

Proposed marketing plan for antimos sdn bhd, malaysia



This case study was analyzed based on the framework of a marketing planning process.

Recommendations were proposed to achieve an appropriate marketing mix so that Antimos could achieve its aim to become a leader in the mosquitoes repellent industry. Having an international awarded mosquitoes repellent product developed using advance scientific research and ancient chinese herbology studies, Antimos Sdn Bhd would like to capitalize on the unique patented formulation to create wealth and growth for the company. Since its introduction in 1998, sales of Antimos 301TM have been low. Although it is an internationally awarded product with clear benefits to the consumer, Antimos 301TM has suffered from a lack of recognition in the marketplace. Antimos is at a critical point in its development, with a conservative and traditional style of management, Antimos has no marketing personnel employed by the company and the tasks were left to the engineers. To grow the market share and ensure the success of Antimos 301TM, the company need a team of dedicated marketing personnel to develop a strategic marketing plan. To support this strategy, the retail price has to be lowered, a comprehensive marketing communications and promotions plan implemented, and an intensive distribution network set up.

In the longer term, a public relations campaign to increase public awareness for the importance of safe use of mosquito repellent products is recommended to sustain the continued growth of market share.

1. CURRENT BACKGROUNDSince U. N Environment Program has pressured countries to abandon large scale use of the pesticide dichloro-diphenyl-trichloroethane

(DDT), It has increases the threat of malaria outbreaks in many malaria countries.

New anti-mosquito methods have gained popularity. Antimos Sdn Bdh has developed a new mosquito repellent called Antimos 301TM can offered many attractive selling points. The product offers great opportunities to increase sales in the local market and overseas. Unfortunately, the company falls short of a marketing department to devise an effective marketing plan with strategies and action plans.

2. MARKETING DECISIONS. The company is at stage of trying to sell its product. It needs to understand that selling involves persuading the customer to buy products, which is only one aspect of the marketing process. For long term growth, Antimos has to focus on marketing that involves finding out2. 1 SITUATIONAL ANALYSIS A complete analysis of the external, internal and competitive environment is used to identify current problems, the company's current competencies and to prioritize allocation of resources.

2. 1 External Environment Analysis A scan of the external environment of the political, economic, social, technological, environmental and legal situation in Malaysia reveals that all factors are stable. The current government, under the leadership of Dr Mahathir, has the majority support of the population and is expected to remain in power. The Malaysian economy is forecasted to continue to grow, although at a slower pace. Being a household staple, mosquito products are purchased by the general population, with no social or cultural biases. Technological development in the household pesticides

market is slow, and there are no major concerns to change current environmental regulations and law affecting the industry.

2. 2 Competitive Environment Analysis In contrast, an analysis of the competitive situation using Porter's ' five forces' framework indicates major challenges for Antimos Sdn Bhd to increase sales and gain market share. There are several competitors, some with several products, which dominate the marketplace. Manufacturers of aerosol spray holds 52% of the total market share. With Antimos 301TM, its major selling point is its non-toxic and environment friendly feature.

Yet purchase of non-toxic repellent products account for less than 3% market share (see Table 2). This indicates that the main safety benefit of Antimos 301TM means little to consumers. Although there are no major entry barriers, capital requirement to set up the manufacturing process for a new entrant is high. As such competition from new entrants is low, but current players could introduce new products to improve their economies of scale.

The market leader Reckitt & Coleman already have six aerosol products on sale. Raw materials to produce the pesticides are abundant in supply, and thus suppliers bargaining power are low. On the other hand, as mosquito products are inexpensive and the purchase decision bears little risk, purchase behavior of consumers are routine, require little involvement and cognitive effort. Buyers are generally not brand loyal and will switch brands easily. Consumers also have a wide range of choices, by type of products, sizes and prices within the household pesticides market. As with most low involvement purchases, products are easily substituted.

2. 3 Internal Environment – SWOT Analysis

2. 3. 1 Strengths Antimos 301™ is a safe and environmentally friendly product that has received a number of international awards. It is simple to use with long lasting mosquito repellent effects.

Although some consumers have complained of its smell, this is a relatively minor issue. After all, mosquito coils that have a stronger smell, are able to garner 33% market share. To attempt to reformulate the product now will delay launch of the new marketing plan, and require sizeable research investment.

2. 3. 2 Weaknesses Since the beginning, Antimos has been a product-oriented company.

The task of marketing was left to the engineers working for the company. This has led to weaknesses in promotion and distribution of the products. Product awareness is very low resulting in less than 1% market share. Distribution of the products is also very limited with only six Jaya Jusco's retail outlets.

Although the product has strong safety features, the packaging does not clearly communicate this benefit. Compared to the many well-known aerosol brands, Antimos grey cardboard box and “ busy” visual design does not grab consumer attention in the store. In short, the marketing mix is weak and will urgently need to be corrected.

3. 3 Opportunities Using the Ansoff matrix, it is clear that Antimos should adopt a market penetration strategy in order to quickly gain market share.

This can be done with improvement in the marketing mix strategy. In the

longer run, Antimos can increase public awareness for safe and
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environmentally friendly repellent products via a consistent public relations campaign. This is a subtle campaign to change customers' perception and their use of the products.

2. 3. 4 Threats With the very low market awareness for Antimos 301TM, the company will have to bear the large promotion cost and risk of losses similar to that for a new product launch at the market introduction stage of the product life cycle. Also, Antimos 301TM unique selling point is its strong safety features. Yet the market currently does not have a strong need for such a feature.

For Antimos to succeed in the long run, it has to create a desire for consumers to want and seek such product benefit in mosquito products. Any attempt to change customers wants is a time consuming and expensive process. 3. SEGMENTATION AND TARGETING The total market size and its estimate size per segment are given in Table 1.

A possible different segmentation of the market by toxic versus non-toxic products (Table 2) shows a very unfavorable position for Antimos 301TM currently. This can be a future target segment, when Antimos has created enough public awareness and consumer demands for non-toxic mosquito products. To meet the short-term objective of profitable sales growth, it is recommended for Antimos to target the remaining RM 94 million market in the repellent segment, with specific emphasis on the mosquito coils segment because it offers a sizeable market to gain economies of scale in our marketing mix. 4.

OBJECTIVES With the findings from the analysis above, the objectives for the next planning period are

- * Increase market share to 10%
- * Increase product awareness and trial by consumers
- * Increase number of retail outlets to 100
- * Achieve profitable sales growth
- * Educate consumers to seek non-toxic and environment friendly mosquito products

5. MARKETING STRATEGY - THE MARKETING MIX

5. 1 Product Antimos 301TM has already received a number of international awards. It is non-toxic, non-invasive and can be used liberally.

It does not require burning, spraying or electrical energy and is thus safe from fires. However, it is recommended to redesign the packaging to clearly communicate the product benefit and ease of use.

5. 2 Price Average price of a popular aerosol spray is RM6. 45. Antimos 301TM at RM9 is significantly higher.

As customers currently do not appreciate the product benefit, this higher price point is simply that - higher! To support a market penetration strategy, it is recommended to lower the price of Antimos 301TM to RM6. 80. This slightly higher price can be justified by the longer lasting benefit of Antimos 301TM (See Table 3).

3 Promotion For low-involvement purchases, "...the consumer is less motivated to exert cognitive effort. Learning is more likely to occur through repetition, the passive processing of visual cues and holistic perception.

" (Leon G Schiffman & Leslie Lazar Kanuk. 1991: 214). To increase awareness for Antimos 301TM, it is recommended to use a celebrity

spokesperson in its advertisements. The advertisement and promotions <https://assignbuster.com/proposed-marketing-plan-for-antimos-sdn-bhd-malaysia/>

campaign should be creative to capture the consumer attention and have enough frequency to generate cognitive recognition at the point of purchase.

A public relations campaign to increase public awareness towards the use of non-toxic repellent products is also recommended to sustain the long-term development of the Antimos brand sales. 5. 4 DistributionAs the company is not restricted by any exclusive agreement, it is recommended to quickly increase the distribution network across Malaysia. This must not only include the 26 outlets of the Parkson group, but also the smaller supermarkets and provision stores.

To minimize substitution, an intensive distribution network covering all levels of suitable intermediaries is necessary to ensure that the product is available where and when the consumer wants it. Special care must be taken to ensure that the production and supply chain of the company is expanded accordingly and efficiently to support this new network. 6.

CONCLUSIONDespite having a strong product, Antimos Sdn Bhd has lost much opportunity in the market place because of its product-orientation approach since its incorporation. For the proposed marketing plan to succeed, the management must change its style and structure to a market-oriented approach.

The appointment of a marketing manager is critical to the successful implementation of the proposed marketing plan. With estimated consumption of 6. 6 units of Antimos 301TM per annum per household and at retail price of RM6. 80, the company can look forward to retail sales of RM19.

7 million if it can successfully capture 10% of the market share (representing 440, 000 households).