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Introduction

Detergent International, Australia leading manufacture of detergent plans to introduce its wide range of products in Malaysia in the year of 2007. Therefore, a local repacker will be appointed in Malaysia for the repacking and marketing of the product. As to succeed this, the Detergent International, Australia will first register its detergent brand in Malaysia. And a Trademark will be registered as “DeterEx”. All our products which will be introduced in Malaysia will be named “DeterEx” and followed by the size and packing name.

Defining the market size

Currently the market size for detergent products in Malaysia is RM 100,000,000.00 per annum and expected to grow at 1.5% respectively. The more complex market size can be defined using the number of users for the detergent products. In the recent statistic, it is shown that totally 25 million of purchases annually are solid on detergent products. This means, per month, there are approximately 2 million purchases on detergent products in Malaysia. Therefore, these 2 million integers are considered as our targeted customers. This is the figure of our potential customers who are currently customers of our competitors. Our market size is 2 million customers and the revenue is RM8 million per month.

Market Research

Currently in Malaysia detergent market there are many competitors playing their role. The major two competitors and majority market holders are Fab and Breeze products. And the most significantly growing new competitor is Daia. These 3 detergent brands will be our main competitor for our DeterEx products.

The Fab is the elder company in Malaysia detergent market. They had established a good sale by taking over 29% of the detergent market. Their best selling product is the 'Fab Bar Detergent'. This product was introduced to market many years ago. The 30% of market means, they had win 600,000 customers who are giving the company revenue of RM2.4 million every month. They are the giant who managed to major the market by holding 30% of the detergent market.

The second competitor is Breeze. This brand was also brought into market many years ago. They are well playing in this market by still having promotions on many of their products until today. They have not bring down their promotions and advertisement because they are afraid of losing their current customers which are 25% of the market. Anyway, the profits generated by Breeze are still very less comparing to its major competitor Fab because they still spending a lot on advertisement and promotions against their competitors. They have 500,000 of customers. And generate revenue of RM2.0 million. But these figures do not show them strong because they spend back 40% of their revenue on product promotions and advertisement which waste them a lot.

The third competitor is Daia brand of detergents. This brand of products was introduced to market 3 years ago. But in this 3 years time, they had grown rapidly until holding up 15% of the Malaysia detergent market. Their growth is spectacular which was

never expected by the major competitors, Fab and Breeze. Holding 15% of the market within 3 years of product introduction is so unbelievable. They knocked a big alert for Fab and Breeze competitors. These 3 of our competitor are still competing in market actively with each other with maximizing their spending on advertisement and promotions to attract and steal customers from each other. This 15% means, 300,000 of customers and RM1.2 million of revenue.

The rest 30% of the detergent market are powered by other brands such as Dynamo, Kenko, Niesa Wash, Starlight and others.

Medium Term Forecasting for 2007

The period for this medium term forecasting is 6 months. In this period, our company will focus on sales volume and maximizing advertisement to attract more customers and increase the number of customers for products. This should be done within the 6 month period. The forecasted amount of money to spend on Advertisement is RM 2.4 million for this 6 month period. This means, we will spend every month on advertisement as;

- a) RM 500,000 will be spending for advertisement on first and second month.
- b) RM 400,000 will be spending for advertisement on third and fourth month.
- c) RM 300,000 will be spending for advertisement on fifth and sixth month.

The total spending on advertisement at the end of 6th month is RM 2,400,000 (RM 2.4m)

By this time, our number of customers will increase significantly. The expected figures are;

- a) For 1st month: 50,000 new customers.
(Will generate revenue of RM 200,000)
- b) For 2nd month: 50,000 existing customers and another 50,000 new customers
(Will generate revenue of RM 400,000)
- c) For 3rd month: 100,000 existing customers and another 40,000 new customers
(Will generate revenue of RM 560,000)
- d) For 4th month: 140,000 existing customers and another 40,000 new customers
(Will generate revenue of RM 720,000)

- e) For 5th month: 180,000 existing customers and another 30,000 new customers
(Will generate revenue of RM 840,000)
- f) For 6th month: 210,000 existing customers and another 30,000 new customers
(Will generate revenue of RM 960,000)

At the end of these 6 months, the total revenue which is collected from sales will amount to RM 3,680,000 (RM3.68m)

The conclusion on this forecasting is the high spending on advertisement for the first six months cost RM2.4 million while the revenue generated is RM3.68 million. The revenue will overcome the expenses for the advertisement. We need to spend very high on the advertisement because we are newly introducing our product into the market at this time. This high spending to ensure we can grab high numbers of customers within this medium period of 6 months with the help of advertisement.

Long Term Forecasting for 2007

The period for this long term forecasting is 3 years. The forecast take position from beginning of year 2007 until end of 2009.

In the year 2007, our estimated number of customer is 300,000 at the end of the year. This is the first year of product introduction. In this one year time, we will gain up to 300,000 customers which mean 15% of the detergent market in Malaysia. To achieve this point, our company will be spending a lot on advertisement. This to ensure our product can capture and attract customers. The advertisement spending will be at least 50% of our total revenue for the year. It is compulsory to do this high spending to make sure our product can sit strong in the market. Our product need to be strongly establish on market to make sure can fight through our competitors to gain more customers for our product, DeterEx.

In the year 2008, our estimated number of customers is 500,000. This figure is 200,000 more than the previous year. At this year, we will slowly step down our advertisement spending. We will go forward with promotion plans. This is because, our products already gain good numbers of customers and our product's future is slightly promising. At this period, we no longer need to attract more customers but at the same time, it is our responsible to retain our customers. Because it is predicted that our major competitors will try hard to gain or stole back our customers to their product. Especially the Fab, Breeze, and Daia competitors who are strong financially will try hard to gain back their customers. They will do promotions at this time while we also will do the same to retain our customer with us. Losing our customers will cause our product future to be mild. The promotion that we will be doing at this time is exactly going to be very

competitive with our competitors' promotions. If they give 20% discount promotion, then we will give 'Buy 1 Free 1' promotion. This will cut and throw our competitors' promotions. Our brand will still stand strong in market. The spending for these promotions in this whole year is targeted to reach at least 30% of our total revenue.

By end of the year 2009, our brand of product, DeterEx will be strong in market with total customers of 600,000. This figure is 100,000 more than last year. This high figure was collected because of last year's high spending on promotions. The previous advertisements and promotions were worth for our company and product's future which is now very promising. The figure 600,000 means we had powered 30% of the detergent market in Malaysia. This is equal to our major competitor 'Fab'. But by this time, the situation will be reverse because we had already stole 10% of Fab's market. Therefore, our competitor Fab will be holding 20% of the market while we will be holding 30% of the market which caused us to be top of the market. Our product, DeterEx will be top in detergent market. Both advertisement and promotion will be bringing down to zero and we will now focus on adding up value to our product. It seemed that our product had reached the top and definitely our competitors will try to bring it down. To strong our self in the market now, we need more value added product. Therefore, we will spend on value adding our product DeterEx. Value added product can establish strong position for itself to continue being top in the market.

Marketing Plan for 2007

Packaging and Branding

Our product brand will be 'DeterEx'. And repacker will be appointed in Malaysia. The repacker will be located at the Terengganu state. This is because, at that state, the land rent and labour cost are cheap. Therefore the repacker will only charge us in small amount. We repack at Terengganu and send it to other states for marketing. Our DeterEx product will be available in 3 main form which is powder, bar, and liquid. The packing will be as below;

- a) DeterEx Power-Box 5 - This box will contain 5kg powder detergent
- b) DeterEx Power-Box 3 - This box will contain 3kg powder detergent
- c) DeterEx Power-Box 1 - This box will contain 1kg powder detergent
- d) DeterEx Power-Pack 5 - This plastic pack will contain 5kg powder detergent
which will be used to refill the Power-Box-5 because now day's consumers are very concern about being economical and saving.
- e) DeterEx Power-Pack 3 - This plastic pack will contain 3kg powder detergent
- f) DeterEx King - Will contain detergent in large bar foam
- g) DeterEx Queen - Will contain detergent in small bar foam
- h) DeterEx Prince - Will contain 1liter of liquid detergent in plastic bottle
- i) DeterEx Princess - Will contain 500mililiter of liquid detergent plastic bottle

Our product packing will be culturally acceptable. This is because we will highlight title of our product with both English and Malay language. Besides that, our product will also contain explanation in Malay, English, Mandarin, Cantonese and Tamil.

Pricing

The pricing plays very important role to make sure our product is acceptable in the current detergent market. Therefore, the product price will be various from time to time. Based on our marketing stages, our product prices will be low at introduction time, high at advertisement time, decreased at promotion time, and increased again when product well accepted and established in market. The pricing scenes are arranged like this;

- a) Introduce to market at low price comparing to competitors. This refers to slow penetration strategy.
- b) Increase price equal to competitors as advertisement increased. This is based on rapid skimming process.
- c) Decrease the price at promotion period to encourage more active buying. We apply rapid penetration strategy in this stage.
- d) Increase the price back to normal as our product had established well in the market. Therefore we prefer slow skimming process.

This various prices promise our product to reach to the market slowly and rise up to be giant and well established in long term. If we introduce to the market at high price, then our product has chances of losing to our competitor's product due to high price. This is the concept of slow penetration strategy.

Then we will advertisement and highlight our product's advantage which is anti-mite, most consumers are concern about their health more than the money. We follow rapid skimming process. Therefore, to afford our advertising expenses, the product price

will be increased equal to our competitor price. Consumers will still buy our product as they are alert about the anti-mite properties which will save them from allergies and triggers asthmatic attacks.

At the next stage of it, the product price will be decrease as we increase on promotions. Promotions will be in the manner of giving discounts and additional free products. Example of promotion is cutting the price by giving 30% discount or giving free gift for every purchase whereas they will be given one DeterEx Princess with every purchase of DeterEx Power-Box-5. This rapid penetration strategic is very important to make sure our competitors do not win through product because they might have launched their product promotions by this time to steal our customers.

Once we managed to win through the competitors' promotion period by giving promotions to our products also, we will move to next stage whereas our product is well establish in the market. We managed to put our product at strong position in the market. Now, this is the right time to apply slow skimming process. We will increase the price back to normal price which will be slightly higher than the before stage. We step down all our advertisement and promotions.

Channel of Distribution and Sales

Wholesaling

To do our business effectively in Malaysia, we need to select wholesaling rather than retailing. As we had decided, we are only hiring a repacker in Malaysia to handle the packing locally. And we will not build our manufacturing plant there. This shows we do not have our own manufacturing place and stock keeping place in Malaysia. The repacker saves our time in getting the product ready locally in Malaysia. The same goes for wholesaling which will be saving our time and management stress in handling the distributions and sales in Malaysia. The wholesaler will have good knowledge and well established distributing channels and networks whole over Malaysia. This will save us time to contact and handle business with many retailers. The wholesaler will take care of retailers. The network promises our product to reach all over Malaysia effectively. Furthermore, the wholesaler will have their own stock keeping place. This saves us money to arrange our stock keepings as the wholesaler will take care of it. Adding advantage to wholesaler, they will buy our stocks in bulk and this promises our products to be marketed at a high volume within some short period.

Strategic Marketing Stages

Our marketing process will have 4 stages. We will step into one by one. By this method, we can ensure that our product are being marketed properly and made highly available and preferable by our potential customers. The strategies in each stage will be implemented effectively with motive of succeeding our product DeterEx. The stages are;

- a) Introduction stage
- b) Evolution stage
- c) Competition stage
- d) Winner stage

Introduction Stage

This is the first stage. We will not focus on advertising or promoting. We will be very clear in term of giving our product at very cheap price. The price will be at least 50cents cheaper than our competitor price. This actually will not gain us any give profit. But the advantage of this technique is, our product will reach fast into the fast. Questioning why? It is simple, our product was the cheapest detergent product, therefore our wholesaler will agree to buy our product at that so cheap price as he can gain more profit. This means the wholesaler will be very motivated to buy our product in bulk and he will immediately push it to sell through his retailers. And the retailers will also be happy to buy the product at cheap price and source it immediately to the market whole over Malaysia. Within one month, the whole Malaysia will have our product DeterEx. By this time, we will win 1% of Fab market, 1% of Breeze, 1% of Daia, and 2% of other brands. This achieved only because of our very cheap price. Cheap price is the primary

criteria for customers to buy a product. But anyhow, the other factors such as brand loyalty will block many of the consumers to shift to our product. We will only manage to gain 5% of the market. The price is low and the promotion is low, this is called slow penetration strategy. Once the 5% of the market target reached, our marketing will move to the next stage.

Evolution Stage

In this second stage, the biggest evolution will happen in the detergent market history. This is all because we are going to target a large number of customers to shift brand from our competitors. We will make them to choose our product. This will be done by spending high on advertisement. We will highlight on every media that our product contains anti-mite properties which will safe the users from allergies and triggers asthmatic attacks. Most of the Malaysian detergent consumers are very concern about their health. They care more for their health rather than their money. Therefore, once we advertise and alert people about our advantage, definitely high number of consumers will shift their brand to our brand DeterEx. To afford the advertisement cost, we will immediately increase the price of our product equal to our competitor's product. This is Rapid skimming process. We equal our price to our competitor and we have our advantage of anti-mite besides high spending on advertisement. Therefore, many consumers will select us while the losers are our competitors. By this time, we will win 10% of Fab market, 7% of Breeze, 5% of Daia, and 8% of other brands. In total, we will be holding 30% of the detergent market in Malaysia. Once this figure achieved, we will move to next stage.

Competition Stage

This is the third marketing stage. Previously when we introduced our product in the market at introduction stage, our competitors did not move aggressively toward our product because we was just a small industry player who they though will not effect their business much. But the shock was given in the evolution stage by taking over 30% of the market and being top of the detergent market. This stage really will have made our competitors to wake up and look as us as their real competitor. They now know our product's real power which highlighted our product. Therefore, they will try to win back their loyal customers by giving a lot of promotions on their products. They will be giving the promotion because they are financially very stable. So, to prove ourselves as their real competitors who have strength on the market, we also will move into promotions. Previously we equaled our price to competitors. Now, we equal our promotions to our competitor. We even will do more than our competitors now. If the competitor gave 20% discount, then we will announce 30% discount. If they give 'buy 1 free 1' promotion, we also will give the same promotions. We are now very strong in the market and it is very important to retain our customers without losing to our competitors. In the stage, the highlight is, low price and high promotion. This is called rapid penetration strategy. We will fight over our competitor straight forward. At the end of this, the competitors will be loser while we move to the next stage.

Winner Stage

This is where the winner are standing, DeterEx. In this stage, we are considered as highly established product with high number of consumers. Therefore, we will now cut

out the promotions and advertisements. Together we will increase the price back to normal price. This is called slow skimming process. This product is now our cash cow. It will generate high revenue for us. But never to be declined that the losers, our competitors will definitely try again to back strong on market by producing new product with high features or value add their current product to be competitive with our product again. There are now chances for our product to lose if we do not enhance our product by value adding it. At this stage, we are not only looking into good profit and stable position, but we also looking forward on how to retain our position on top. For this to happen, we need to value add our product. Anyway, at this point we can understand that this is the end of the product life cycle. And we are giving only 3 options; one is to kill the product, another one is to value add the product and keep the product existing in the market or lastly bring up a new product with more advantage than this product and move it into the market exactly as we moved in this DeterEx products. The best option will be value adding the product. This is because, if we kill the product, then we lose our position immediately in the market. Or else if we decided to move in with new product then we need to do all the advertising and promotions which will again cost us a lot. The best is value adding which will help it be to the consumers' choice always and be leading in the market.

Conclusion

The conclusion of this marketing plan is our product DeterEx which moved into the market will face many challenges from competitors. To over come this, our 4 stage marketing strategy is the ideal strategy. By this, the DeterEx products are very promising.

Recommendation on Export Opportunities

Based on our strategic marketing plan, we can conclude that our product will be top of the market within 3 to 5 years time. In this period, due to high demand and support on our product, we will have chances to export our product to other countries. Our repacking located at Malaysia and our product will be packed based on Malaysian cultural and designed using their main languages which is Malay, English, Mandarin, Cantonese, and Tamil. These languages are top languages of Asia. This means our Malaysia repacked products can be circulated or exported all over Asia without any boundaries. Besides, we can invite our competitor's importers to also import our product to their country and encourage them to sell it there locally. Our invitation will be accepted by many of the importers because our products are the leading product and fast growing product in the Malaysia Detergent market. The conclusion of this text is, our opportunities to export our product in the future are very bright and promising to us. The chances and capability for us to export are very high within 3 to 5 years from the time this product launched to Malaysian market.

Soft Copy

The soft copy of this assignment is attached below in Compact Disc (CD).