



# UNIVERSITI TEKNOLOGI MARA

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MGT345

OPERATION MANAGEMENT

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## PRODUCT LIFE CYCLE OF MILO

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## INTRODUCTION

### HISTORY OF MILO

The birth of MILO in Malaysia is around 1950. MILO, Tonic Food Drink, this well-loved beverage begins its journey in Malaysia. It has played a role that goes far beyond a beverage and become a crucial part of Malaysians' daily lives today. MILO is the first to use the nation's battle cry, "Malaysia Boleh!" With MILO, at the heart of this winning spirit, Malaysia has since blazed through every new milestone in achieving impossible. In 1999, MILO come up with B vitamins that help release the energy from food, MILO fuels for those who drink it with positive energy all day. After that, in the year 2002, the popular chocomalt beverage is now fortified with ACTIGEN-E, a unique combination of 8 vitamins and 4 minerals. After introduce MILO with ACTIGEN-E, MILO then introduce their drink, with PROTOMALT. PROTOMALT, is a special malt, extract made from malted barley grains. Found only in MILO, this is a key ingredient that naturally provides the energy and nutrients the body needs. In the year of 2006, MILO becomes the biggest sponsorship in Malaysia sports. MILO begins sponsoring events to cultivate a thriving sports culture in Malaysians. Today MILO sponsors more than 200 of these events at various levels each year, from interschool to national championships.

## **PRODUCT LIFE CYCLE OF MILO**

### **INTRODUCTION STAGE**

Introduction stage is the first of four stages in product life cycle. At this stage, milo was the first producer of chocolate and malt drink. And their main focus at this stage is the flavor as they maintain selling the original flavor to possible consumer. At this stage, milo might have limited competition in marketing chocolate and malt and it easier for them to market their product. During this stage, milo able to charge affordable prices or even perhaps, higher prices to costumer that will eventually become the average market price. Therefore, at this stage, milo have higher chances in making people aware of their product because the competition is low.

### **GROWTH STAGE**

At the growth stage, milo main consumer is everyone and the main target is 3 to 13 year old male and female children and sportsmen as at that age they are tend to be active in studies and sports. Therefore, milo produce a product which the product is rich in vitamins B, C, D and helps to energize body. In order to attract targeted consumer, milo organize and offer competitions like futsal competition, fun-run and breakfast with Milo. This is to ensure their targeted consumer aware of their existence as a marketer of energy drink. Besides, at this stage, milo able to influence the behavior of buyer especially in choosing and buying aspects and by that the sales of milo is increasing.

### **MATURITY STAGE**

After passing the growth stage, milo then enter the maturity stage which at this stage the competition is wide and competitive. At this stage, milo need to compete other competitors like vico, horlick and ovaltine. Because these are the products which has the similarity with milo. With sales reaching their peak and market is in maximum pressure, it might be hard for milo to maintain their sales and profits especially during the time where the competition is intense. In order to survive in the competition, milo must look for innovative way to strengthen their product to make it more appealing to the customer especially in the aspects of packaging, promotion and the benefit. The most important thing is milo must know how to play with the prices according to the situation and condition of existence market. This will help milo to maintain or even perhaps, increasing their sales and profits.

## DECLINING STAGE

The last of the product life cycle stages is declining stage, which is the product of milo might fall in terms of both sales and profit. But milo still have the opportunities to manufacture new products or improve the existing products. For instance, Milo came out with new packaging which is bigger (800g), regular (400g) and smaller (200g) packet rather than using tin and it is easier for customer to choose their desire packet. Besides, Milo also produce 3 in 1 product in economical and efficient pack which has variety of smaller packet so that easier for people to bring it everywhere at any time. Next, milo also have boxes drink in bigger (1litre), regular (200ml) and smaller (125ml) size which some of milo competitors didn't have. On the other hand, milo also came out in variety of flavors like mocha, cereal, high-calcium in order to modify the existing flavor which is original. The other product they offer to customer apart from drink is milo chocolate nugget, ice-cream, chocolate-bar and breakfast cereal. Even at this stage, milo product is still viable and usable to customer because they come out with variety types of products than other competitors.