

Marketing problem and selling opportunity



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NTPM Nibong Tebal Paper Mill Holdings Berhad is a consumer goods and paper company which targeted to improve personal hygiene in every family and allow the brands to make a strong presence in Malaysia market.

NTHB Group began its operation via NTPM in 1975. It founded by Mr. Lee See Jin and is headquartered in Penang, Malaysia. Being an investment holding company, it is a public limited company which involved in the manufacturing and trading of paper and other personal care products.

NTPM began its commercial production in the paper rolls field with the production capacity of five tons per day by using only one paper making machine in the end of 1979. Since its operation persistence growth, it started to expand its product into Singapore in 1986.

NTPM introduces 3-ply range products because of the higher demand in pulp quality paper. Products that marketed under the brand name of “ ROYAL GOLD” included facial tissue, toilet paper and kitchen rolls in 2002 whereas the brand name of “ PREMIER” included facial cotton produced under Original Equipment Manufacturer (OEM) in March 2002.

In 2004, NTHB Group has further extended the female sanitary napkin product under the brand name of “ INTIMATE” and baby diapers product under the brand name of “ DIAPEX” produced under OEM in October 2004.

Today, NTPM’s production capacity is increased to 250 tons per day or around 90, 000 tons per year with an amount of sixteen paper-making machines. It is operating at about 2/3 of its production capacity. It intends to keep on upgrade its machinery to further boost up its production capacity.

As a full service hygiene products provider, NTPM is concerned in providing a diversified range of consumer. Its vision is to be a world class paper products manufacturer as well as market leader which provides quality products that meets customers’ need and expectation consistently.

2. 0 Situation Analysis

2. 1 Target audience analysis

2. 2 Competitive analysis

Tender Soft

Beautex

Competitive exists in market as more and more other tissues brand come out in the market like Tender Soft and Beautex. Others tissue brand also have pocket tissue, how Premier survive as a market leader is a challenging issue. Premier not only focuses on business but also community involvement.

Beautex and Tender Soft are the two primary competitors. Each brand got own specific premier and tactile impression. Besides that, customer has their own ideal brand in their mind. These two tissue brands have grabbed the market share of Premier Tissue.

2. 3 SWOT analysis

The SWOT analysis is included strength, weakness, opportunity and threats.

Strength

The strengths of the product Premier pocket tissue are obvious because everyone from messy men to wise women have a use for tissues when they have a cold, flu or something else. Premier pocket tissue is a product that is very handy wherever you go as the small package fits in pocket or handbag easily. Like many others tissue product, Premier pocket tissue is disposable build on its reputation to enhance personal hygiene. When people become more and more concerned with their health, tissues are the more hygienic option that can throw away straight after used unlike handkerchief.

The strength of Premier product is provide a good quality and enhance their personal hygiene. It can satisfy their customer needs and wants but also to care their daily life. After that, they also design a attractive packaging to attract consumer to buy their product. Besides that, Premier product has doing environment friendly to produce their product. It also award with two environment certificate. The Premier product can let people feel that softness and comfortable. They always maintain their product as a good quality and good value product.

Weaknesses

The weakness of the product Premier pocket tissue is the competitor. Tissue products differ from its quality but also it is difficult to comprehend how and what to be consider as good quality. There are various tissue products of different brand in the market, male consumers maybe will just choose based on price or randomly, female consumers maybe choose according to price, design and others element.

The weakness of Premier product is doesn't capture consumer mind because lack of attractiveness. Some of people want buy pocket tissue and looking at packaging design and labeling. Besides that, the Premier product has using advertisement seldomly. So, they can't reach to their target audience. Most of people want to protect our environment and using hand towel instead of the tissue paper product. Most properly of male are using tissue paper seldomly.

Opportunities

The opportunities are market demand for tissue paper and personal care products. Being a lifestyle product, Premier pocket tissue has the potential to grow and improve by creating attractive marketing concepts and packaging designs to grab the consumer attention. Since market demand for tissue is high, Premier has its opportunity.

The opportunity of Premier product is the brand of Premier has become a market leader in the market share. Since the Premier product has long time period, it become a first mover to produce good quality tissue paper. They

also make a social responsibility to grab the consumer attention and build up good reputation. In the marketplace, the consumer behaviour always changing while the Premier product can using promotional tool to promote the Premier product and reinforce the features & benefits of the product.

Threats

The threats of Premier pocket tissue are changes in consumer behavior that think that tissue paper is environmental risks or not eco friendly. Recycled paper has slightly rougher feel. Consumers want soft tissue that means forests need to be sacrifice.

The threats of Premier product is that have a lot of competitor in the marketplace, it maybe make confuse which product is good quality of tissue paper product. Besides that, the pocket tissue didn't have specific feature to recognise their product. The target audience may can't differentiate which one can satisfy their needs and wants. In addition, the Premier product

3.0 Marketing Analysis

NTPM Holdings Bhd decided not to pass down the cost increases to consumers despite the rising costs of its main raw materials, recycled paper and pulp. Extending the product lifecycle that increasing frequency of use, increasing the number of users and new uses had an impact. NTPM Holdings Bhd is investing about RM30mil in 2012 and 2013 to grow its business in the country, with plans to expand its presence in the southern region, and in Sabah and Sarawak.

Branding Strategy

We can design a attractive logo which is consist the coloring, pictures and slogan for grab their consumer attention. This can put in advertisement and labeling on the product. Most of the people will think that the product logo design is different with before one. Besides that, we can use brand extension to create different of graphic picture.

Product strategy

For the Premier pocket tissue paper, it can be modify different kind of fragrance to attract customer. This can be give customer different choice to choose what they like. Besides that, the Premier pocket tissue can be help consumer easily to absorb oiling and perspire on the face.

Price strategy

Most properly of the premier product will make a value package in the affordable price. This can be let the consumer choose our product because of value package. Sometimes we can see that the hypermarket has using lower price or discount price in certain period to attract people to buy it.

Premier use competitive pricing strategy which is designed to deemphasize price as a competitive variable by pricing a good or service at the level of comparable offerings. Tissue products are mainly the same and are slightly difficult to position in the market. Compare with competitors, pricing between the products have no big gap.

Distribution Strategy

The positioning of the product is important to grab consumer attention. The Premier product will distribute to all of the hypermarket and retailer store with different segment of the product. Besides that, the premier product can be categorizes in the catalog which can easy refer for the intermediaries.

Distribution strategy would be intensive distribution which is distribution of a product through all available channels. Their marketing strategy has evolved from below-the-line strategies such as in-store promotions to billboard advertising to a mixture of outdoor, below-the-line and above-the-line advertising. Premier had advertised through many different channels.

Promotional strategy

We can design a distinct of the advertisement design to capture consumer mind. Besides that, we can choose the poster or billboard to make a promotional campaign to generate the sales. We also can use public relation to help our brand to recognize and communication with the customer, supplier and stakeholder. It send the message can be directly to target audience.

4. 0 Summary of Marketing Problem and Selling Opportunity

Possible marketing problem would be too many competitors existing in the market. As a market leader in tissue products, NTPM Holdings Bhd already has its existing market. However, creating brand loyalty that is the extent of the faithfulness of consumers to a particular brand, with their repeat purchases, irrespective of the marketing pressure generated by the competing brands is not easy. As a household product, the selling

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opportunities are considerable because consumption of household products is necessary so the market is exist.

5. 0 Promotional Campaign

Theme: Care for your love one

Description:

Target audience:

5. 1 Promotional mix efforts

Retail tissue and hygiene show slow performance

In 2011, retail tissue and hygiene continued to show a slowing down trend from the previous year, as both sectors logged lower constant value growth compared to 2010. Besides maturity, low value growth was also contributed by the sharp depression of prices in the market. Whilst retail tissue's constant value growth reached almost nil, retail hygiene still showed pretty stable performance due to an ageing demographic and increasingly sophisticated female population which created demand for more innovation in hygiene products.

Rising inflation increase popularity of private label

In 2011 consumers continued to show strong support for private label products, particularly in retail tissue products. Top players like Kimberly-Clark and Nibong Tebal begin to see increased competition from private labels such as Watsons, Tesco and Giant. With inflation at over 3% in 2011,

private label products were seen as a reliable and affordable choice, if not as good as standard brands in the market.

Innovation led by big players whilst smaller companies compete on price

Another fallout of rising inflation is that fewer small companies invested in innovating their products in 2011. Based on the relatively few product launches that highlighted technological advancement or improvement, smaller companies are seen to be shying away from product innovation investment. Ultimately, bigger players such as Kao (M) Sdn Bhd and SCA Hygiene (M) Sdn Bhd are the ones leveraging on their international operations and strong financial capability to roll out new products in the market. Small companies, on the other hand, aim at the value-seeking consumers by cutting prices and offering promotions.

Hypermarkets maintains growth in channel sales

Hypermarkets controlled nearly half of the total tissue and hygiene value sales in 2011. This was an increase over the review period. Hypermarkets' strong performance was mostly at the expense of traditional grocery retailers, such as independent small grocers, which saw its value share decreasing by five percentage points from 2006 to 2011. Malaysian consumers are more drawn to hypermarkets due to their extensive ranges of products, regular discounts and in-store promotions. Particularly for tissue and hygiene, these products tend to be bought in bulk together with other grocery and household items, and on trips to the hypermarkets once every week or two weeks.

Tissue and hygiene to see moderate growth in forecast period

Consumers, with rising cost of living, are looking to save costs by focusing purchases on fewer but more crucial items that are effective, that fulfil multiple tasks and that can help them to reduce wastage. Whilst bigger companies continue to roll out new products, several categories will see drastic negative growth over the forecast period. In retail tissue for instance, the fall in sales of napkins and tableware will be barely compensated by the growth in kitchen towels. Thus, overall tissue and hygiene will see moderate growth during 2011-2016.

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We choose the target audience is University male student. Most of the male University student will buy the tissue paper seldomly. Some of the people will consider buy the tissue paper because of keeping hygiene and convenient. After that, some of the male University student has use the tissue paper as a needs for perspire and getting flu. We think that the University male student can reinforce their mind which is the Premier pocket to keep their personal hygiene and softness. Besides that, we want to remind the target audience about the Premier product for grab their attention.

Male students in university. Nowadays, female students are the majority one to purchase and use tissue. So now, we want to remind male buy tissue also for their ladies. Male always borrow tissue from their friends, this situation showed that male actually require tissue also. Tissue paper can be used in

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many cases so that the truth is tissue become an essential thing for everybody.

Premier pocket tissue' target audiences are basically individuals of all ages whoever needs tissues away from home. The reason is that pocket tissue fit in pocket easily, make it convenience to carry out. It is a lifestyle product.

Strength: Convenient.

Weakness: Not environment friendly, easily become trash.

Opportunity: Malaysia hot weather, show attentive personality.

Threats: Other competitor threats, people awareness towards environment, reusable substitute_handkerchief.