

Milo thailand marketing plan assignment

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1. 0 EXECUTIVE SUMMARY “ Milo”, a brand of chocolate/malt powder beverage of Nestle, which is once known in the past as number one brand in customers’ mind in Thailand. But nowadays Milo is not that well perceived as before but another leader, Ovaltine, had triumph the position and become market leader in the segment. With the nature of Nestle that utilize generic marketing strategy such as cost leadership in business, the company is currently struggling hard time finding the competitive advantage for Milo, when it comes to face to face with its main rival, Ovaltine.

The main objective of this marketing plan is to provide useful of marketing strategies, explanation and sales forecast to make Milo become the market leader in Thailand. Models and concepts such as Ansoff’s Model, SWOT Analysis and Porter’s Five Forces Analysis are implemented to help us analyze external factors. Our group uses both primarily data from field survey and secondary data from a research firm, AC Nielsen Thailand, to help us gaining more insight and customers’ deeper perception toward the brand.

This information provides solid foundation in the process of forming the effective marketing strategies for Milo. Marketing Management: MILO Marketing Plan 1 2. 0 SITUATION ANALYSIS Nestle’s Milo had entered Thailand market for decade and then become the second leader in chocolate/malt related products market. The brand from Nestle, in the past, was consisted of many business units from UHT chocolate milk, chocolate/malt powder beverage, chocolate ice-cream, chocolate bar and chocolate cereal. However, some product lines started to shown not enough positive sign in term of sales volume.

Nestle Thailand, the company which core competency is the economy of scales model, then decided to outsourced the chocolate UHT, and ice-cream category to F Diaries (a major manufacturer of sweetened condensed milk from Malaysia), the chocolate bar to DKSH Group, Diethelm (market expansion service company). Nestle's Milo now markets only the chocolate/malt powder beverage and chocolate serial. This marketing plan will focus only the powder beverage business unit due to the major contribution of Milo brand comes from beverage category.

2. 1 MARKET SUMMARY

Geographic Segmentation: ? **Regions:** Although people prefer to drink Milo throughout the year. But season can be used as criteria for Nestle to segment the market. Our finding show that number of sales volume rose significantly in summer and winter, but not in rainy season. ? **Cities:** Cities take bigger responsible in Milo's sales volume proportion compared to rural areas and villages as a result from different factors such income and education level. However, as the company focuses on economies of scales and mass Marketing Management: MILO Marketing Plan 2 ommunication, it should focus on making Milo available in every place that has people with purchasing power and demand.

2. Demographic Segmentation:

? **Age:** Currently, most portion of Milo's target markets derive from children and old people. These tow group contribute most part of the Milo's sales. However, Nestle shouldn't neglect other segments such as young adult and working people. Newly emerged trends such health conscious affect their consumption behavior, which perfectly fit for Milo. ? **Gender:** In the past, Nestle tried to communicate Milo's image as sporty and energize by using " young boy" endorsement to represent the concept.

However, due to the changes in today social structure and sex proportion. Nestle should commutate to female more, especially when they are the person who shop for their family, a buyer. ? Income and Occupation: People with high income and education level should be focused. This group of people is health conscious and willing to pay for product that benefits their well being. On the other hand, blue collar people still an attractive segment due to its higher proportion in Thailand's social. The later can be targeted by telling them that Milo provides benefit to their daily activities. .

Psychographic Segmentation ? Social Class and Lifestyle: This group of people belongs to higher social class, buying more luxury product. Nestle can provide more value to this group by inform that Milo contains rich nutrition. Marketing Management: MILO Marketing Plan 3 ? Personality: People with active personality and outgoing should be educated that Milo is the perfect product for them. Nestle can tie Milo to sport celebrity that has the same type of this personality to create emotional attachment with consumers. 2. 2 SWOT ANALYSIS

We applied SWOT analysis to find out how effective Milo is operating based on its internal and external factors that affect its success. INTERNAL Strengths ? Mainly focused in chocolate/malt beverage. ? Unique selling point. ? Part of Nestle which can leverage the brand Milo reputation and financial. ? Value of money, cheaper than competitors. ? Well know not just in Thailand but worldwide. Weakness ? Lesser product variety compared to competitors (Ovaltine) ? Lesser assortments of packaging (only pouches) ? Low distribution coverage. EXTERNAL

Opportunities ? World Cup event. ? Increased media alternatives . (mobiles and internet) ? Health conscious trend. ? Prosperous fitness industry ? Not many big players. (two big players are Milo and Ovaltine) Strengths: Since Milo's product is primary chocolate/malt related, it is easy for the company to communicate and puts its resources single-minded on its product assortments. The brand Milo is also under the umbrella of Nestle brand name that held great brand equity towards Thai consumer with various kinds of product such as Nescafe and Coffee Mate.

Marketing Management: MILO Marketing Plan Threats ? Political Instability ? Product similarity with competitor ? Main competitor (Ovaltine) is also well known and success. ? Customers' taste preference. ? Intensive marketing campaign from competitor. ? Competitor gains more shelf space and product visibility. 4 Milo itself has been serving consumer from generation to generation with good image and value price. The brand associated itself with its sporty indoor and outdoor event, for example, events sponsorship such football in grade schools.

This encourages both kids and their parents to the perception that Milo is a nutritional beverage that contains multivitamin, calcium and Protein, combining with the image of healthy product but delicious. Last but not least, Thai consumers, mostly Generation X and Millennial Generation cohorts, have memorable story about Milo taste when they were students. Thai people with age 15 ??? 35 years usually have a good experience about Milo's campaign called " Milo on the Tour School Bus". The campaign that implemented for more than 15 years, giving out sample to Thai students from junior to junior high around the country. 0% confirms the outstanding <https://assignbuster.com/milo-thailand-marketing-plan-assignment/>

taste of Milo and still recalls the brand, Milo until today. Weakness: Thai consumers have valuable memory about Milo unique taste, perceive that it was not as delicious as they expected when they purchased Milo and made it at home. This had led to the negative effect to the brand. Meanwhile, the high competition between Ovaltine, the rivalry brand, and Milo has been intense for years. As Milo was not the first mover in the market, Ovaltine could gain consumer first attention to become the first brand that pop up in their mind when they think of chocolate beverage.

Furthermore, Milo had less product variety in flavor compare to Ovaltine. For example, Ovaltine 5 Grains beverage which Milo still has no product to directly compete with Ovaltine's product. Marketing Management: MILO Marketing Plan 5 Opportunities: The emerge of the health conscious trend in Thailand was the huge opportunity for Milo as mentioned earlier that people perceive chocolate malt beverage as healthy product. Simultaneously, the rise of sport celebrity in Thailand will greatly benefit Milo brand because Milo positioned itself as the product for sporty outgoing person.

This coming sport event, FIFA's World Cup 2010, also another great opportunity for Milo as the brand is associated itself with sport. Threats: Thai political instability effects level of consumption and negative growth in GDP. People feared to go out and spent less. There are only two key players in this market which are Milo and Ovaltine; therefore it is quite interesting for new entrants to enter to the market. Not only within the chocolate malt beverage category but also the indirect competition from substitute products such as Coffee or tea that may capture some proportion of consumer's share of wallet.

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In addition, some people perceive chocolate milk as the product for children. They may shift from milk to coffee later, becoming ex-user. 2. 3

COMPETITION ANALYSIS 1. Porter's 5 Forces Analysis We are going to use Porter's 5 Forces Model to find out what external influences can affect the product (Milo) and how the company can improvise these factors to the brand benefit. Here are the concerned factors; Marketing Management: MILO Marketing Plan 6 Threat of New Entrants Medium: 1. Little number of key players. 2. Competitor's first mover adv. 3. Intensive marketing activities.

Medium: 1. Medium price sensitivity. 2. Change in customer behavior. Power of Suppliers Rivalry from Existing Firms Power of Buyers High: 1. Newly emerged health drinks. 2. Customer's life cycle affect product shifting. Low: 1. High price sensitivity. 2. Change in customer behavior. Threat of Substitutes Low: 1. High price sensitivity. 2. Change in customer behavior. 2. Key Competitors 4P's Analysis ? Product: There are two key players in this market as mentioned earlier, which are Ovaltine and Milo. Ovaltine was the first mover which has gained an advantage of generic name.

So far Ovaltine has extended the product line into Ovaltine Original, Ovaltine 3in1, Ovaltine 5 Grain and Ovaltine Crunchy while Milo only has 3 products competing against Ovaltine which are Milo Original, Milo 3in1 and Milo Cereal. Ovaltine define their product as chocolate malt beverage while Milo defines their product as chocolate milk beverage. Despite the fact that it is an identical product, but both have strong unique taste. Based on the experimental research, Ovaltine's tastes sweeter than Milo's taste but Milo seems to be milkier. Pricing Strategy: Ovaltine set the price lower compare to Milo's about 1% of the total price. Marketing Management: MILO <https://assignbuster.com/milo-thailand-marketing-plan-assignment/>

Marketing Plan 7 ? Distribution: Ovaltine partner more with open trade middlemen such as mom and pop store to push the products in B2B business. For example, the company gives out free shelves with Ovaltine's logo. This creates strong relationship with these local stores to be a loyal customers and choose Ovaltine next time they re-purchasing. ? Promotion: Ovaltine positioned as beverage for you in every morning by using famous actress and her family as a brand ambassador.

They communicate to the consumer that every members in the family can drink Ovaltine since Ovaltine provides different kind of product to serve in each segment. Meanwhile Milo was positioning themselves as chocolate milk beverage for kids and used unknown sporty kids as a representative. The campaign called “ Volcano Ovaltine” was the program that Ovaltine pushed their product to the retailer by adding value about decorating chocolate drink as using Ovaltine powder as an icing. This strategy creates new way of consuming its product.

There are other minor competitors in this chocolate malt market such as Marketing Management: MILO Marketing Plan Dutch Mill and house brand which contribute to market share insignificantly and they normally do not use advertising tool to promote the brand. 2. 4 PRODUCT OFFERING

Currently, Nestle operates Milo's chocolate/malt powder beverage line with three products, serving different groups of consumer. Point of Parity and Point of Different 8 concepts are used to identify the core value of the products compared to its main rival (Ovaltine).

Point of Parity: Milo's PoP is the product offering which extent to the point that the brand can competitively share with other brands. ? ? ? ?

Chocolate/malt taste Ability to mix with both hot and cold temperature water

Provide important nutrition Convenient to make Point of Different: With

current Milo's product lines, there is no obvious point of different in term of product offering. However, according to our strategy toward product

development that will increase another product line call Milo Cafe which

creates new opportunity for Milo to gain the following point of different. ?

Mixture of chocolate/coffee drink with chocolate oriented taste Freshness

from caffeine Marketing Management: MILO Marketing Plan 2. 5 KEYS TO

SUCCESS 1. Product quality including taste and nutrition: According to the

research done by our group, we found that many people would recall of the taste of Milo from school bus they tasted when they were schooling. That

taste is one of Milo's sustainable competitive advantages (SCA). The taste is very different and special from other products. Moreover, it's full of nutrition

and benefits for boosting up energy for consumers every day. 2. Consumer

awareness of the product: Milo should implement a plan to increase

consumer awareness through advertising campaign and promotional events, as well as to ensure product visibility in modern trade channel by purchasing

more shelf spaces in all department stores. 3. Availability of the product:

According to the new strategies, Milo has planned to expand distribution channel through modern trade and traditional trade in order to increase

product availability and to capture customer's awareness. 4. Branding: Milo

has a strong brand under Nestle umbrella brand.

This is an advantage that helps Milo to gain negotiation power and positive perception that every product under Milo brand will be perceived as good taste. 5. School Bus Campaign: the taste that embedded in many of consumers' mind since they were young. The sample that Milo gave out to target consumer when they were in junior school. Every time they think of Milo brand, they will think of Milo school bus taste that can never be forgotten. 2. 6 CRITICAL ISSUES ? Milo's target consumer is school children and those sport people.

Milo's concept focuses more on promoting various kinds of sport worldwide and boosting up energy, but since Thai people doesn't exercise much, and trend of sport in Thailand is not much popular compared to other countries. ? Although Milo is one of the top brand in the market, but its market share is considered relatively low compared to the market leader like Ovaltine, which is Milo's biggest competitor. As Ovaltine has gained first mover advantage, and Marketing Management: MILO Marketing Plan 10 now it's become the "Generic name", so everyone when think about chocolate malt beverage will think of Ovaltine instead of Milo. The taste of chocolate malt beverage that is being sold in the market is not the same as the school bus taste children had when they were schooling. ? ? Lower product visibility / fewer shelf space in all department stores Innovation / Renovation ??? People are not aware of the nutrition of Active B that Milo has put in their products. ? Consumer Communication ??? Little knowledge on clear benefits of Active B, and concept of "energy up" Moreover, we feel that Milo's major competitor, Ovaltine, contains more cocoa, thus tastes a lot better than Milo.

Therefore, Milo should improve its product quality by providing a more concentrated coco similar to the Milo from school bus that every kid misses.

3. 0 MARKETING STRATEGY 3. 1 MISSION Marketing Management: MILO

Marketing Plan Our mission of marking plan is to gain more market share to become a market leader which will change the position from follower by 2014 as well as creates value that can be sustained over the long term for consumers and our client. Moreover, we aim to create the values for Milo's brand equity to be more reliable with higher quality.

It can be in children's mind not only as an enjoyment of delicious chocolate taste, but also the source of nutrition to drive their energy up. The company can maintain loyal consumers, and also expand market with new innovative superior products to satisfy target consumers as its slogan, " Good Food Good Life". 11 3. 2 MARKETING OBJECTIVE As the matter of fact, " Milo" which is once known in the past as number one brand in customers' mind in Thailand. But the environment is changing very rapidly and in particular customers are looking for answer to their concerns.

We will bring back the Milo brand by marketing activities which can attract the ex-consumer who used to impress and memorize with " School Bus" ??? activity that Milo penetrate to school by delivering delicious taste of sampling and create environment bringing the retro culture which can drive the substantial sales growth successfully in the past. So, the sampling to primary to target customer is very important as well as thinking out of the box in innovative product, distribution, communication in pro-active action with 360 degree around market.

In addition, establish strong relation between the firm and traditional wholesaler to push our product competitively. Finally, we will achieve the target to turn-over the situation of the brand to become market leader within 6 years and continuously develop and expand base of customer with new formula of chocolate powder every 2 years. 3. 3 FINANCIAL OBJECTIVE

Marketing Management: MILO Marketing Plan With Regard to the current Market Categories value of Total Chocolate Powder Beverage is 3, 020 Million Baht in 2009. From our practical marketing plan, we expect to gain market share no. in CPD in 5 years so the growth of MILO will be 30 % in Y2010, 33% in Y2011 , 32% in Y2012, 24% in Y2013, 21% in Y2014 respectively while growth total market will possibly growth around 10 % per year. Finally, Market Share of MILO will be more than 50 % in Y2014. However, we will enjoy with margin that control to spend efficient expense to boost the market share. 12 Moreover, we plan to increase margin of wholesaler from 4. 8 % to 6 % in order to motivate them to push Milo products to consumer with more efforts. 3. 4 TARGET MARKET Nowadays, people more concern on their health, as well as time to work or do activities.

Milo originally targeted on school- age kids, who love the taste of chocolate malt, to be main target segment. But the survey indicates that consumers of Milo can be in any stage of age, thus, Milo should broaden its segment. The target consumers of Milo can be divided into these groups of consumers who have similar needs; ? School Age Kids: 6 ??? 12 years old, whom their parents usually serve Milo once or twice a day as a routine. For example, one cup in the morning after breakfast and another one before going bed. Milo is considered to have useful nutrition for children. Teenage Students: in school

until university that need more energy to study and run their activities every day. Milo can freshen and boost up their physical strength. Marketing Management: MILO Marketing Plan ? Working People: Those who tend to have less time for their full meal can choose Milo as a source of energy. Moreover, it can be used as a substitute of coffee, for people who don't drink caffeine beverage. They may have Milo as a part of breakfast, another cup in the afternoon as a refreshment, and as a booster when they have overtime work. ?

Elder People: the group who love to have a hot beverage instead of coffee or tea. Unique chocolate malt taste of Milo is still a favorite. 13 3. 5

POSITIONING Nestle's Milo, chocolate/malt powder beverage, will position itself as " very tasty and rich in important nutrition for boost ones' energy chocolate drink". Based on the research that consumer's value taste is their main factor when choosing products, and Milo is currently developing a new powder formula which already backed up by AC Nielsen Thailand's blind test that about 73, 61 and 64 percents of Milo, Ovaltine and both drinkers satisfied with the new formula. . 6 STRATEGIES Ansoff's model is applied to detect new intensive growth opportunities as Milo's main objective is to become market leader. First, Milo will try to increase its market share with its same products in the same market by using newly developed chocolate/malt powder formula to serve current customer's need of better taste compare to the Ovaltine. Secondly, product development, " Milo Cafe", which aims to expand the current market to older group of consumers, will be launched accordingly to stimulate the market. Market-Penetration Strategy: In Thailand, Milo has both loyal and non-loyal consumers.

From our survey, we found that most consumers recognize the brand, but some of them don't like the taste, and some of them are price-sensitive. Thus, we plan to re-formula the original Milo to be tastier. The package will be re-designed to be more attractive, presenting brand personality. For price-sensitive consumers, who do not loyal to any brand, we will keep the same price although the costs increase. The company can reshape package, which contains a little bit less quantity, or launch new size packaging with new price. In addition, we will use more Marketing Management: MILO Marketing Plan 14 dvertising and below-the-line activities to persuade consumers, non-users and ex-users, to have a trial and finally become users. Good example of activity, which has been really success and still in the consumers' mind, is Milo School Bus. Product-Development Strategy: We would like to offer new related product, Milo Cafe, a mixed nutritious chocolate malt beverage with coffee flavor. Targeted consumers are teenagers, high-school to university students, who usually study hard and want some beverage to boost up their energy. This product will also satisfy Mocha lovers, who don't drink pure coffee but often add some chocolate or cocoa in.

Push Strategy: Give more margin as an incentive to wholesaler and retailer. Nowadays, Nestle gives wholesaler and retailer 4. 8% profit margin, which is a little higher than Ovaltine does. We can offer margin up to 6%, in order to convince vendor to push Milo product to our consumers. More special propositions, to push distributor, are as following; 1. Nestle can offer a bundle sale to dealer with special options. According to the fact that Nescafe is the market leader that generates great profit to the Marketing

Management: MILO Marketing Plan company, we can use it as an impulse product for Milo.

Buying a bulk of Nescafe and Milo will give them more discount rather than 6%. 2. Propose special experience, such as event or trip, to dealer and retailer. This strategy will create a brand loyalty to vendors in the long run. Activities could be relevant or irrelevant to the product, but at least there should be Milo beverage served along the event. The relevant activity may be courses to create menus that use Milo as an ingredient, thus, they can educate and suggest their 15 customers as well. Moreover, a sport day or family day will reach the main target market which kids.

Irrelevant event such as trip, mini concert, or occasionally party can also help keep good relationship between company and dealer. 3. A premium product which specially made for dealer may create a good perception for both dealer and consumer who have seen it. For instance, a beautiful t-shirt, polo shirts, or a cool sport bag. It can be considered as a mobile advertising to anyone outside the store. Pull strategy: 1. Effective TV advertising which have relevance to consumers in many perspectives, in terms of age, lifestyle and taste.

Nestle should pick a presenter who can communicate personality and taste of Milo, and it would be an advantage if that person is influential to target consumer. 2. Buy radio spots of relevant stations, such as FM 99 active radio, which target people who are sportive, active and health conscious. This way will educate the nutrition and value that suitable for them frequently. 3. Put more booths and in-store activities to give away samplings

directly to target. Marketing Management: MILO Marketing Plan Especially when company launches new product or new formula into the market. . Create annual sport tournament as an evidence of our on-going commitment and support to create healthy living among young active people, encouraging them to participate this program every year. Tournaments can be divided into many kinds of sport which cover and influence most of our target segment. We can also be an official sponsor for sport teams or sport tournaments, which will insist the characteristics of Milo. 16 3. 7 MARKETIG MIX (4Ps) Marketing mix of Milo includes four main different factors that make the brand success as followings; 1.

Product: According to Milo's consumer behavior, which tends to be easier, more practical and outgoing, Nestle created an assortment of product lines to serve their different lifestyle. There are three different kinds of chocolate/malt powder beverage under Milo brand including; ? Milo Active-B: the original taste of chocolate/malt beverage that contains only the chocolate powder. This allows customers to create their own mixture of ingredients to serve their taste. Milo Active-B is considered Milo's mainstream product due to its highest sales volume. Milo Active-B 3in1: the ready-to-drink chocolate powder that comes with complete mixture of ingredients of sugar and milk powder. It can be Marketing Management: MILO Marketing Plan melted in cold and hot water. The product provides both convenience and consistent taste of chocolate/malt for new generation time-oriented consumers such as students, office people, and travelers. 17 ? Milo Active-B Cereal: a mixture of chocolate malt and cereal is suitable for kids to enjoy crunchy taste and gain more fiber 2. Price: Normally, Nestle sets Milo a

little higher retail price than Ovaltine, the direct competitor, reflecting more premium quality.

However, retail price in each modern store or traditional shop is different, depending on how much margin the retailer would like to have. From company data, Nestle gives about 4.8% margin to each retailer. This percentage is more than that of Ovaltine, the market leader. Thus, in some retail shop, Milo has the same or lower price than Ovaltine.

3. Place: Nestle distributes Milo through two types of trade; ? Modern trade which includes both wholesaler and retailers. The big wholesaler would be Makro. Well-known modern retailers are Tesco, Big C, Carrefour, Villa market, Foodland, 7-11, minimart at gas station and so on. Traditional trade, owned by individuals, can be local wholesalers and retailers. These stores give greater sale rate than modern trade especially in upcountry Marketing Management: MILO Marketing Plan area. Promotion: Nestle uses some efforts to promote Milo brand, through above-the-line advertising. There is a TV commercial using a Thai star kid as a presenter. Some famous TV programs for children such “ Tossagun Dek”, “ Are You Smarter Than a 5th Grader? ” (Thai edition), has been sponsored by Milo. 18 Moreover, there are some below-the-line promotions which really make an impact on consumers.

For examples, a point-of-purchase activity giving away samplings, offering a premium gift when buy Milo product, and Milo school bus tour introducing Milo to school kids in major province. For pricing promotion, Nestle occasionally gives special value to consumer, for instance; retail price discount, buy one get one free, or extra quantity. This kind of promotion really influences over price-sensitive consumers, who are not loyal to any

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brand. 3. 8 Marketing Research Consumer behavior and their perception towards both the brand and product play an important role in decision making process. They help determining how consumer evaluate, consume and value the product. In this marketing plan of Nestle's chocolate/malt powder beverage, a research was conducted with an objective to understand consumers' consumption behavior, satisfaction and reasons behind the decision making of choosing between two major brands in the market. Secondary Research: Besides the primary research finding, external sources of information from Nielsen conducted for Nestle Thailand about customers' satisfaction towards new Milo formula and Nestle sales trend for the year 2009 are used to incorporate to form this marketing plan. Marketing Management: MILO Marketing Plan

Qualitative Research: One of the three research instruments used was depth-interview of twenty respondents who are user, non-user and ex-user of chocolate/malt powder beverage. The 19 objectives are to depict Milo and Ovaltine brand personality by asking the respondent to describe the characteristic of the both brands as they were person. The second objective is to find out the true reasons that drive respondents to choose or not choose between these two brands by using probe technique which leads to deeper insight in consumer behavior. Survey Research: The second methodology used in this research was survey research.

A set of questionnaires were distributed to 46 respondents chosen based on convenience of each group member such as relatives, friends, co-workers and simple random sample from the respondents on the internet through online survey system. The questionnaire comprise of total thirteen questions
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which are designed to elaborate and acquire information of chocolate/malt powder beverage consumption behavior. It also aims to study the relationship between each product attributes preferences (such as taste, temperature, consumption periods and ingredients) and respondent's demographic information.

Experimental Research: Finally, “ taste” was found out to be one of the core attribute that respondents from qualitative research valued the most. An additional experimental between the taste of Milo and Ovaltine was conducted using blind test technique. The objective is to observe that the respondents whether to be able to tell the difference between the two brands when the bias of branding is ruled out. Marketing Management: MILO Marketing Plan Findings: 20 After depth-interview sessions, we found out that respondents perceived the two brands, Milo and Ovaltine, differently especially when talking about brand personality.

While Ovaltine's characteristic is tied to personalities such more family oriented and warm, Milo's brand personality is outgoing, active and younger. This result correlated with survey that respondents with bigger family structure prefer Ovaltine while young couple and loner prefer Milo. The result from depth-interview and quantitative research also enhance the point that consumer value “ taste” as their main attribute when they choose between products. From experimental research, we found that respondent can easily told the different between two tastes of Milo and Ovaltine.

They claim that Milo taste milkier, but Ovaltine tastes more chocolate condensed. Limitations: Due to limited time and most of the group members

are full time workers, nonprobability convenience sample was used in the process of choosing the respondents which might leads to the bias in research result. However, the group tried to reduce the degree of this unreliable by eliminated extreme information from some respondents. 4. 0 FINANCIAL 4. 1 SALES FORECASE & GROWTH Milo set the ambitious target to double sale growth from 15% to 30% in 2010.

Milo captures the opportunity sale form new products, which are Milo Cafe (57 MB) and Milo Gift Basket (30MB). 21 Marketing Management: MILO Marketing Plan To increase the market share from 29% to 34%, the majority source of growth comes from Retain Current User (878 MB), Re-launch Milo Mainstream, and School Bus Sampling & Road Show (155MB). Sub-Cat Milo Ovaltine Other Total Milo Ovaltine Other Total CMB Grand Sale MB Y2005 Y2006 243 821 10 1, 074 301 364 0 665 1, 739 238 915 17 1, 170 384 509 0 893 2, 063 Growth Y2006 Y2007 -2% 11% 70% 9% 28% 40% 300% 34% 19% -5% -3% -12% -4% 14% 45% 2975% 32% 12%

Y2007 227 885 15 1, 127 436 738 1 1, 175 2, 302 Y2008 205 867 8 1, 080 594 1, 086 0 1, 680 2, 760 Y2009 185 773 7 965 693 1, 362 0 2, 055 3, 020 Y2008 -10% -2% -47% -4% 36% 47% -99% 43% 20% Y2009 -10% -11% -13% -11% 17% 25% 200% 22% 9% Powder 3in1 Sales Forecast (' 2010) 1500 1000 30 500 0 878 1072 M? Sources of Growth Retain Current Users 878 Nationwide Promotion & In-Store Activity 155 57 School Bus Sampling & Road Show + Re- 2009 Milo Mainstream Milo GiftBasket 2010 Milo Coff 0 30 Launch Milo Mainstream Launch Milo Coff Brand Milo Ovaltine CMB Sale MB Y2010 1, 150 2, 232 3, 382 Y2011 1, 530 2, 394 3, 924 Y2012 2, 019 2, 571 4, 591

Y2013 2, 504 2, 729 5, 233 Y2014 3, 030 2, 832 5, 861 Growth Y2010 31%
 5% 12% Y2011 33% 7% 16% Y2012 32% 7% 17% Y2013 24% 6% 14% Y2014
 21% 4% 12% 22 Marketing Management: MILO Marketing Plan 500 1000 4. 2
 PROJECTED SALE This is the projected sale 2010 ??? 2014. As we mention
 our mission to be the market leader within 2014. With the Projected Growth
 around 30-33%, Milo tries to deeply penetrate the market in the beginning of
 marketing plan via retain and expand the current users, increase the
 Distribution Coverage by pulling strategy, launch the school bus and road
 show activity throughout the country.

Moreover, we execute the new products development, launching Milo Cafe in
 2010 and Milo Lite in 2012. Exclusive SKUS will be launched for seasonal
 period, New Year Basket. Milo vs. Ovaltine Market Share 70% 60% 50% 40%
 30% 20% 10% 0% 66% 61% 56% 44% 48% 52% 52% 48% 34% 39% Milo
 Ovaltine Y2010 Y2011 Y2012 Sale MB Y2013 Y2014 23 Marketing
 Management: MILO Marketing Plan In year 2014, Milo projects the sale value
 at 3, 047MB with 52% market share 4. 3 EXPENSE FORECAST This is the
 milestone which shows the time line and responsibility. MileStone ? ? ? ? ? ?
 ? ?

Marketing Plan Completion Advertising Campaign #1 Advertising Campaign
 #2 Advertising Campaign #3 School Bus Sampling & Road Show Sport
 Sponsor & Sport Visibility Development of Retail Channel Promote Milo Coff
 Promote Milo Gift Basket Start 01/01/2010 01/06/2010 01/06/2011
 01/06/2012 01/06/2010 01/12/2010 01/06/2010 01/10/2010 01/10/2010 End
 31/02/2010 31/12/2010 31/12/2011 31/12/2012 31/12/2013 31/12/2010
 31/12/2013 31/06/2011 15/03/2011 Department Marketing Marketing
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Marketing Marketing Business Development Business Development Sale
Marketing Marketing We show the Investment in form of ROI.

From this project, the ROI will gradually increase till 2014. It implies the Marketing investment effectively drive the sale. Y2010 Sale (Cost of Goods Sold) Gross Profit Operational Expense Advertising Campaign School Bus Sampling & Road Show Sport Sponsor & Sport Visibility Development of Distribution Channel Promote Milo Cafe Promote Milo Lite Promote Milo Gift Basket (Total Operational Expense) Net Income Return on Investment (ROI)

Year	Sale	Cost of Goods Sold	Gross Profit	Operational Expense	Advertising Campaign	School Bus Sampling & Road Show	Sport Sponsor & Sport Visibility	Development of Distribution Channel	Promote Milo Cafe	Promote Milo Lite	Promote Milo Gift Basket	Total Operational Expense	Net Income	Return on Investment (ROI)
2010	69.34	5.20	92.11	5.05	75.75	232.75	227.25	19.76%	91.8	45.9	20.122	415.3	07.65	303.05
2011	308.95	20.19	121.14	60.57	10.161	52.20	9.20	19%	10.095	403.705	403.895	20.00%	150.66	37.665
2012	125.55	12.555	374.095	630.305	25.10%	121.88	45.705	10.121	88.15	235.30	47.15	235.360	405.858	395.28
2013	1150	690	460	1530	918	612	2019	1211.4	807.6	2511	1506.6	1004.4	3047	1828.2

Marketing Management: MILO Marketing Plan 5. 0
CONTROLS Refer to this Marketing Plan, there are some key performances that we should concern and monitor every period of time as followings;
Revenue The company should evaluate the marketing performance from revenue monthly.

Short-term monitoring will give a sign whether the plan works or not, so we can adapt some impractical strategy, or put more effort on products that show weakness. Moreover, the annual review is also necessary, as a reference for marketing plan in a coming year. Expenses/Costs: According to the plan we have to achieve, it costs a lot to the company. All expenses, such as on advertising, in-store activities, or product development, should be

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controlled carefully but flexible as well. The financial and marketing team must work and observe their cost every month, and also every year.

This will affect on the coming year budget. Customer Satisfaction: After launched new product, package or campaign, the company should provide some tools to indicate consumer satisfaction. They can be a short quantitative questionnaire, or a qualitative research such as focus group interview. The result will be used to develop current and new plan to be more effective and satisfying. New- Product Development: The company should develop new product or new formula continuously because consumers always want something new and interesting.

However, those new products should be deliberately created from consumer survey. After new product launched, we should closely monitor feedback from consumer, in order to know how much possibility to success. Marketing Management: MILO Marketing Plan 25 5. 1 IMPLEMENTATION Each marketing item of marketing plan should have specific details of its own including; ? ? ? ? ? Things to be completed (Milestones) Specific lead time / period of time / deadline Budget allocated Manager in charge Department that is responsible for the task 5. 3 CONTINGENCY PLANNING Risks: 1.

The Milo Cafe may not a choice for the absolute drinkers, who love pure coffee or pure chocolate. 2. Consumers still have loyalty with their brand and don't even try the new formula or new product from Milo. 3. The advertising may not affect the target or increase sale. Contingency Plans: 1. Using more below-the-line activities, such as school or campus tours, focused on the target group. The event may contain a mini concert from popular artists,

sports game, and sampling giveaway; the most important content. 2.

Pushing more in-store activities in order to give consumer a trial.

There may be a demonstration how to make it delicious at home. Marketing Management: MILO Marketing Plan 26 3. Choosing proper time for TV commercial ads, match with the target consumer. For example, in the morning and in the evening those are times for kids and family programs. 27 Marketing Management: MILO Marketing Plan 6. 0 APPENDIX 6. 1 RESEARCH AND RESULTS Brand Preferences 20 15 10 5 0 Total Milo 12 Milo Ovaltine 9 Ovaltine Both Both 6 Non-User Non-User 19 12 9 19 6 Brand vs. Family Structure 120% 100% 80% 60% Non-User Ovaltine 20% Milo 0% Couple & Small Family 25% 13% 19% 44%

Large Family 25% 13% 38% 25% Medium Family 53% 18% 18% 12% Non-User Both Ovaltine Milo 28 Marketing Management: MILO Marketing Plan 40% Both 6. 1 RESEARCH AND RESULTS (Cont.) Evaluated Attributes 40% 35% 30% 25% 20% 15% 10% 5% 0% Attributes Price 16% Brand 21% Taste 35% Nutrition 20% Packaging 9% Brand vs. Age Range 120% 100% 80% 60% 40% 20% 0% Grade School 0% 0% 0% 100% Young Work 40% 12% 20% 28% Adult Work 44% 19% 25% 13% Non-User Both Ovaltine Milo 80% 60% 40% 20% 0% Male Female Gender vs. Consumption Drink CHOCOLAT E NOT DRINK Non-User Both Ovaltine Milo 29

Marketing Management: MILO Marketing Plan 6. 3 AC NIELSEN THAILAND'S SALES AND MARKET SHARE FIGURES AC NIELSEN THAILAND'S MILO ORIGINAL SALES FIGURE Market Sales Figures (M?) and Market Share (%): Market Sales Trend (M?) and Market Share(%): 30 Marketing Management:

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MILO Marketing Plan Distribution Coverage: AC NIELSEN THAILAND's MILO
3IN1 SALES FIGURE Market Sales Figures (M?) and Market Share (%): 31
Marketing Management: MILO Marketing Plan Market Sales Trends (M?) and
Market Share (%): Distribution Coverage 32 Marketing Management: MILO
Marketing Plan