RESEARCH ON PROMOTIONAL CAMPAIGN OF F & N FRUIT JUICE

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RESEARCH OF PROMOTIONAL CAMPAIGN FOR F & N FRUIT JUICE

ABSTRACT

Fruit juice is one of the most favourable products because of its refreshing and healthy content. However F & N's "Fruit Tree" is less known compared to other brands such as 'Yeo's,"Drinvo” and “Cheers”. It was due to lack of aggressive campaign and promotion to the end user. This research is conducted to analyze, to identify and to create the effective campaign for this fruit juice product.

Jus buah-buahan adalah salah satu produk yang digemari kerana kandungan jus yang menyegarkan dan menyihatkan badan. Walaubagaimanapun, produk jus buah-buahan jenama 'Fruit Tree' oleh syarikat F & N kurang dikenali ramai berbanding jenama yang lain seperti 'Yeo's. Ini kerana kurangnya kempen dan promosi produk tersebut kepada pengguna. Penyelidikan ini bertujuan untuk mengkaji, mengenalpasti dan mencipta kempen yang efektif bagi produk tersebut.
CHAPTER 1
RESEARCH ON PROMOTIONAL CAMPAIGN OF F & N FRUIT JUICE

1.0 INTRODUCTION

F & N Coca-cola (Malaysia) Sdn. Bhd started as a subsidiary company of Fraser & Neave Holdings Berhad. It has a workforce about 1,600 employees in 22 offices nationwide. They are also the largest manufacturer of soft drinks, distributor and bottler of F & N beverages and Coca-cola products. This various brands includes 100 PLUS, Fun flavours, Seasons, Sprite and Sarsi.

The history begin in 1883 when John Fraser and David Chalmers Neave signed their names on a document headed “The Singapore and Straits Aerated Water Company”, forming a partnership to produce aerated waters. Then, they merge to become world famous household name, Fraser & Neave or known as the abbreviation of F & N. The company moves to a new premise located in Soak Street (Singapore) in 1898 and tripled from 20 to 63 employees. In 1906, Singapore’s first lorry brought in by Fraser & Neave to facilitate transportation for the commercial sector.

The company opens its branches in Kuala Lumpur, Seremban, Ipoh, Perak, Bangkok, and Saigon in 1913. Establishments of agents were in Telok Anson, Jati Kelantan, Snadkan, Labuan, Sarawak Port Darwin and western Australia. In 1931, after the World War I, the company makes new history by joining into brewing business. The joint venture between the Famous Dutch brewery, Heineken resulted the Malayan Breweries Limited. After World War 2, the company produced two popular beers namely Anchor and Tiger.
Fraser & Neave Limited secured the franchise of Coca-cola for Singapore and Malaysia in 1936 and they totally reinventing the carbonated beverage industry. In 1948, a separate subsidiary, Lion Limited was formed to manage Coca-cola. The product is enjoyed by the young and old throughout the world. Through a strategic programme in 1955, Malayan Breweries Limited continued to acquire south pacific breweries of Papua New Guinea. SP Lager, a premium product of the group was introduced to the changing tastes of worldwide consumer.

In 1959, secured another prestigious bestseller franchise for 7-Up. It becomes another successful beverage that found its way into various households. A joint venture with Beatrice Foods of Chicago produced sweetened condensed milk in 1961 and it was introduced for the first time in South East Asia. The Beatrice /F & N milk labels were distributed by Beatrice Malaya. In 1966, Carnation International of Los Angeles joined the company and the operation was renamed Premier Milk (M) Sdn. Bhd. The plant processed sweetened condensed milk, evaporated milk and manufactured its own cans as well.

A wholly owned subsidiary, Fraser & Neave entering the plastics industry in 1967. PVC and Polythene containers were manufactured and the company was renamed F & N Enterprise Private Limited. It offers custom blow moulding services, advisory design and packaging services as well as other services related to the packaging industry. In 1968, F & N involvement in milk products expand across to Singapore with the formation of Premier milk (S) Private Limited and Beatrice Foods (S) Private limited, to manufactured and market the same range of product to all race. Fanta was franchised on the same year in 1971, with “Daisy” long – life milk in Tetrapak was launched. Then, Zappel drinks were also introduced. In 1972, the interests extended to the glass industry by participating in Malaya Glass Factory berhad in Malaysia. Malaya Glass manufacturers bottles for the F & N group
of companies as well as for other customers. Strawberry flavour was introduced to both Fanta and Daisy Milk. The venture between Fraser & Neave and Beatrice Foods produced two types of ice-cream under the international Meadow Gold label in 1974. Meadow Gold ice-cream gained widespread of acceptance backed by the technical expertise of Beatrice Foods.

Fraser & Neave involvement in metal container in 1979 took shape through the participation of Metal Box (S) Limited. The company manufacturers metal containers for food, motor oil, paint, households products, cosmetics, pharmaceuticals and other industries. In 1983, Malayan Bweries Limited, Papua New Guinea subsidiary merged with the San Miguel subsidiary, making it the sole breweries operating three breweries in Papua New Guinea. Rapid economic growth of the late 8’s led to a new plant in Shah Alam. In March 23 1996, a ceremony was officiated by minister of International Trade and Industry, Datuk Seri Rafidah Aziz, witnessed by the chairman of the F & N Holdings Berhad, Datuk Yahya Ismael, the chairman of F & N Private Limited, Dr. Michael Fam and also the president of the Coca-cola Company, Mr. Doug Ivester, specially flew in from Atlanta, USA for the occasion.

In June 1997, the Shah Alam company commenced operation, the shift operation administration and head office staff took place. The former plant was then used as the product sales and distribution center. On January 27, 2000 Duli Yang Maha Mulia Seri Paduka Baginda Yang Dipertuan Agong visited the Shah Alam manufacturing facilities. Then in 2001, F & N holdings Berhad appoints new chairman, Yang Amat Mulia Syarif Bendahari Syed Badrudin Jamalulail Ibni Almarhum Syed Putra Jamalulail. In market leadership, Coca-cola was declared as the “Best Brand in Malaysia” in 2002. Coca-cola light was introduced to replace Diet Coke. Three new 100 PLUS flavours namely Apple Cranberry, Tangy Tangerine and Lemon Lime gained market acceptance after its introduction.
F & N product innovation includes the relaunched Sarsi drink. Lucky Lychee was introduced to add the growing of F & N fun flavours brands. AC Nielsen named Fraser & Neave soft drinks as Malaysia’s No.1 family Brand in 2003. Its it ranked 10th among the top 100 brands in the country (www.fn.com.my) F & N also making efforts to contributing towards the social and environmental welfare. A donation of RM 10,000 was made to the Malaysian AIDS Foundation (MAF) Paediatric Aids Fund on education and care program for children living with HIV and AIDS in Malaysia (www.fn.com.my). The F &N recycling program was launched in selected primary schools in peninsular and East Malaysia. Total cans collected were 33,176 cans (www.fn.com.my)

Fraser & Neave invested RM 18million in 2003 to expand the capacity at the Kuching plant to meet the demand in East Malaysia. The new bottling line is expected to increase the kuching plant capacity by 40 percent. In July 2003, Coca-cola Light Lemon was introduced to replace Coca-cola Light. In marketing highlights, 100 PLUS POWER was officially launched by Malaysia’s Ministry of Youth and Sports as the first scientifically formulated, non carbonated for high performance athletes.(www.fn.com.my)

In 2004, the division grew market share of all segments and owned 65 percent of the Malaysian carbonated soft drinks market. Coca-cola and F & N brands accounted for 36 percent and 29 percent respectively. Vanilla coke was then introduced to the coca-cola range to strengthen its lead in the Cola segment and it grew to 10 percent of the market.

100 PLUS grew 11 percent to continue its absolute dominance of the isotonic segment, while SEASONS was up to 29 percent in growth. SEASONS Soya Milk and ice Lemon tea gained 25 percent and 86 percent respectively. The new Fruit Tree was introduced with a unique
offering of fruit juices. They are four fruity flavours of the Fruit Tree namely Apple juice with Aloe Vera, Mango juice with Aloe vera, Pineapple juice with Aloe Vera and Orange juice with Aloe Vera. This product also packed in three different packaging that is 1 litre tetrapak, aluminium can and mini bottle. The product was relatively small within the ready to drink fruit juice market and it is expected to grow.

1.1 PROBLEM STATEMENT

1.1.1 The product was not properly advertised

F & N fruit juice was advertised next to the apparel (undergarments) area where it was stacked with other unpopular brand of fruit juice beverages such as Cheers and Dixy. The product should be displayed next to popular existing beverage such as SEASONS, Drinho and Yeo’s. Everise Shopping Mall have been found to display the product in the particular way.

1.1.2 No aggressive campaign to promote the product.

Almost all shopping complexes around Kuching city have this product in their fruit juice display but only few advertised it. Supermarkets such as Giant (Parkson’s lower ground floor), King Centre’s (Jalan Wan Alwi) and Hock Lee’s Smart (Pending) should promote more of this product as it is relatively new in terms of ready to drink
fruit juice market. Banners, posters and all printed media about “Fruit Tree” should be highlighted for this purpose.

1.1.3 The product is a popular product

F & N fruit Juice, the “Fruit Tree” is not a popular product compared to its line extension category product (SEASONS) because of lack of campaign and promotion. SEASONS dominated all campaigns to advertised and to sell their product. One of the most powerful media used in promoting SEASONS was the television commercial advertisement.
1.2 RESEARCH OBJECTIVES

1.2.1 To analyze campaign done for F & N fruit juice

In this objective, analyzing campaign that has been done is vital to know how much effort F & N manufacturer put into promoting the "Fruit Tree" and also the kind of advertisements that has been made to advertised this product.

1.2.2 To identify the effective campaign for F & N fruit juice

From interviews, focus group and questionnaires, one can identify the most effective campaign for this product from the consumer’s point of view. This is because they can give critics and suggestions generally about what is appealing or not to influence their buying behaviour.

1.2.3 To create effective campaign for F & N fruit juice

In this objective, new campaign with new concept will be create to achieve the effective promotion, to attract bigger target market and to create more awareness of this new product.

1.3 SCOPE OF RESEARCH

The scope of research is mainly about the campaign as well as the promotion done for this product. Focus groups such as teenagers and young adults also will be the scope of this research as they are the most kind of consumer buying fruit juice products.
1.4 DEFINITION

1.4.1 Advertisement

Advertisement is a paid nonpersonal communication from an identified sponsor using mass media to persuade or influence an audience.

Joel J. Davis (Advertising Research: Theory and Practice)

1.4.2 Promotion

Promotion is the element in the marketing mix that encourages the purchasing of a product or service. Advertising, personal selling, sales promotion and public relations which constitutes to the area is the definition of promotion.

O’Guinn, Allen, Semenik (Advertising & Integrated Brand Promotion)

1.4.3 Fruit juice

Liquid drink that comes from fruit or vegetables.


1.4.4 Mass Media

Mass media is the channels of communication that carry the messages from the advertiser to the audience such as newspapers, television, radio, magazines and internet.

O’Guinn, Allen, Semenik (Advertising & Integrated Brand Promotion)
2.0 METHODOLOGY

2.1 Qualitative Method

In this primary research, questions will be use to encourage to discuss and share their feelings on particular product. In-depth individual interviews about the product and focus groups also is the common form of this method.

2.2 Quantitative method

This method is use to determine the quantifiable differences between groups and statistics analysis of the data needed. Survey research is the most common method because it is the systematic collection of information from respondents.

2.3 LITERATURE REVIEW

2.3.1 “Advertising starts with customers and what they want, but you will never be given the assignment simply to make same market segment happy. Instead you will usually begin with a product and the assignment to help sell it” (George Felton, Advertising: Concept & Copy, pg 7)

Advertising means second chance to promote and to sell the product given. It is also means to make new market segment for new target audience. The demands from customers determine the sales of the particular product.
2.3.2 “Advertising is a paid, mass-mediated attempt to persuade”
(O’Guinn. Allen. Semenik, Advertising & Integrated Brand Promotion, pg 9)

Advertising is the tool to persuade and to influence consumer to buy any particular products depending on its effectiveness to attract people and to create awareness of new products in the market.

2.3.3 “Clear, concise research-justified positioning is the foundation for successful advertising” (Joel J. Davis, Advertising Research: Theory and Practice, pg 5)

The right positioning of particular product such as opportunities in new market position and giving new image and characteristics determine the profitable sales for the product.

2.3.4 “Advertising presents the most persuasive possible selling message to the right prospects for the products or service at the lowest possible cost” (Daniel Yadin, Advertising, pg 5)

Advertising is the most influential tool to sell and to presents any products or Service to the right target users using the cheapest budget.
2.4 DATA GATHERING RESOURCES

2.4.1 Interview

In-depth interview about the F & N fruit juice will be use to encourage to share their feelings and gives opinion about the product.

2.4.2 Observation

This data gathering method will take place in restaurants, cafés, and shopping malls around Kuching city. This is to identify which brand of fruit juice products is the most chosen.

2.4.3 Focus group

Teenagers and young adults will be the target for this data gathering resources. This is because they are the biggest market segment for this product. Opinions, critics and suggestions can be gathered on this group.

2.5 RESEARCH LIMITATIONS

The research limitations is the time given to collect data about F & N product. The difficulty to get interviews with F & N’s regional marketing manager, the technology and amenities use to produce “Fruit Tree” all contributed to this limitations.
3.0 QUESTIONNAIRE RESULTS

The graph shown above indicates that 80% which consist of women, dominate the gender part of this research compared to only 20% of men. This is mostly done in the shopping area such as Everise shopping mall, Giant and Smart supermarkets around Kuching city and Kota Samarahan where consumers can find and purchase the F & N fruit juice products. Unlike men, the percentage of women is very high from male counterpart is because they are willing to answer the questionnaires given.
Based on the given graph, student's percentage is the highest among four category of profession. This research were done within the shopping areas, parks and cafes during weekdays. This indicates that 85% students were the majority kind of society that can be found within popular places around Kuching city and Kota Samarahan area. Those who were working on the government sector shows only 8% because they are going to the places mentioned above only for the purpose of window shopping or having lunch with their colleagues while those who were self employed shows 4% and those who were working in the private sector indicates 3%.
The graph above indicates that the most popular drinks were the fruit juice drinks which is 64%, followed by carbonated drinks 20%. Isotonic drinks indicates 10% and caffeinated drinks was 6%. This is done mostly in restaurants, cafés and inside outside the shopping malls area where respondents were having lunches, friend’s gathering or just doing window shopping. When asked why do they choose fruit juice drinks among all category of drinks given, they answered by saying that fruit juice drinks is more healthier, taste better and more convient to prepare and consume.
The graph above shows that Yeo's is the most popular brand among four categories of fruit juice. Yeo's tops the category by 54%, followed by Seasons 33%, Drinho 12% and Cheers 1%.
The graph above indicates that 63% of the respondent’s answers “Yes” on purchasing experience of the “Fruit Tree” fruit juice. It means that majority of the respondents had bought or purchased the F & N fruit juice while 37% of respondents shows they had never purchased the product. This data was collected at the popular retail and shopping centers such as Giant, Padungan’s Everise, King’s Centre and Satok’s Smart Supermarket. All of these shopping places had their stocks, display the products and sold it to the consumers.
The graph above shows that 79% of respondents choose fruit juice with vitamin C, Aloe Vera and Nata De Coco for the content of fruit juice products. This is followed by fruit juice products which contains only fruit juice, 19% and 2% goes to fruit juice with high concentration of sugar. The reason for the highest percentage given by the respondents based on the chosen content of this product is they concern about the content of any ready to drink fruit juice product and also they would likely to choose the most healthy option given to them in the market. With vitamin C, Aloe Vera and Nata De Coco inside the fruit juice, respondents reply that it is the most suitable, healthy and benefit them the most to buy such product.