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### OPERATIONS MANAGEMENT (MGT345)

#### GROUP ASSIGNMENT

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## **1.0 INTRODUCTION**

In general, the Operation Management can be defined as the administration of business practices to create the highest level of efficiency possible within an organization. It is concerned with converting materials and labour into goods and services as efficiently as possible to maximize the profit of an organization.

First of all, we would like to sincerely thanks to our Operation Management (MGT345) lecturer, Madam Noor Emma Binti Shamsuddin for her dedication and support through this subject because she always gives a guideline for our group to do the best on this assignment to complete successfully.

For the information, our group choose the company of Nestle Malaysia. We will cover the brief history of the company, vision, mission and objectives of Milo as the product under the company of Nestle. In other words, we choose this product based on its updated ingredients. This brief history and other sub heading under company background is compulsory to be understood and researched well as they form the basis for marketing plan of the company. The aim of this assignment is to choose any product and clarify the product design in the making of the product.

Last but not least, we also would like to thanks our friends especially those who work together for the wise idea throughout the project. We hope this assignment can be very useful for the use in the future and for research and development purpose.

## **2.0 ABOUT MILO**

### **2.1 HISTORY OF NESTLE**

Nestlé with headquarters in Vevey, Switzerland was founded in 1866 by Henri Nestlé and is today the world's leading nutrition; Nestlé's foundation was built in 1867 on humanitarian needs and social responsibility when Henri Nestlé, a trained pharmacist, developed a healthy source of nutrition to save the life of an infant who could not be breastfed. Today, more than 140 years later, Nestlé continues with its founder's legacy to improve the lives of Nestlé's Malaysia.

Nestlé's commitment to providing quality products to Malaysians dates back almost 100 years ago. Nestlé began in Malaysia in 1912 as the Anglo-Swiss Condensed Milk Company in Penang and later, growth and expansion made a move to Kuala Lumpur necessary in 1939. Since 1962, with its first factory in Petaling Jaya, Nestlé Malaysia now manufactures its products in 7 factories and operates from its head office in Mutiara Damansara.

## **2.2 HISTORY OF MILO**

Milo is a chocolate and malt powder that is mixed with hot or cold water or milk to produce a beverage popular in many parts of the world. Produced by Nestlé, Milo was originally developed by Thomas Mayne in Sydney, Australia, in 1934. It is marketed and sold in many countries around the world.

Most commonly sold as a powder in a green tin, often depicting various sporting activities, Milo is available as a premixed beverage in some countries, and has been subsequently developed into a snack bar and breakfast cereal. Its composition and taste differ in some countries.

In 1934, Australian industrial chemist and inventor Thomas Mayne developed Milo and launched it at the Sydney Royal Easter Show. Milo began production at the plant located in Smithtown, near Kempsey on the North Coast of New South Wales. The name was derived from the famous ancient athlete Milo of Croton, after his legendary strength.

In Australia and most other countries, the packaging is green and depicts people playing various sports on the tin. A higher malt content form also existed in Australia and was marketed in a brown coloured tin which was usually only available in the 375g size.

Milo's commercials and taglines are "Go and go and go with Milo". A recent Australian commercial incorporating this slogan depicts four generations of women on a skipping rope singing "and my mum gave me Milo to go and go and go." The tag "I need my Milo Today" is also used. The packaging of tins of Milo in Malaysia and Singapore are also green and also have people playing sports on the tins, giving it the affectionate name of "Tak Kiu", Hokkien Chinese for "kick ball". In Colombia, Milo is closely tied to football (soccer), and the slogan several generations have sung is *Milo te da energía, la meta la pones tú* ("Milo gives you the energy, you set the goal").

Milo is very popular in Malaysia and Singapore, where the brand name is synonymous with chocolate flavoured drinks: Milo has a 90% market share in Malaysia (not the often quoted 90% worldwide share of Milo consumption), and Malaysians were said to be the world's largest consumers of Milo. This is because Milo was once used as a nutrient supplement when it was first introduced in the country, and has thus gained a reputation as a 'must have' drink for the old and the younger generations. Milo manufactured in Malaysia is made to dissolve well in hot water to produce a smooth hot chocolate drink, or with ice added for a cold drink. "Milo Vans" were often associated with sports days in these two countries, during which primary school pupils would queue up to collect their cups of Milo drinks using coupons.