcategory of cereal that the products is consist mix of milk, sugar and cereal. Big companies like Frisian Flag or Susu Bendera, Nestle with Dancow as a brand, PT. Garuda Food, PT Santos Jaya Abadi or Kapal Api were entering the market. But only Kapal Api with Ceremix as brand and Dancow that now still exist in the market, the others are already left the market because they found very hard to compete with Energen as a leading brand.

By analyzing this situation in the market, management of Mayora is realized that Energen is an asset for the company, and they think about develop the brand and use Energen as umbrella brand for the brand extension, so they can take advantage of the well known brand with a large amount of loyal consumers. Energen is aimed to be a brand that attach to products that consist nutrition value with health claims.

Mayora is also well known as biscuit manufacturers with Roma as a brand. They already made some products that succeed in the market. In one time, the owners have developed a biscuit that made of milk. This product is consisting of nutrition value, and the management is thinking about launch this product under Energen as an umbrella brand.

In 2004, Energen launch new product into the market with Milkuit as a sub brand. The product is very different from current Energen has right now which is milk biscuit. The product has very good taste based on quantitative taste research which conducted before product launched. Research reported Milkuit is promising product in future because it's offering unique concept with bite-size cookies and full of nutrition.

From the first launch, the sales didn't meet the expectations because there are problems with brand and product strategy included communication and positioning. That caused Milkuit hasn't got strong position in the market, especially if compared with competitors.

Proper business plan is needed to build Milkuit as a strong brand in the market and achieve. By analyzing the advantage and disadvantage in the brand extension, Mayora are willing to reviving and revitalize Milkuit from a weak subbrand into strong subbrand its competitive sales to gain market share.

1.2. Problem Identification

Revitalizing or reviving a brand need several steps of careful analysis, because reviving a brand means launch a new brand with high investment. Energen Milkuit has failed in the first launch, the sales didn't meet the expectations because there are problems with brand and product strategy included communication and positioning. That caused Milkuit hasn't got strong position in the market, especially if compared with competitors. Mayora is willing to relaunch this brand and they should revitalize the brand with a sharp brand positioning that fit into consumer's needs and wants. Besides a good brand positioning, Mayora also need a good marketing strategy from getting awareness from the consumer, making consumer buy the products, until building consumer satisfaction. And all these stages are consist in marketing plan that Mayora should prepare before they revitalize the brand, so they can execute the marketing strategy properly with a calculation of financial support.

Research question can be determined as :

- What is the best marketing plan to revitalize Milkuit as a strong subbrand, which could compete in the market with product that already in the market and compete with strong and agile competitors?

1.3. Objective of the Research

This study is focusing on evaluation and explores what caused Milkuit unsuccessful in the market. And also to find out the right strategy for Milkuit to become strong challenger in its category by reaching expected sales and obtain significant market share.

To transform marketing strategy in marketing programs, we must make basic decisions on marketing expenditures, marketing mix, and marketing allocations. Each product level must develop a marketing plan for achieving its

goals. The marketing plan is one of the most important outputs of the marketing process. It is ensuring that company is achieving its sales, profitability of products and other goals.

This study might give advises for PT. Mayora Indah Tbk to build a marketing plan for revitalizing Milkuit as a strong subbrand in the market.

1.4. Research Methodology

This study is in business plan form focusing on marketing strategy. The research methods that are used in this thesis consist of :

- Library Research

  Library research is collecting data from various sources related to the problem identification. It comes from textbook, articles from journal and internet.

- Field Research

  1. Survey

     The survey is intended to get secondary data for supporting analysis based on facts.

  2. Observation of marketing department operation, in the office and in the field.

1.5. Outline of the Report

The thesis covers five chapters that be composed of :

Chapter I :   Introduction

The introductory chapter represents a general picture of the thesis. It states background, problem identification, objective of the thesis, research methodology, and outline of the report.

Chapter II :   Theoretical Study

The theoretical study comprises theories and theoretical approach used in analyzing the problem and taking conclusion and recommendation.

Chapter III :   Company Profile and Industry Review

The company profile and review of cereal industry describe Mayora profile and cereal industry review

.

Chapter IV :   Marketing Plan

This chapter describes all the stages of marketing plan for Mayora.

Chapter V :   Conclusions

In this chapter, the writer tries to conclude the analysis study. By establish the analysis, the writer hopes to find accurate and effective strategy for Energen Milkuit.

Chapter VI :   Recommendations

In this chapter, the writer gives the recommendations for PT. Mayora Indah to revitalize and relaunch Energen Milkuit.