



**AKP201 MARKETING  
SEMESTER I 2022/2023**

**Marketing Plan Project**

**Company Name: Nostlé  
Product: Javabo**

*For the attention of  
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## **1.0 EXECUTIVE SUMMARY**

According to an article released on 14 June 2020 by The Star, it is stated that a Health and Morbidity survey conducted in the year 2019 proved that one in four adults are physically inactive in their lives due to their sedentary work, which may be one of the factors contributing to the reason of only meeting the minimum expectations. These adults working in office jobs are having a tough time keeping their focus in work, and many of them turn to coffee as their solution. However, certain workplaces do not provide the facilities for them to make their drink. There are also groups of individuals who are extremely active in physical sports which demand an efficient and effortless way for them to get their pre-workout energy boost that they need to push themselves through their tough physical work outs. These groups of people would need a simple product to keep them energized to perform their best. This is a clear need of a product in the market, and this is where Nostlé SDN BHD comes in.

The global Covid-19 pandemic has shown the world the power of online marketing and e-commerce. Trends of these energy-based products are not too famous locally and usually are distributed in retail shops such as supermarkets, hypermarkets, and retail stores. Nostlé will work to make the purchasing process as easy as possible for the customers. There would also be the option purchasing a big quantity of this product as an enterprise-level package to supply workplaces and organisations.

There are many opportunities for Nostlé's products, including expanding its distribution to more retail stores and establishing partnerships with companies or organizations that could benefit from providing a convenient energy boost to their employees or customers. There is also the potential of this product going overseas if the product reaches a good level of success in this region as projected.

Nostlé SDN BHD provides energy-boosting and healthy products to people who would like a quick energy boost as a simple small product that can keep them awake during their everyday activities. Our main product name will be Javabo. Javabo is a candy which can keep one active and awake for up to 6 hours. The content of this candy includes caffeine, taurine, vitamins, and sugars which can give an instant boost of energy to the consumer. The sugar content of Javabo is remarkably low compared to similar energy-boosting products.

The pricing of a singular candy or a packet will be a little bit above the average. This is because of the economic response to the Covid-19 pandemic and the addition of value tax. The content of this candy will be sourced locally, and the product will be produced in Malaysia. The above- average price is justified by the natural ingredients used, as we aim to not use any artificial and synthetic flavouring. Research and development into ensuring the health level of the candy. This means that the market will be slightly competitive.

Nostlé SDN BHD will be in competition with large confectionary companies as well as energy drink companies. Our company is aiming for a different type of niche for itself using several marketing strategies and their application. Nostlé sees an opening in the market to target on the customers who emphasize more on an active lifestyle no matter where they are both in their workouts and in their offices. The market research which is conducted shows clearly that Malaysia's market is ready for Javabo which will be the first and primary product of Nostlé SDN BHD. Both customers and key customers range from young to old age who are active in their daily lives and would need an energy boost to increase their commitment towards their daily activities. The age gap of key customers will be from about 13 to 75 years old customers.

The marketing and promotional strategies of Nostlé SDN BHD will be done through many actions. These actions will be offers of free samples in supermarkets, hypermarkets and department stores, billboards, signage by famous athletes, the Internet and as well as social media platforms. In this era where the internet dominates in terms of adverts, reviews and promotions the above strategies will be consolidated to get the most benefit. The Malaysian active lifestyle where many people do consider having active lifestyle would for sure attract the fitness community to try out this candy. It is expected that a positive result will be reflected coming from this product. Besides the fitness community, it is also expected that a positive review would also be coming from the elderly people as Javabo is a candy with relatively low sugar level which would allow customers with diabetic problems to consume it.

There will be expected competition from bigger companies throughout the promotional and selling stage. This would slowly be followed by Nostlé improving on the quality and consistency of products and introducing new promotions and deals. Overall, as a conclusion, there will be much positive result from the launching the company and the product.

## **2.0 COMPANY BACKGROUND**

### **2.1 Background of Our Company**

Nostlé is a start-up company founded in June 2022 by a group of young entrepreneurs who saw an opportunity to venture into the confectionary line paired to develop a unique type of caffeinated candy with the purpose of giving a quick energy boost to consumers.

The goal of Nostlé is to provide an alternative to traditional energy drinks that would be more convenient and enjoyable for consumers. We aim to create a delicious, effective yet healthy caffeinated candy that could be easily carried around and consumed throughout the day.

As the founders of Nostlé, we have a variety of experiences in the food and beverage industry, such as working at established companies and start-ups within similar lines. To further solidify our understanding behind the product development process, we collaborated with nutritionists and food technologists to ensure that the product is safe and effective. We conducted thorough market research with various market segments to identify the key ingredients and flavours that would appeal to consumers.

After several months of development, Nostlé launched its first product, Javabo, a caffeinated candy that comes in a variety of flavours and marketed as the better, healthier alternative to energy drinks. The first launch was released on various online platforms such as Shopee and Lazada. As Javabo quickly gained a loyal following among those looking for a convenient and tasty way to boost their energy levels, we decided to expand our channel to select retail stores. Ultimately, the goal of Nostlé is to continue expanding its product line and reach, with the aim of becoming the leading provider of caffeinated candy products and energy boosters.

## 2.2 Product

### 2.2.1 Product Concept



*Figure 1: Illustration of Javabo candy packaging*

The packaging for Javabo features a bold and energetic design that reflects the energy-boosting properties of the candy. The dominant colours are red and yellow, which are associated with excitement and vitality.

The front of the package features the name “Javabo” printed in bold lettering which includes a stylized letter ‘O’ as a coffee bean to represent its caffeinated property. The large lightning strike conveys the idea that Javabo provides a quick and powerful boost of energy to its consumer. Accompanying these elements, there is also a tagline that reads "Just a boost, with Javabo" to further reinforce the product's energy-boosting capabilities. The back of the package includes information about the candy's ingredients and nutritional content.

Overall, the packaging design for Javabo is eye-catching and attention-grabbing, using vibrant colours and dynamic imagery to communicate the energy and power of the candy.

### **2.2.2 Product Usage**

Javabo is a caffeinated candy that provides a quick and convenient energy boost to consumers. This candy is intended to be used by people who need a quick pick-me-up throughout the day, whether it be for work, exercise, or other activities. It can be consumed at any time, and the candy's compact size makes it easy to carry and consume on the go compared to traditional energy drinks that come in the form of a can or in powder packets.

As the candy is wrapped in generic candy packaging, the consumer simply tears the wrapper and chews on the candy. The effects of Javabo take about 10 minutes to kick in as the energy-boosting properties begin to be absorbed by the bloodstream of the consumer.



### 2.2.3 Product Advantages

One of the main advantages of Javabo is that it is a **convenient and portable** source of caffeine. Unlike energy drinks, which require opening a can or mixing a powder, Javabo can be easily consumed with just a few bites of candy. This makes it a quick and easy way to get a caffeine boost anytime, anywhere. The convenience of our product makes it suitable for our target segments which consist of young adults, such as students, as well as working adults.

In terms of health concerns, Javabo is **healthier** compared to other similar products that provide energy boosts, as Javabo is enriched with Vitamin B-12 and has reduced its sugar content. Javabo was developed with health-conscious customers in mind, providing more effective energy boosts with healthier ingredients.

### 2.2.4 Product Opportunities

There are many opportunities for Javabo, including expanding its distribution to more retail stores and establishing partnerships with companies or organizations that could benefit from providing a convenient energy boost to their employees or customers. There is also potential in the research & development area to explore new flavours or variations of the candy to appeal to a wider range of consumers with niche tastes.

### 3.0 CURRENT MARKETING SITUATION ANALYSIS

#### 3.1 Current Marketing Situation

The vision of Nostlé SDN.BHD is to **strive as a leading provider of energy booster products**. Various alternatives to promote and sell caffeinated candy Javabo, such as physical marketplaces and online retails platform are efficient to bring the product into client's exposure. Speaking of sales, Javabo is sold in an optimized way that eventually increase through the help of multiple simple purchasing gateways. Although the market share is remained in the beginning state, Javabo has the great potential to spark since there is high percentage of customer retention been observed.

Javabo as the product of Nostlé is provided to feed the demand of those who intend to have small bites to boost their energy for different purposes. The wide age gap from 13 – 79 is the targeted consumers open the opportunity for the growth of Javabo. Other than that, in the market of energy-boosting product, Nostlé is standing a chance to develop a trusted relationship with the customers where the challenges from the competitors are very similar as the most recent season with slight strategies promoted. Therefore, the sales strategy of Javabo are suggested to be modified to deal with the market competition. At the same time, Nostlé uses mature platforms like social media to communicate with the customers. When hypermarkets and supermarkets success to support by making promotions in the collaboration with Nostlé, sales of Javabo will be going on the right track as well.

Besides, Nostlé as a recent developed company has its strengths and weaknesses to be monitored so that it able to sustain the need of customer and have a firm stance in the market. When Nostlé is promoting healthy product in affordable price and distributing through all possible channels all over the country, the need of budget is still existed to produce high quality candy. Low performance of profit margin affects the company survival in the competitive environment of the market. Also, distinctness of the product is facing an obstacle that limited variety of flavours when fresh and original source are difficult to be found. Hence, Nostlé requires to utilise the strengths and develop weaknesses to get through the difficulties.

### 3.2 Market Description Analysis

Segmentation Approach	Targeted Segment	Needs by segment	Segment Potential Features and benefits
<u>Geographic segmentation</u> - Need to understand the geographical boundaries of customers so that they can determine the best place to sell and advertise our product.	<u>Country</u> Malaysia	Malaysian working and study lifestyle which require to stay awake at times to achieve high performance.	Javabo is available in both East and West Malaysia where <b>it is easily accessible in any convenience store</b> like 7 eleven, 99 speed Mart, KK mart, etc. that are placed in strategic location like near housing area, school, or offices.
	<u>States</u> All states in Malaysia		
	<u>Population density</u> Urban, suburban		
<u>Demographic Segmentation</u> -Need a statistical data about a group of people that will buy our product	<u>Age</u> 18-24 years old 25-60 years old	Staying awake to achieve high performance.	Javabo <b>is cheap and easy to get</b> , and it will <b>help consumer to stay awake up to 6 hours.</b>
	<u>Gender</u> Both Male and Female		
	<u>Income</u> All income groups	Cheap and easy to get	
	<u>Occupation</u> Student Employee	Students struggle staying awake in class or during study time while worker struggle to stay awake during work	
	<u>Religion</u> All religion	Staying awake during worship, prayer, and services	Javabo is <b>religion and ethnic friendly</b> where the ingredients used are not

	<u>Ethnicity</u> All Ethnicity	Staying awake during special occasions	violating to any religion and ethnicity.
<u>Psychographic Segmentation</u> -Need research to understand and categorize customers based on their characteristics.	<u>Social class</u> All social class	The struggle of staying awake affect people from different social class	Javabo <b>is cheap and easy to get, consumer will be able to stay awake up to 6 hours</b> to complete their responsibilities with a higher performance.
	<u>Lifestyle</u> High performance lifestyle	Staying awake to complete certain responsibilities with high performance	
	<u>Personality</u> Responsible and dedicated	Having sense of responsibility to stay awake to complete certain task	
<u>Behavioural Segmentation</u> -Need research to understand and categorize customers based on their characteristics.	<u>Benefits</u> 3 different levels based on user's needs	Have different preference of the flavour and have different level of effects	Javabo provides <b>3 different flavours with different level of effects</b> which is Espresso, Latte and Mocha. Espresso taste more bitter but have better effects. Latte is more coffee-milk taste that has normal effects. Mocha take chocolaterly that has lesser effect.
	<u>User status</u> Regular User	Able to purchase whenever they need	
	<u>Degree of loyalty</u> Low		

*Table 1: Market Description Analysis*

### 3.3 Analysis of Current and Potential Competitors Review

Competitors	Brand	Features
Kopiko	Mayora Indah	Widely known coffee flavoured candy with a 25mg amount of caffeine in it. Other than original coffee, cappuccino flavour is also available to be sold. Usually sold in packets or in jar. Single-serve of Kopiko consists of sodium, calcium, carbohydrate and fat. Ingredient-wise, tapioca syrup, palm oil, milk powder, coffee extract, butter (milk), salt, sugar, emulsifier soy lecithin, natural coffee flavour, caramel colour and vanillin are used in the making.
Jolt Energy Mints	GumRunners	Limited produced mint flavoured caffeinated candy. It contains carbohydrate other than mint flavouring. In one container, 9 mints are included, ready for consuming. It takes 5 mints consumed to be equivalent with one cup of coffee which could make effects of keeping awake and alive. Mostly available in western countries.
AWAKE Chocolate Bites	AWAKE Chocolate	High caffeinated chocolate. Made for boosting energy for the consumers with a small bite in around 90 calories. More popular in The United States, and the company provide shipping to Alaska and Hawaii other than the regions in the U.S. Caffeine content which can go up to 110 mg making AWAKE Chocolate to be in the top chart of caffeinated products.

*Table 2: Analysis of Javabo's Competitors*

## **Kopiko**

Produced by Mayora Indah from Indonesia, Kopiko is a common coffee candy that everybody knows and even spread all over the world included USA and Europe. By using natural coffee flavour, milk powder, caramel colour and vanillin, single-serve Kopiko bite is made with 25mg of caffeine in the total of 4g of serving size. Kopiko has successfully become the pioneer of coffee candy in the world, providing coffee and cappuccino flavours. It uses the finest Java coffee beans for the flavouring and gives the best taste and aroma of coffee for their customers. Although Kopiko is not branding as an energy-boosting product, their popularity and caffeinated content are still contributing as a competitor for Javabo.

## **Jolt Energy Mints**

Jolt Energy Mints is one of the side products of GumRunners where their main product is bubble gum namely Jolt Gums. This company was intended to produce caffeine-energy gum. It contains a certain amount of caffeine in each type of product, where 5 Jolt Energy Mints candy (3.5g) have the same effect as 1 cup of coffee. Speaking about ingredients, this candy uses mint instead of coffee which aims the different audience group who prefer mints more than a typical coffee flavour. However, this product is seasonally made, indirectly forcing the trend of limited edition for the customers.

## **AWAKE Chocolate Bites**

110mg of caffeine in Awake Chocolate Bites has the highest caffeine content among the products all over the world. It provides a variety of flavours such as dark chocolate, milk chocolate, mint chocolate, caramel chocolate etc. It is usually sold in packets with 50 servings. Each serving consists of fat and carbohydrate and other ingredients like maltitol, chocolate liquor, cocoa butter, whole milk powder and soya lecithin. By promoting Keto series, Awake Chocolate attracts consumers who are interested in taking tiny amount of sugar in order to maintain a healthy level of consume.

### **3.4 Description of the New Product Opportunity**

Javabo is a candy that contains caffeine, taurine, vitamins and sugars which can give consumers an instant boost of energy. Currently, people are experiencing a hectic lifestyle especially for working adults and students. They always felt tired due to the overloaded workload. Having a cup of coffee is one of the ways for them to stay awake. Besides, they will also drink some energy drinks such as Monster Energy and Red Bull to boost their energy. However, it's not possible for a working adult or student to have a cup of coffee without the facilities provided by their company or school. If they choose to use an energy drink as their energy booster, they have to carry it around and they will feel the mass instantly. But with Javabo, a candy that could be carried around easily, the concerns mentioned above will be solved. With Javabo, office workers can increase their productivity. With Javabo, students will be able to stay awake to complete their tasks. With Javabo, a sportsman can increase their stamina instantly. Just a boost, with Java-Bo!

### **3.5 Market Survey**

People from all age groups and live in Malaysia are our targeted respondents. We have spread the survey questionnaire in WhatsApp groups, and we successfully received 40 responses. After we reached 40 responses, we decided to close the Google Form. Majority of our respondents come from 20 - 29 years old which is 77.5%. None of them will not feel tired during their work. 52.5% of respondents will feel tired sometimes. 47.5% of respondents always feel tired when doing work.

Next, 85% of respondents will frequently drink coffee, energy drinks and other energy boosters to keep them awake. 40% of them will use these energy booster products sometimes whereas 40% of them always use energy booster products. Only 15% of them have never used it before. Moving on to the form of energy booster product, half of them prefer to eat food such as chocolate and candy whereas another 50% of respondents will prefer to have coffee or energy drink. Besides, 70% of them like to eat candy and 87.5% of respondents are interested in the energy booster products which are made in the form of candy. Lastly, 57.5% of respondents prefer to purchase our product from e-commerce platforms such as Lazada and Shopee but 42.5% of them prefer to purchase our product in retail shops. This shows that our product, Javabo, has a high potential in the market.

## 4.0 SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• Healthy candy</li><li>• Geographic presence in different regions</li></ul>	<ul style="list-style-type: none"><li>• Lack of candy flavours</li><li>• Low profit margin</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>• Product Range Expansion</li><li>• Emergence of e-commerce and social media marketing</li></ul>	<ul style="list-style-type: none"><li>• Competition</li><li>• Deteriorating economic conditions</li></ul>

Table 3: Summary of SWOT Analysis

### Strengths

Javabo can rely on the following important strengths:

1. **Healthy candy:** Javabo is a healthy candy as compared to other market products as it provides customers with Vitamin B-12 and has reduced its sugar content. Therefore, this can attract the customer who is more conscious about health.
2. **Geographic presence in different regions:** Javabo is readily available in any convenience store in Malaysia like 7 eleven, 99 speed Mart, KK mart, etc. that is close to residential areas, educational institutions, or workplaces.

### Weaknesses

1. **Lack of candy flavours:** Javabo only provides 3 different caffeinated flavours which are Espresso, Latte and Mocha. This has restricted its customer base to those who loves caffeinated products.
2. **Low profit margin:** As a new start-up company, Nostlé do not have much knowledge and experience in business world, which could lead to low profit margin for the company.



## Opportunities

1. ***Product Range Expansion:*** Expanding product range such as introducing new confectionery products or trying out new markets will help Nostlé diversify its current market standings and thus avoid few threats.
2. ***Emergence of e-commerce and social media marketing:*** Selling product on online shopping website such as Shopee and promoting products on social media platform such as Tik Tok is a great opportunity for Nostlé to reach more customers.

## Threats

1. ***Competition:*** As a new start-up company, Nostlé faces a lot of pressure while competing against major retailers and other candy stores that have been in the business for a long time.
2. ***Deteriorating economic conditions:*** The business performance of Nostlé is affected by the deteriorating economic conditions as they directly influence the customers' spending patterns and purchasing power.

## **5.0 OBJECTIVE AND ISSUES**

### **5.1 Issues**

Since Javabo is a new product, the primary issue is to establish the brand awareness and setting a target market group. Nostlé will work more on increasing impressions using social media as a platform to spread the product with the power of social media users. Creating an impressive brand image is also a major issue as it is crucial for the product positioning in the eyes of the target market group.

Other than that, the issue to be focused on is to attain customer satisfaction. Customer satisfaction is crucial because it will directly affect the public trust in the product. Nostlé will make sure that customer feedback will be collected so that action could be taken whenever needed to improve the product and gain customer satisfaction. Nostlé will also ensure that the quality of the product is always assured to fulfil the needs of the customer.

## **5.2 Objectives**

### **5.2.1 First-Year Objective**

During the first year, Nostlé aims for Javabo to increase brand recognition in social media by reaching to its targeted audience by 10% by the end of the year. Nostlé also wishes to achieve RM100 million in net sales, which equals to sales goal of 340 million candies based on the profit price of RM0.20 per candy. The company also hopes to achieve break-even in the final quarter of the year.

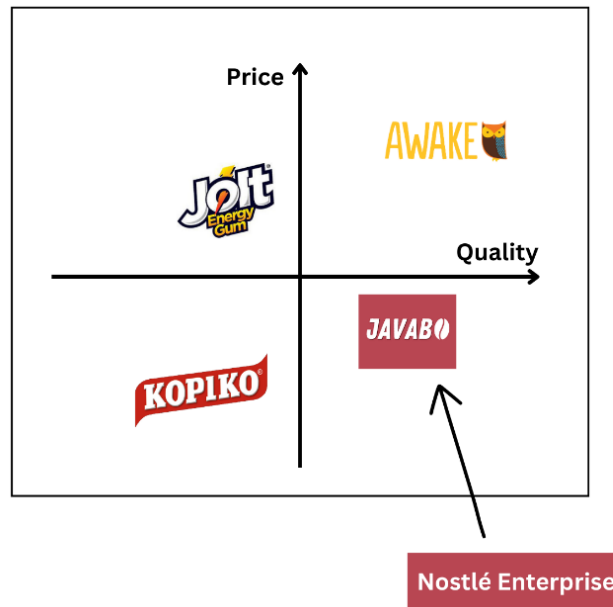
### **5.2.2 Second-Year Objective**

During the second year, Nostlé aims to introduce new functionalities of Javabo, which includes 8 hours of awake time, longer than the original 6 hours, and zero-caffeinated candy which is suitable for people who cannot consume caffeine. Other new functionalities will be added into Javabo after conducting a survey from consumers. In terms of sales, the objective is to double the net sales from first year, which is RM200 million. Nostlé also plans to expand the market internationally by the end of the second year.

## 6.0 MARKETING STRATEGY WITH ACTION PLAN

### 6.1 Positioning Strategy

#### 6.1.1 Perceptual Map



*Figure 2: Perception map (Price Vs Quality)*

The perceptual map depicts a visual representation of how Nestlé company is perceived and positioned in the public in comparison to our competitors utilising the price versus quality methodology. Our core product, JAVABO is positioned at a low price and high-quality state as compared to the other competitors. This strategy is implemented to uniquely make JAVABO an affordable candy for people of all economic backgrounds, which translate into a low margin high volume business model.

#### 6.1.2 Positioning Statement

“To tired or fatigue people who needs a quick energy boost throughout the day, Javabo is a healthy caffeinated candy that provides a portable and convenient energy boost that makes it easy to for you to stay refreshed and alert from your everyday work and life.”

### **6.1.3 Product Tagline**

“Just a boost, with Java-Bo.”

## **6.2 Product Strategy**

### **6.2.1 Objectives for Product**

Javabo strives to be a healthy caffeinated candy that provides a quick and convenient energy boost to consumers that can be consumed at any time under any circumstances. Javabo is strategized with a long-term plan to revamp the entire energy boosting industry. With its easy pick-up and compact size strategy, Javabo is visioned to be sustainably incorporated into the day-to-day life of the consumers and customers in the long run. The diversified target consumers are made of:

- In general, people who need a quick energy boost whether it be for work, exercise, or other activities.
- Workers who require intermediate breaks for a quick energy boost.
- Students who need to focus are sleepy and need to stay focused.
- Athletes who need to be energized instantly without any heavy food.
- Individuals who are health conscious but are looking for an alternative for energy boost.

### **6.2.2 Features and Benefits**

In Javabo, there are 3 different flavours with different levels of effects which are Espresso, Latte and Mocha. Espresso tastes more bitter but has a higher and quicker energy boost effects, followed by Latte is more coffee-milk taste that has a normal boosting effect, and lastly Mocha tastes chocolatory which has a milder effect.

Javabo is cheap and easy to get, and it will help consumers to stay awake up to 6 hours. In Javabo, health is taken as the core priority whereby Vitamin B-12 that helps with

blood cell formation and cell metabolism is added in addition to the reduced sugar feature. This fulfils the needs of the customer who is more conscious about health.

With its low selling price, Javabo is affordable for different levels of income groups from different backgrounds which helps to accelerate the process of opening the target market to everyone.

### 6.2.3 Estimated Costs for Development

The estimated cost of development of Javabo is in reference to two core attributes, the raw materials as well as the production costs.

Details	RM
Product Cost (Raw Materials)	0.05
Production Cost	0.05

*Table 4: Estimated Costs*

Product pricing: RM 0.30

Estimated sales volume: 340,000,000 units

Estimated sales:  $(RM\ 0.30 \times 340,000,000) = RM\ 102,000,000$

### 6.3 Pricing Strategy

Pricing strategy is defined as a strategy that considers many aspects such as market conditions, customers' ability to pay, competitors' actions and the production costs, in which a value that is decided to put on a product or a service. Pricing strategies are needed for our new product to attract new buyers and customers. Before we decide on a suitable pricing strategy for our new product, we can compare the existing new product pricing strategies.

The first pricing strategy is the market-skimming pricing strategy. Market-skimming pricing strategy is known as the strategy that helps the company to set a high initial price to the new product. This aims to skim all the revenues from the market, layer by layer. When the buyers have the interest in buying the product, the price will be lowered after the customers are more familiar with the product. By having a market-skimming pricing strategy, the company is able to have more profitable sales.

The market-penetration pricing strategy is another strategy that will be considered when deciding the price for new products. This strategy aims to set a much lower price on a new product to attract potential customers to buy the product. This will indirectly form a stable market and contribute to a larger market share.

For our new product, which is Javabo candy, a market-penetration pricing strategy is suitable to set the price. This is because our product has been newly introduced on the market and the customers still have no idea about it. We can have a much lower price on our product to attract potential customers, as well as build up a new market share. By advertising the new product with a market-penetration pricing strategy, we believe that a good reputation can be built on our product, so that the customers can accept the increase of price in the future if any improvements are made.

For example, our product is set at RM 0.30 per candy. Our company can promote the product in a bundle of packages that contain dozens of candies with a lower price, for example RM 3. With this strategy, our company can make money through the increased demand and the high sales volumes.

## **6.4 Distribution Strategy**

### **6.4.1 Availability of the product**

Our product will be available in various places that potential customers might visit such as supermarkets and convenience stores. By having our products sold at these places, the product is exposed to the customers more often and this helps us to brand our product more effectively. Besides, we also offer our product by selling them on our e-commerce websites, in which customers do not need to visit the stores physically. The customers just need to use their electronic gadgets such as mobile phones and websites, visit our website and choose the product that they want to purchase. After this, they just directly add to the virtual cart and proceed to the payment. The products will be delivered right to their door. The presence of e-commerce website provides an additional option to make our product advertised to our customers in many possible ways.

### **6.4.2 Channels used to distribute the products**

Marketing channels or distribution channels are a set of interdependent channels that aim to make the product available to the customers or the end users, in which it is a path used to obtain the product between the manufacturers and the customers. There are a few distribution channels that will be used by Nostlé to distribute the Javabo candy. One of them is the indirect distribution channel. This channel involves many intermediaries that will help to distribute the candy from the manufacturers to the customers. To do so, Nostlé company uses three level of intermediaries to distribute the product which are:

Level 1: Manufacturer to wholesalers

Level 2: Wholesalers to retailers

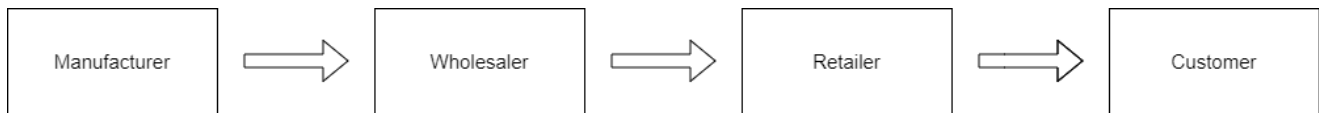
Level 3: Retailers to customers



The retailers that involved in this process are:

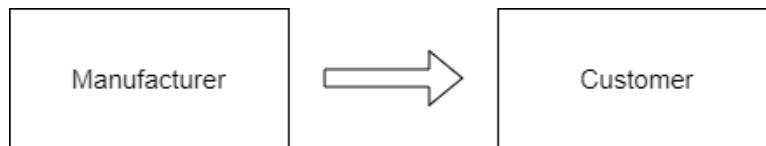
(1) Supermarkets: Lotus's, Giant, AEON, Eonsave

(2) Convenience stores: 99 Speedmart, Happy Mart, 7-11



*Figure 3: Indirect distribution channel that will be used by Nostlé company*

Besides, Nostlé company will use another distribution channel to advertise the Javabo candy, which is direct distribution channel. The direct distribution channel allows the manufacturer to sell the product directly to the customers, meaning that there are not any intermediaries involved. This is also the shortest distribution channel, in which the customers can get the product in the shortest time. For instance, the existence of e-commerce platforms is an example of direct distribution channel.



*Figure 4: Direct distribution channel that will be used by Nostlé company*

### **6.4.3 Dealers**

Dealers are defined as a party that buys a product for their own business, stocks it up and sells it in the store. The dealers act as a middle person between the product manufacturers and the customers. It is possible for one dealer to attract customers from other dealers and thus a competitive market will be formed. In our business, Nostlé company's direct dealers will be AEON, Lotus's, and Giant supermarkets.

### **6.4.4 Channel co-marketing and relationship**

To advertise and sell the product in a faster and more efficient way, Nostlé company will have co-marketing with other companies that share the same ideas. In this case, our company will have co-marketing with the Mayora company that produces Kopiko candy. This is because both companies have similar ways of advertising and broadening the product, as well as having nearly the same group of targeted customers to purchase the product. There are many advantages if both companies have a co-marketing relationship.

Firstly, both companies are able to form a stable market in a faster way. Since both companies share similar core values and audiences, it will be easier for us to advertise and broaden the product. For example, Nostlé company and Mayora Company can hold a co-marketing campaign by promoting the benefits potentially that helps to increase brand awareness among the potential customers.

Besides, having a co-marketing partnership will be beneficial for Nostlé company as Kopiko candy is a famous product and it will be a great way for us to learn useful ideas from Mayora company. It is possible for us not only to make improvements to our products, but also to have a great opportunity for us to get values of income. We hope to obtain wealth information that can help both companies to promote our product in the future.

#### 6.4.5 Costs

The costs refer to the distribution cost of the Javabo candy. Distribution cost is the cost or the expenses that are incurred in the distribution process of the product that allows the delivery of the product, from the product manufacturer to the customers or the end users. Nostlé company has considered several costs that will be involved in the distribution process.

The first distribution cost is the storage cost. Once the product is produced, it must be stored at a warehouse to keep products safe and secure before they are sold to the customers. Thus, there will be expenses that incurred in this process such as warehouse rental costs. When the candies are stored in the warehouse, it is necessary to maintain the product quality and ensure they are kept in a good condition, so the product handling cost will be the second distribution cost involved.

After the product is manufactured and stored in the warehouse, they will be transferred to customers' areas. The transportation expenses that will be used for the delivery of product is known as the freight cost, which is another type of distribution cost. The packaging cost of the product and the warehouse management cost are also a vital part of the distribution process. These costs refer to the managerial personnel cost.

In the first year of the business, the distribution cost will be much lesser due to the lower customer demands and also the product is newly introduced to the market. We will only be distributing the product to the retailers. In the second year, the distribution cost will be increased because the market becomes more stable, and the demands of the targeted customers will rise. The table below shows the distribution cost of Nostlé company in the first two years.

Year	Distribution costs
First year	RM 100,000
Second year	RM 200,000

*Table 5: First- and Second-years' distribution costs*

#### **6.4.6 Competitors Issues**

It is vital for us to determine which companies are our primary competitors when we are promoting our product to the market. There are various types of competitors such as direct competitors and indirect competitors.

Jolt Energy Mints will be the indirect competitors of Javabo candy. GumRunners company is mainly focusing on the production of the energy gum, which falls under the same category as Javabo candy, which is energized products. However, GumRunners provides a totally distinct product, in which the mint is the main ingredient of the candy. The company also has a different targeted customers that prefer mint instead of coffee.

Competitors issues will definitely happen if both companies are offering the similar products to the audience. This is because both companies share nearly the same business idea and ways to satisfy customers' requirements or demands. In this case, Javabo candy's direct competitor will be Kopiko candy. Both products aim to provide caffeinated goods for the customers so that they can get boosted. Besides, both Nostlé company and Mayora Indah companies use the similar distribution channels to advertise the products. However, with the discussed distribution strategy, the competitor issues can be resolved so that a long-term partnership is secured.

## 6.5 Action Plan

### 6.5.1 Advertising

According to Britannica, advertising is a technique used to bring the public to notice a product, service, opinions, or cause, so that the public is persuaded to respond in a certain way toward what is advertised. This technique is usually used to promote goods that are for sale, hence we attempt to use advertising to promote Javabo to reach more people. The techniques that we are using is the **digital advertising** and **traditional advertising** as elaborated below:

#### i. Digital Advertising

Digital advertising is delivering promotional materials to people via the Internet. Digital advertising enables advertisers to receive results immediately on who interacted with their advertisements, how they interact and whether it resulted in sales.

**Social media advertising** is one of the approaches that will be used to advertise Javabo. Social media platforms such as Facebook, Instagram and Tik Tok is a good platform to advertise Javabo as numerous users are using social media and the ease of audience targeting. Therefore, this can increase the exposure of Javabo to people when they are looking at social media. Besides, social ads also allow us to collect insight on how much traffic and ad has, how many conversions it cultivated, and even who has engaged with the advertisement.

Another approach of digital marketing is **video ads**. Video advertising is the new and one of the most widely used kinds of digital advertisement. We will use video ads to promote Javabo because they can appear in the form of typical commercial-esque ads before watching other videos on YouTube or Facebook. Videos that are entertaining and informative are effective in attracting leads and ensuring conversions and this is beneficial in creating enduring brand recognition for Javabo.

## ii. Traditional Advertising

Traditional advertising is delivering messages via mass media. Although digital advertising is becoming the trend nowadays, with the strategic and right approach, traditional advertising can be as effective as digital.

The first approach that we will use is **outdoor advertising** also known as out-of-home advertising (OOH). Outdoor advertising includes different types of promotional displays, from highway billboards to transit posters, all around introducing Javabo to the public. Every day there will be tons of working adults and students passing by billboards on highways and a transit, with an attractive advertisement design, it could bring impact to the consumer by just a glance.

The second approach that targets working adults is **broadcast advertising via radio**. Most of the working adults that have their self-transport will usually turn on the radio when they are on their way to workplace or home. This is a golden opportunity to promote Javabo as they will subconsciously remember what they have heard from the radio.

The third approach is **print advertising** that targets students. Print advertising is a form of marketing that uses physically printed media to reach consumers abroad scale which includes advertisements in newspaper, magazine, brochures, flyers etc. We are considering the brochures and flyers approach to give out near their school, college, and universities. With this approach, we can directly interact and communicate with our target audience and possibly leave an impact on them as well. There is a study according to MarketingProfs that 92% of 18 to 23-year-olds prefer reading printed advertisements to digital advertisement.

### 6.5.2 Digital Marketing

Digital marketing is the use of digital channels to reach and engage with potential customers, which will help to enhance the relationship between customers and our company. Apart from content marketing that is covered under digital advertisement, email marketing and search engine optimization (SEO) are utilized to maximize the potential of

building relationships through digital tools as well as increase customer loyalty which will then be translated into sales.

**Email marketing** will be implemented to promote Javabo to the mass public in order to have a greater reach. As this is a cost-effective strategy, the cost and efforts will be used to focus on the personalization of the emails that are sent out in terms of their personal data such as name to ensure that the recipient feels the sense of belonging in this brand.

Moreover, **search engine optimization (SEO)** is also practiced in our company to increase the visibility and also the credibility of our company. As SEO will affect the appearance in terms of the ranking of our official company website, it is crucial to always optimize our company website to drive traffic and more first-time users.

Besides, **video marketing** is also another way of digital marketing. Usually, a customer will search for the video of the product to learn or understand more about the product before purchasing it. With the existence of video streaming platforms such as YouTube, Facebook Watch and Instagram reels, we believe that Javabo candy can be advertised widely to different audience and increase popularity of the product.

**Pay-per-click (PPC)** advertising is another effective way of digital marketing. Our company can simply set up PPC campaigns on various social media platforms such as LinkedIn, Facebook and Twitter to reach out to the targeted audience in an easier way. In this case, advertisements will be shown to the users once they search for it. Not only that, but the campaigns will also be set up based on the customers' demographic characteristics such as age group, races and gender.

### **6.5.3 Personal Selling**

#### **i. Selling programs and sales support**

Creating a candy which has both the right nutritional content and the ability to keep one awake and active for hours is complex and as well as challenging. Our company will

emphasize more on research of the source of raw materials which are used in producing the candy. This would be spearheaded by our team of food technologists. The selling program will include training of agents. This would include them in joining coaching programs which would be further divided into sections where coaching will be done 4 times throughout the year.

This would increase the consistency of the sales agents which would then directly increase sales which would then benefit the company. The knowledge on exactly how the product is made, the contents of it and the benefits of consuming it will be taught throughout the training session. Furthermore, extensive and consistent training would teach sales agents about the companies' projects, organization, and competitor strategies.

ii. Incentives

Nostlé will reward employees with great performance with a bonus or a promotion at suitable times. At the end of every term or year, the company will have an award ceremony to appreciate their hard work. Besides that, an employee of the month reward will be given to the best-performing employees. These actions, awards, and events will boost their motivation to keep up the sales and this would also help in boosting their confidence.

#### **6.5.4 Sales Promotion**

i. Discounts

We will give 10% discount for customers who purchase 100 or more candy in one order. The discount will encourage buyers to purchase more candy and we will be able to make more profit from a single order.

ii. Free gift

Customers who purchase over RM100 in one order will receive a goodie bag with Javabo logo on it. This will help to strengthen the image of Javabo among customers.



### iii. Coupons

Customer who spends RM300 in a single order will receive a RM30 discount coupon for their next purchase. This will encourage buyer to make their next purchase if they satisfy with our products.

#### 6.5.5 Alternative Marketing

One of the approaches that will be used for alternative marketing is **influencer marketing**. With the rise of social media in the eyes of people, influencers are extremely powerful in advertising products as they inspire people to live in their ways and follow their styles. By collaborating with influencers Nostlé is able to promote Javabo when the influencers posted their testimonial after using the product. This approach of alternative marketing is an impactful way to reach out to more audience and attract more potential customers.

Another approach that will be used for alternative marketing is **guerrilla marketing**. Nostlé will attract customers by organising a pop-up store selling limited edition flavours of Javabo. The limited-edition flavours will include flavours that are special and weird to create mouth-to-mouth spreading of the brand name and making Javabo viral. Some suggestions of the flavours include Durian Cheese Espresso, Wasabi Latte, and Nasi Lemak Mocha. This approach helps to market Javabo by spreading the words discussing about the specialty of the flavour and will let public remember more about Javabo.

## 7.0 FINANCIALS

### 7.1 Estimated Sales Volume Forecast

	2023	2024
<b>Estimated Population (Malaysia)</b>	33,579,265	33,969,290
<b>Target Market (Working adults + students)</b>	17,000,000	17,000,000
<b>Penetration Rate</b>	10%	20%
<b>Total Estimated Buyer (<math>n</math>)</b>	1,700,000	3,400,000
<b>Quantity Purchased by A Buyer Per Year (<math>q</math>)</b>	200	200
<b>Total Estimated Demand</b>	340,000,000	680,000,000
<b>Average Price Per Unit (<math>p</math>)</b>	RM0.30	RM0.30
<b>Total Market Demand</b>	RM 102,000,000	RM 204,000,000

*Table 6: Estimate sales volume forecast for year 2023 & 2024*

We assumed there will be 1,700,000 buyers from the population of 33 million people will buy our product in the first year and will double the number in the second year. The price of our product will remain the same in both years at RM0.30 per candy as long as the production cost do not increase. We estimated that every buyer which consists of students and working people will buy 200 candies per year as they will need the candy to boost their energy and efficiency throughout the day, but they do not need it every day. The total estimated demand for Javabo is calculated by multiplying the number of total estimated buyers and the quantity purchased by each buyer per year which we would have 340,000,000 in the year 2023 and 680,000,000 in year 2024. Using the method  $Q = n \times p \times q$ , we discover that the total market demand for Javabo in the year 2023 is RM 102,000,000 and we expected that our product will receive more reaction in 2024 which will double the market demand in 2023 to achieve RM 204,000,000.

## 7.2 Profit and Loss Statement

### Projected Profit and Lost Statement for the 12-month Period Ended December 31, 2023

Details	RM	RM	Percent of Sales (%)
Net Sales	102,000,000		100
Cost of Goods Sold (COGS)	(40,800,000)		40
Gross Profit		<b>61,200,000</b>	<b>60</b>
Marketing Expenses			15
Sales Expenses	10,200,000		10
Promotional Expenses	5,100,000		5
		(15,300,000)	
General and Administrative Expenses			10
Managerial Salaries and Expenses	5,100,000		5
Indirect Overhead	5,100,000		5
		(10,200,000)	
Income Before Tax		<b>49,750,000</b>	<b>35</b>

Table 7: Profit and Lost Statement for 2023

### Projected Profit and Lost Statement for the 12-month Period Ended December 31, 2024

Details	RM	RM	Percent of Sales (%)
Net Sales	204,000,000		100
Cost of Goods Sold (COGS)	(81,600,000)		40
Gross Profit		<b>122,400,000</b>	<b>60</b>
Marketing Expenses			15
Sales Expenses	20,400,000		10
Promotional Expenses	10,200,000		5
		(30,600,000)	
General and Administrative Expenses			10
Managerial Salaries and Expenses	10,200,000		5
Indirect Overhead	10,200,000		5
		(20,400,000)	
Income Before Income Tax		<b>71,400,000</b>	<b>35</b>

Table 8: Profit and Lost Statement for 2024

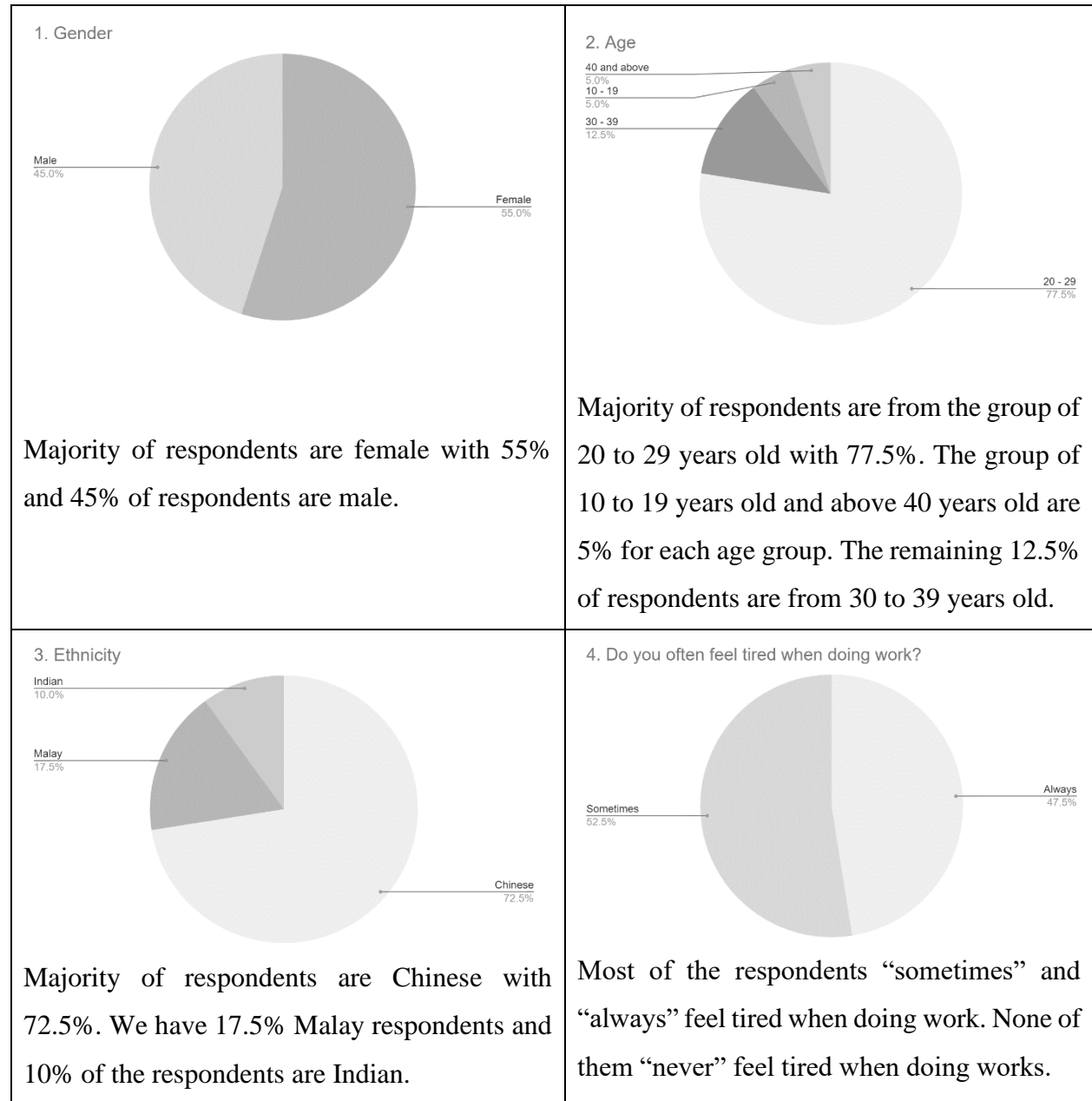
## 8.0 APPENDICES

### Questionnaire questions:

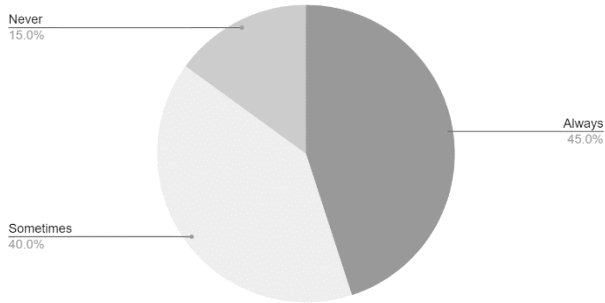
<b>Gender</b> <ul style="list-style-type: none"> <li>• Male</li> <li>• Female</li> </ul>	<b>Age</b> <ul style="list-style-type: none"> <li>• 10 – 19</li> <li>• 20 – 29</li> <li>• 30 – 39</li> <li>• 40 and above</li> </ul>	<b>Ethnicity</b> <ul style="list-style-type: none"> <li>• Malay</li> <li>• Chinese</li> <li>• Indian</li> <li>• Others</li> </ul>	<b>Do you often feel tired when doing work?</b> <ul style="list-style-type: none"> <li>• Always</li> <li>• Sometimes</li> <li>• Never</li> </ul>	<b>Do you frequently drink coffee/energy drink/other energy booster product to keep you awake?</b> <ul style="list-style-type: none"> <li>• Always</li> <li>• Sometimes</li> <li>• Never</li> </ul>
<b>What is the form of energy booster product you would prefer to buy?</b> <ul style="list-style-type: none"> <li>• Food (Chocolate/Candy)</li> <li>• Drink (Coffee/Energy Drink)</li> </ul>	<b>Do you like to eat candy?</b> <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	<b>Would you prefer the energy booster product made in the form of candy that could be easily carried around and consumed throughout the day?</b> <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	<b>What is the easiest way for you to purchase our product</b> <ul style="list-style-type: none"> <li>• Retail Shops (Supermarket/Hypermarket)</li> <li>• E-Commerce Platform (Lazada/Shopee)</li> </ul>	

Table 9: Questionnaire question

## Questionnaire data collection and findings:

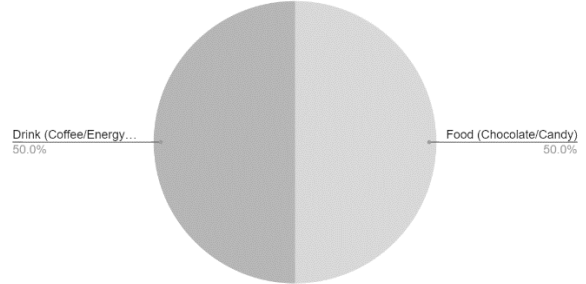


5. Do you frequently drink coffee/energy drink/other energy booster product to keep you awake?



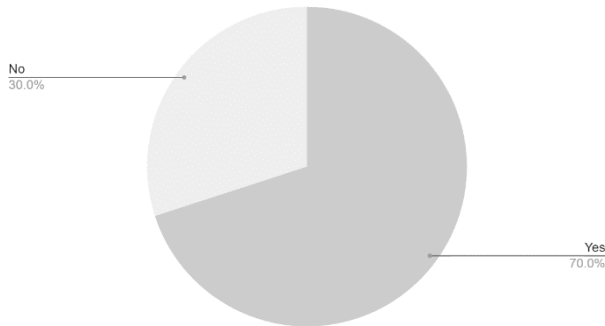
Most of the respondents “sometimes” and “always” drink coffee/energy drink/other energy booster to keep them awake. Only 15% of respondents didn’t drink or use any energy booster product.

6. What is the form of energy booster product you would prefer to buy?



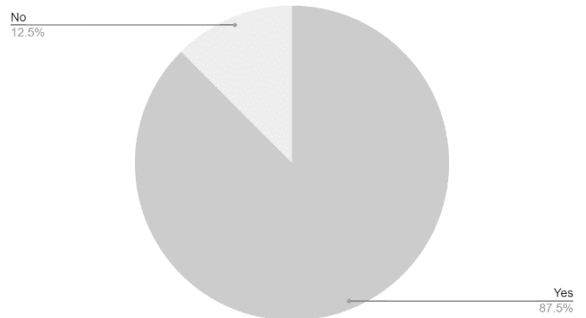
50% of the respondents prefer to buy drink whereas another 50% of respondents prefer to buy food to boost their energy.

7. Do you like to eat candy?



There are about 70% of the respondents like to eat candy and 30% of the respondents do not like to eat candy.

8. Would you prefer the energy booster product made in the form of candy that could be easily carried around and consumed throughout the day?



Majority of the respondents (87.5%) prefer candy version energy booster product, so it is easily accessible. Only a small portion of respondents (12.5%) do not prefer it.

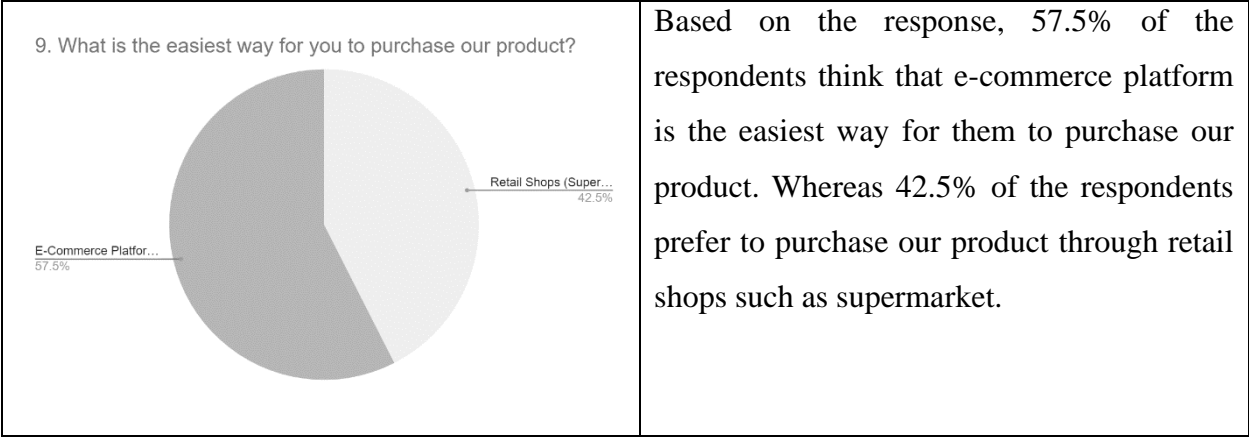


Table 10: Questionnaire data collected and findings