



MAPPING – BENCHMARKING



Dairy & Beverage Market Opportunity versi

TETRAPAK

Key Trends



Urbanization
50% population
will live in big
cities



Cost
Consciousness
Affordability and
convenience

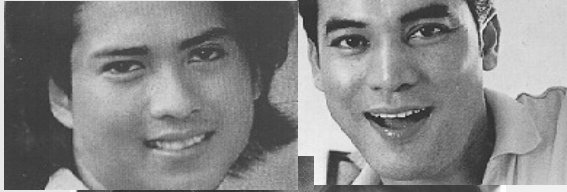


Health
Looking for value
of quality and
freshness



Fragmented
Distribution
Available and
accessible at both
traditional and
modern outlets

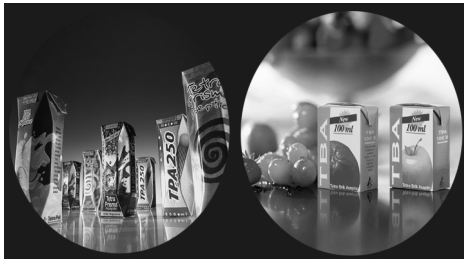
Indonesia



15 Million A & B Consumers



3,000 Outlets



A & B

AND

C & D

Consumers

Modern

AND

Traditional
Trade

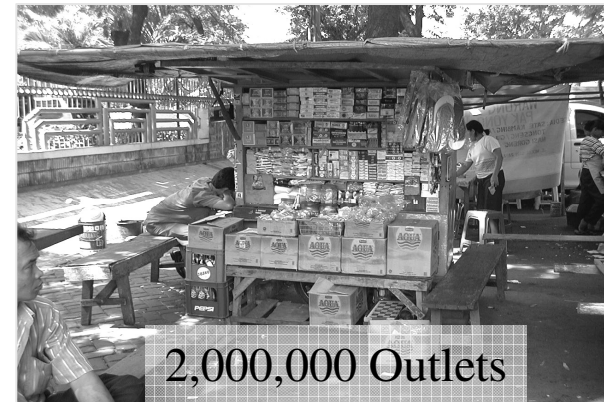
Premium, Value

AND

Emerging
Portfolio



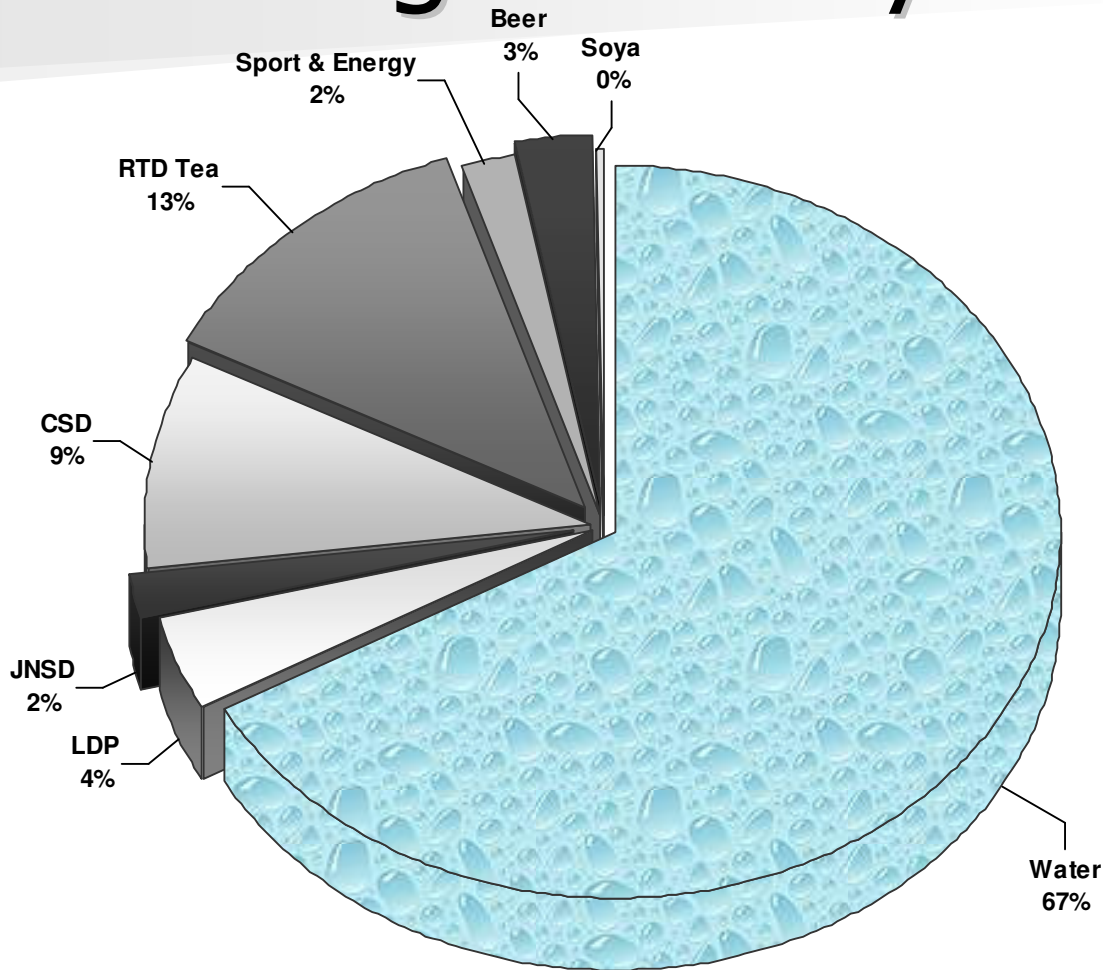
210 Million C, D & E Consumers



2,000,000 Outlets



Indonesia Packaged Ready To Drink 2003



Consumption in million liter
(exclude powder, concentrate,
syrup and bulk)

Water	3,585.7
Liquid Dairy Product	215.1
JNSD	108.3
CSD	507.3
RTD Tea	672.3
Sport & Energy	109.2
Beer	146.8
Soya	10.3

Total 2003 5,355.0

Source : Tetra Compass 2004

Growth Platforms

Safety
Health
Nutrition

**HEALTH
GROWTH
PLATFORM**

- Basic quality
- Functional benefits
- Nutritional benefits
- Branding

Urbanization
Mobility

**ON-THE-GO
GROWTH
PLATFORM**

- **Availability**
- Ambient products
- Traditional trade
- Infrastructure
- Branding

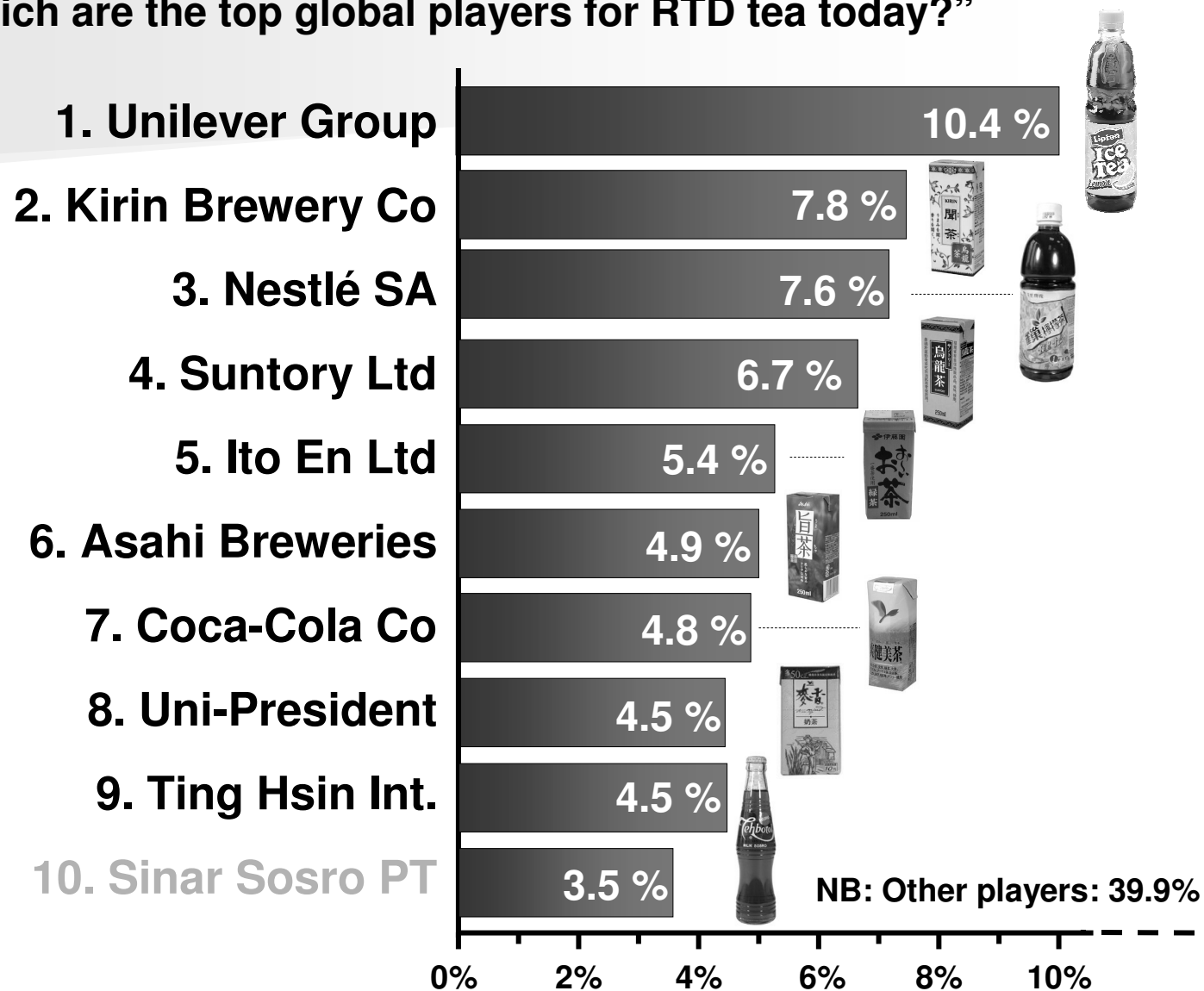
Big and Young
Population

**KIDS
GROWTH
PLATFORM**

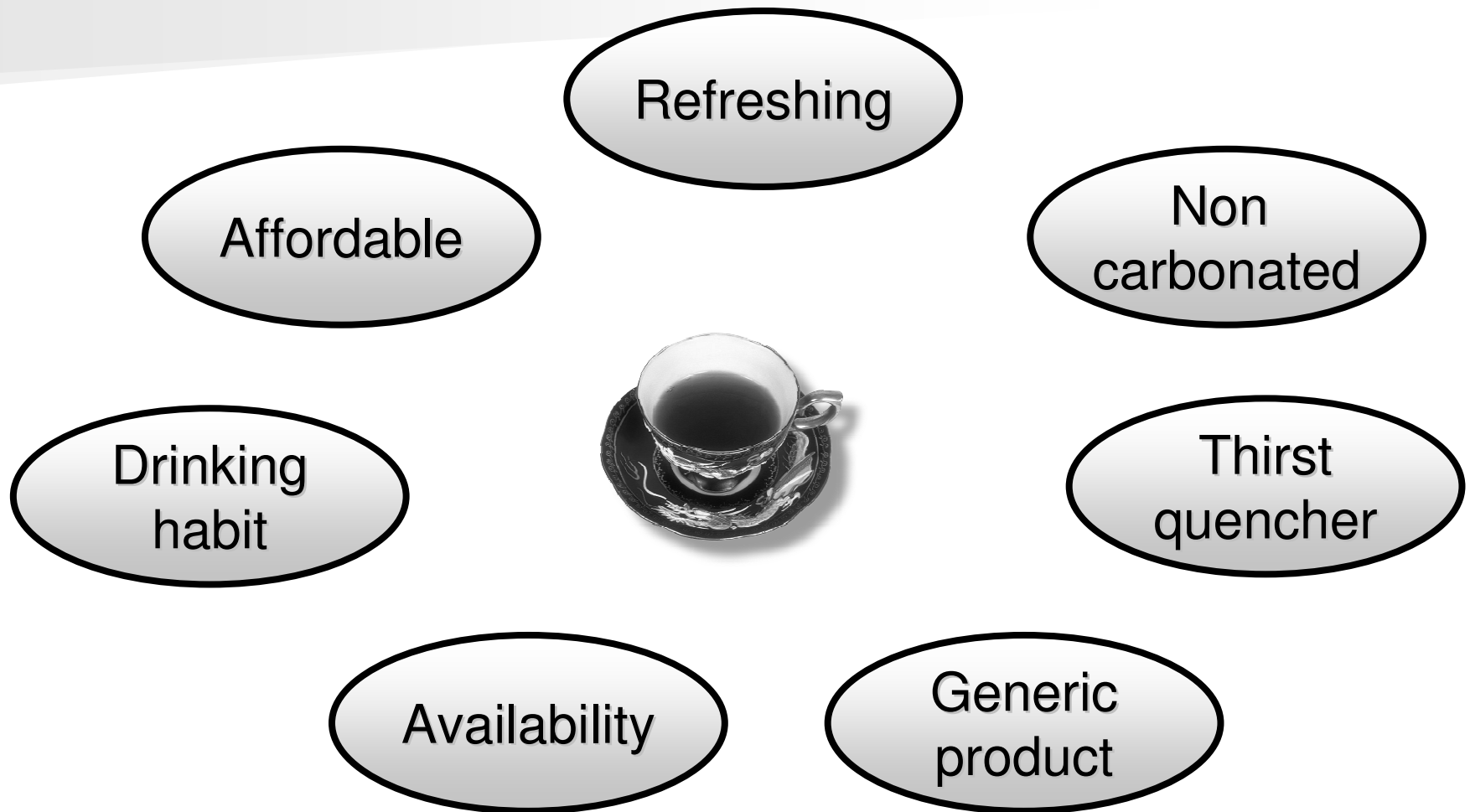
- **Attractiveness**
- Impulse purchase
- Fun elements
- Branding

Players in RTD tea category

“Which are the top global players for RTD tea today?”

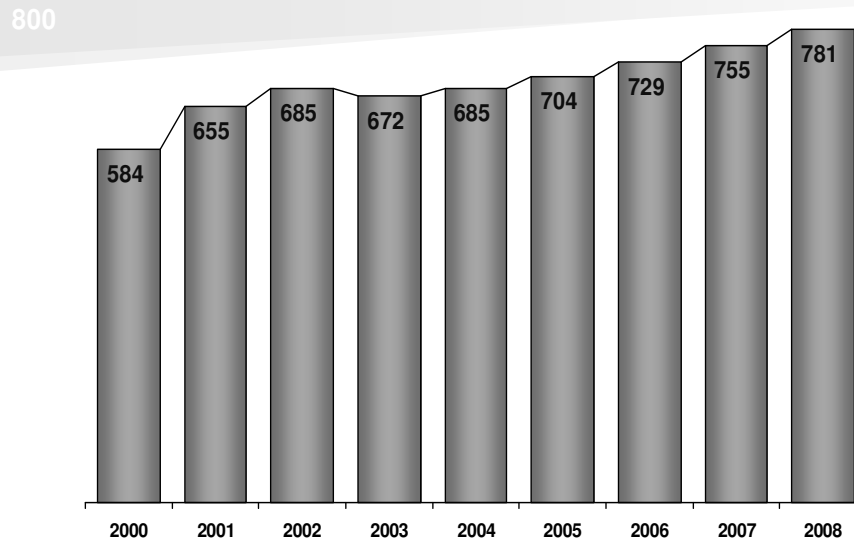


What trigger Indonesian Consumer to consume RTD Tea?



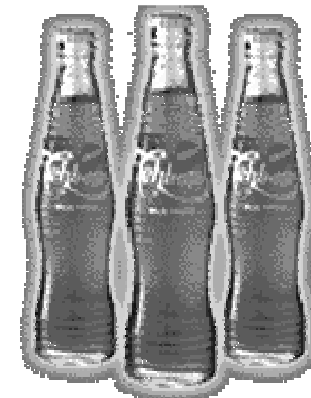
Tea Drinks Opportunities & Challenges

Category Size (mio litres)



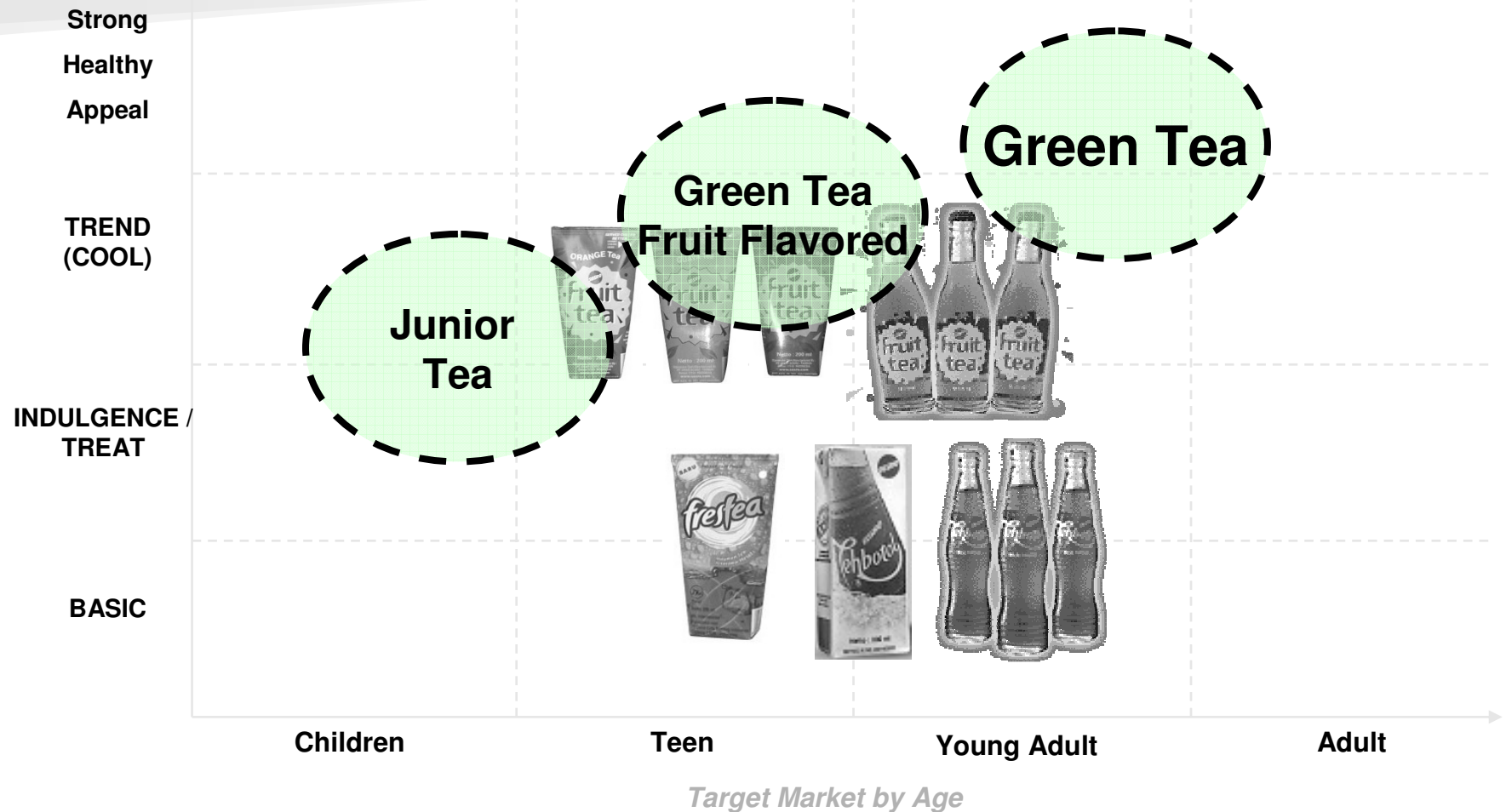
Category drivers and opportunities

- Segment expected to reach 781 mio liter in 2008, driven mostly by Sosro, followed by Coke & Pepsi.
- Growing segment & healthy competition.
- Modern Trade drive one way pack penetration.
- Moisture tolerant pack can enter traditional trade.

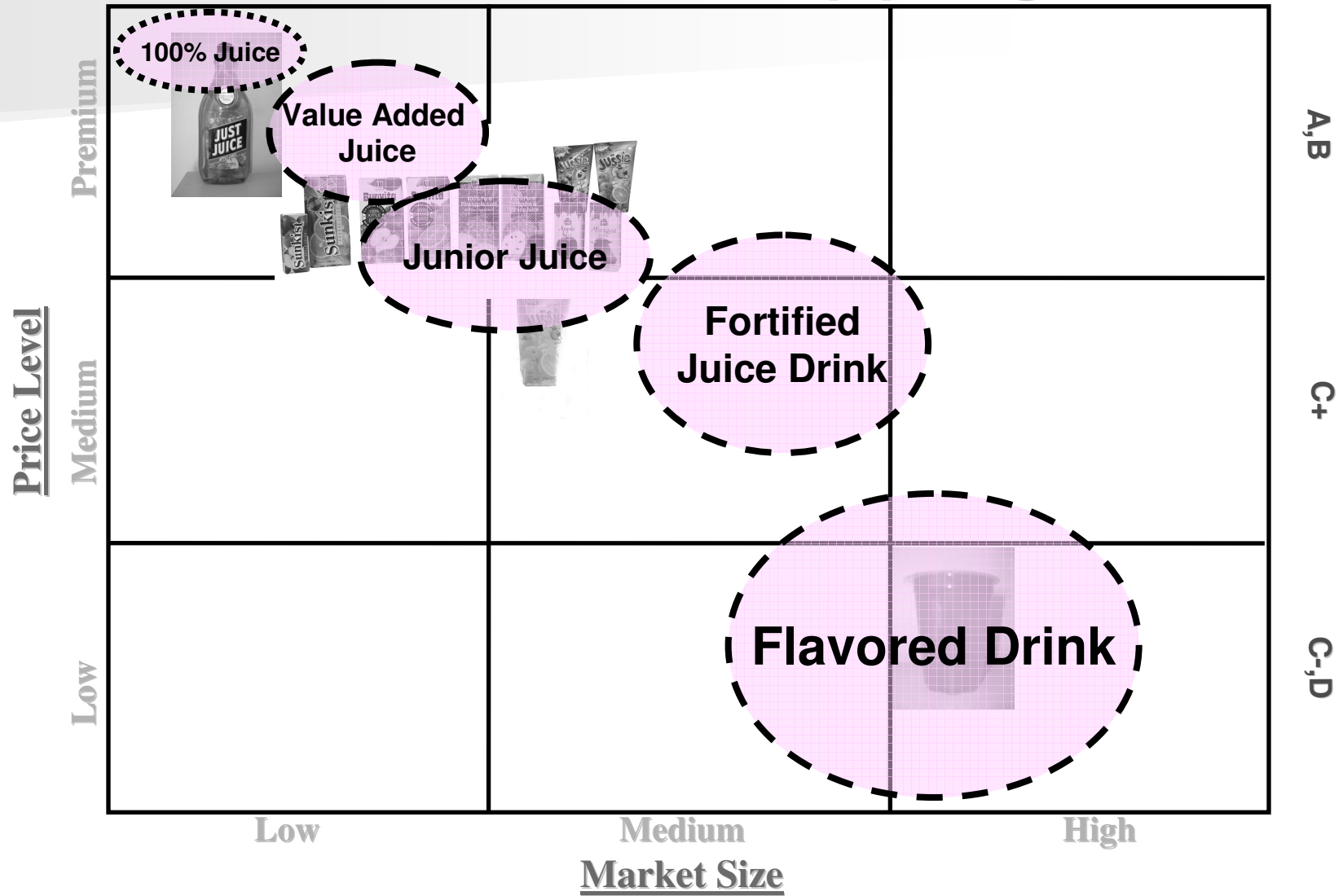


Product Positioning Opportunity

REASON/MOTIVATION
FOR CONSUMPTION



RTD JNSD Mapping



Understanding
Indonesian Consumers
in the
Soya Bean Milk Market

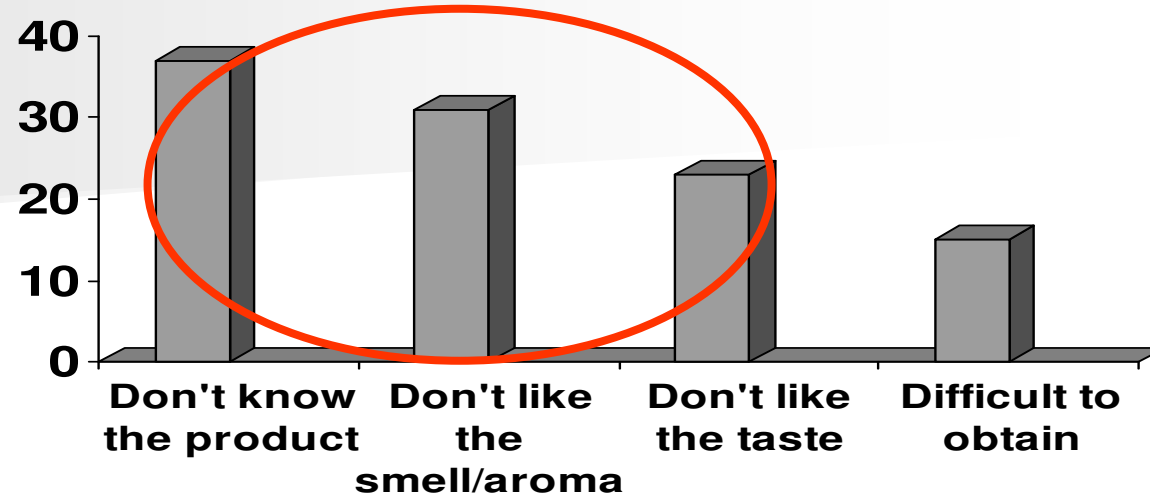
Qualitative = 2 FGD

Quantitative = 507 interview

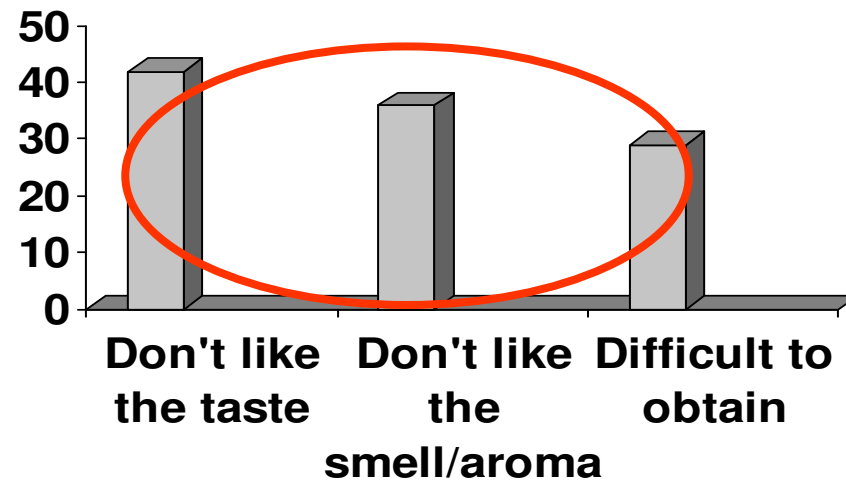


2002

Indonesian Consumer :
Reason for never drink Soya Milk at all



Indonesian Consumer :
Reason for not drinking Soya Milk in the past 1 month



Soya Mapping

	Premium	Affordable
Health Traditional	Fortified Plain Soya	Plain Soya in TCA/TFA (Distribution driven)
Health Refreshment	Modern Flavored Soya	Flavored Soya in TCA/TFA (Distribution driven)

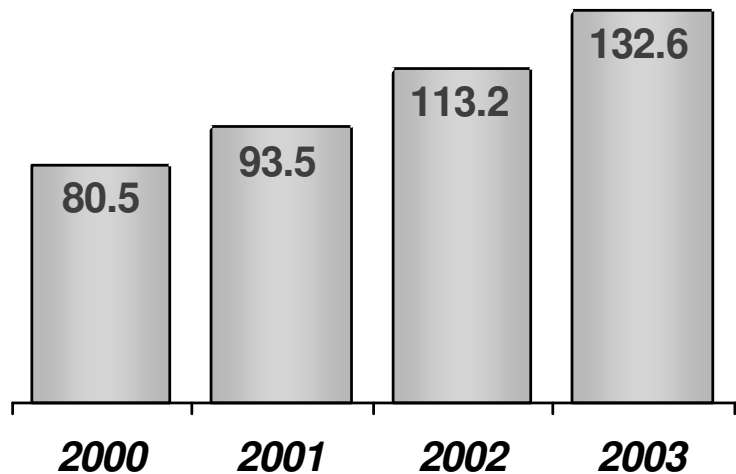
Liquid Flavored Milk

350.0

300.0



Million Liter

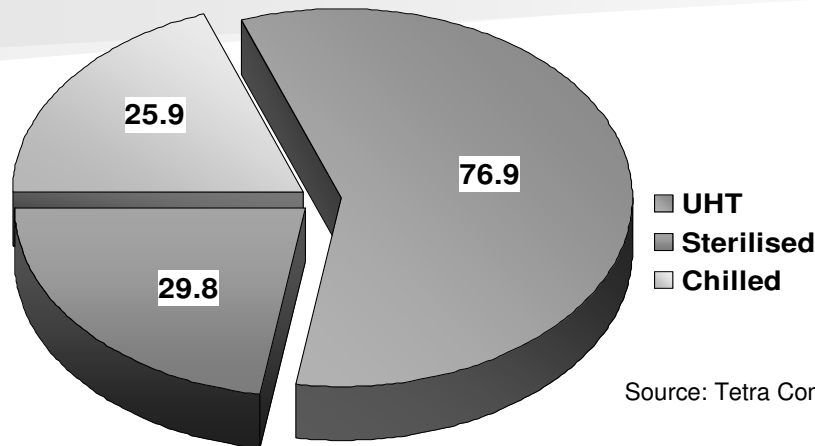


Source: Tetra Compass 2004

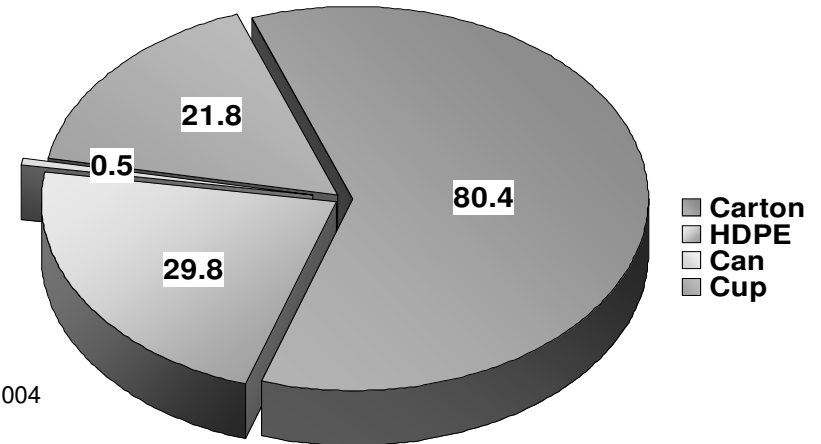
- The market is expanding at 18% p.a
- More segmentation and value added milk had been introduced, extension from powder milk
- Mostly packed in portion size, interestingly smaller kiddy pack (in 125 ml) becoming popular
- Chocolate is still the most popular flavor, followed by strawberry
- Increased penetration of affordable milk for lower segment including school feeding program
- Intensive marketing campaign toward the nutritious and convenience

Liquid Flavored Milk

Consumption 2003 By Process



Consumption 2003 By Packaging



Source: Tetra Compass 2004

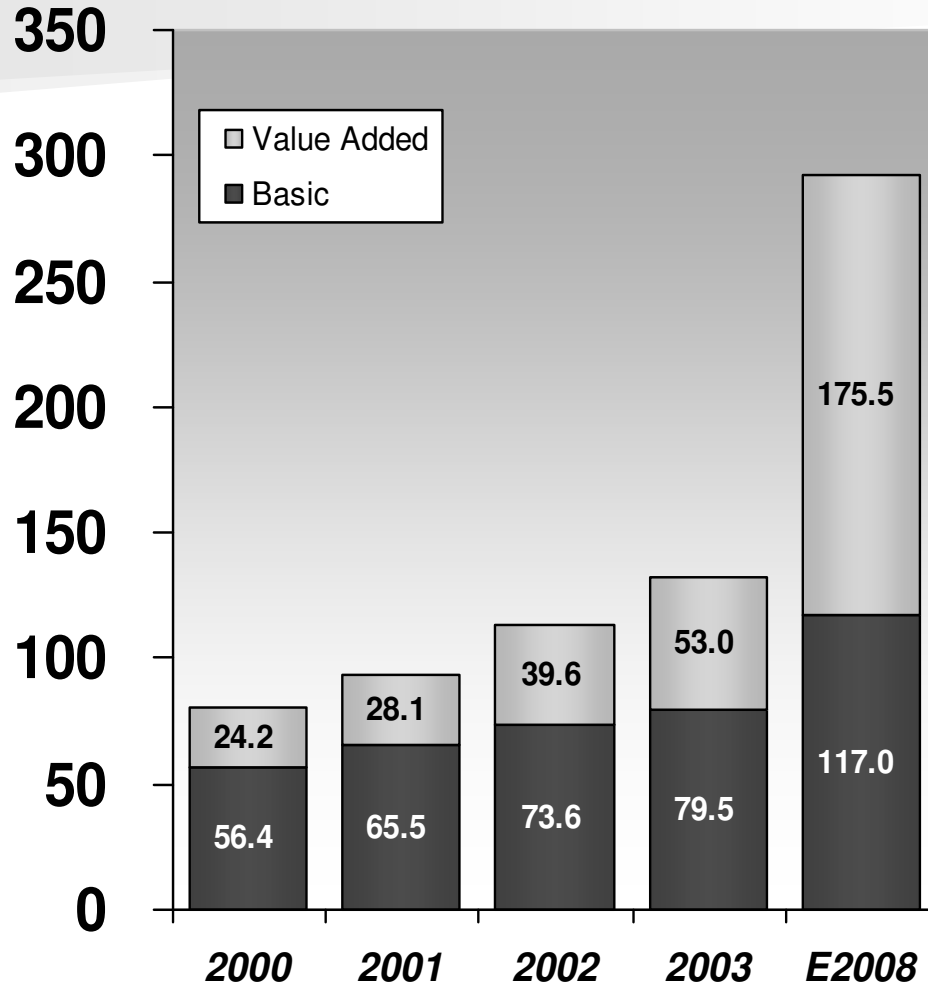
The Drivers

- Mainly considered as “beverage” milk, but increasing volume of GUM and value added milk
- UHT growing at around 18% mainly targeted to children
- Chilled segment is mostly supplied by the milk cooperatives through direct distribution (low cost & low quality)
- Sterilised milk is expanding due to higher penetration to traditional trades

The Packaging Drivers

- Carton continues lead the market mainly in 200 ml size
- HDPE is gaining the share through distribution driven by 2 big players
- Plastic cup in chilled form mainly being used by few milk cooperatives for direct distribution targeted to lower income

Liquid Flavored Milk

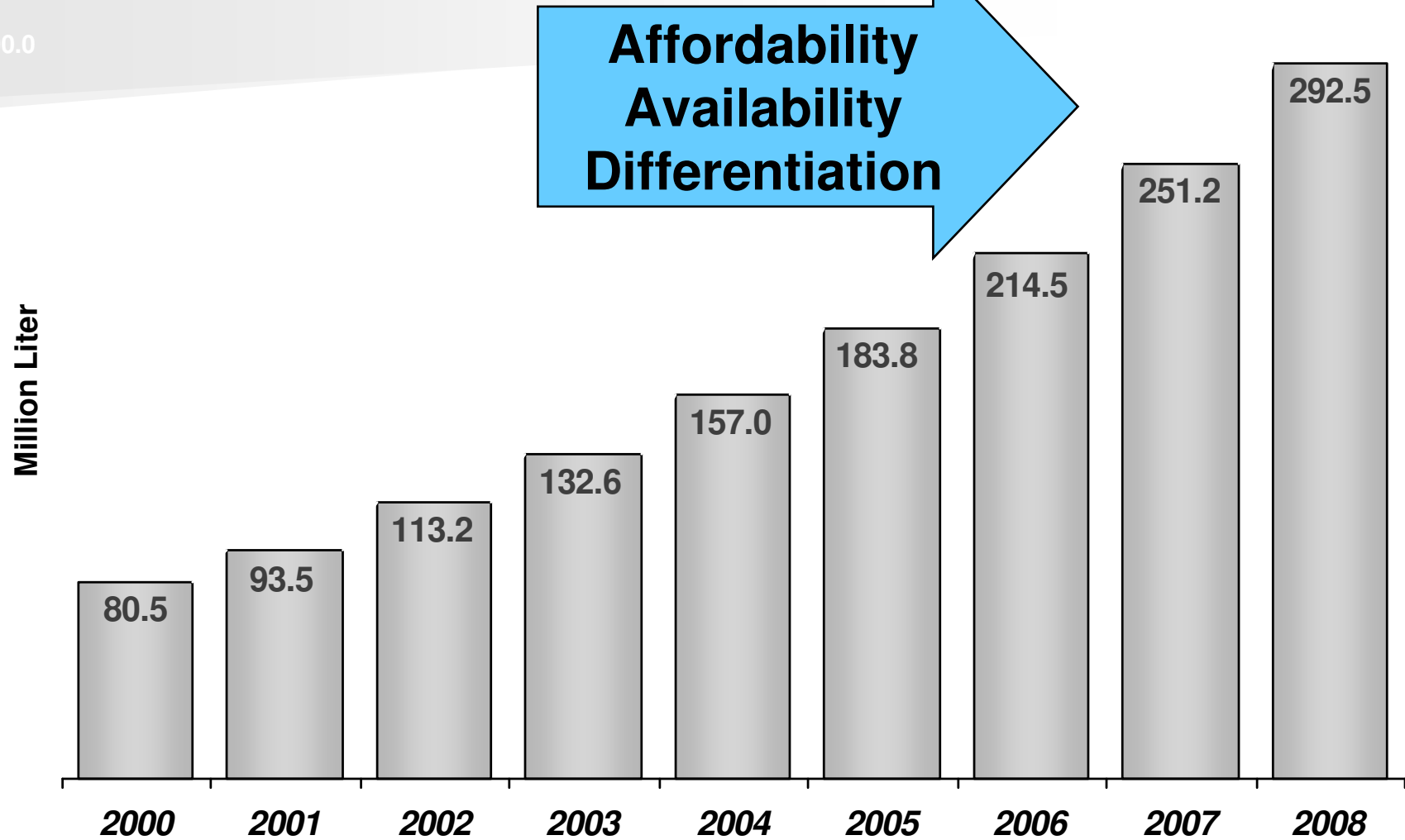


Source: Tetra Compass 2004

Dynamic of Value Added Milk

- Fortification and product enrichment are strongly expanding
- More segmented products targeted to different age group
- Stronger pace of extending the GUM powder into liquid
- Dominated by portion pack (125 and 200 ml) and chocolate flavor
- Higher penetration into rural areas through traditional trades

Liquid Flavored Milk

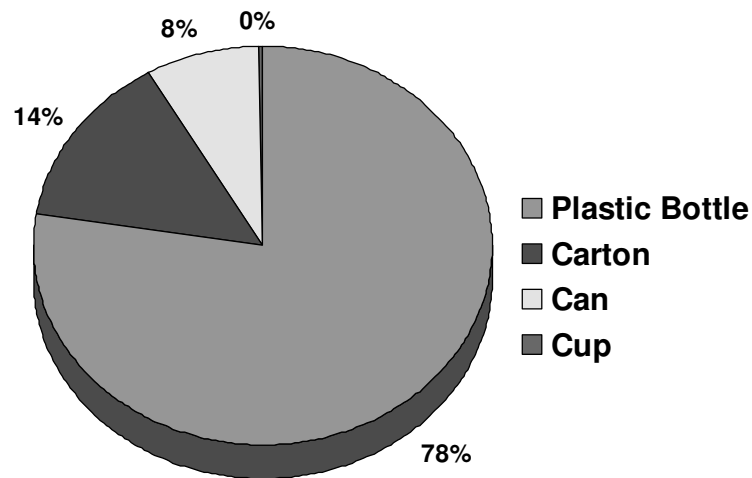


Source: Tetra Compass 2004

Liquid Cultured Milk

Leading Brands

- Yakult (Yakult)
- Calpico (Ajinomoto Calpis)
- Nice (Indomilk)
- Vitacharm (Orang Tua)



Market Drivers

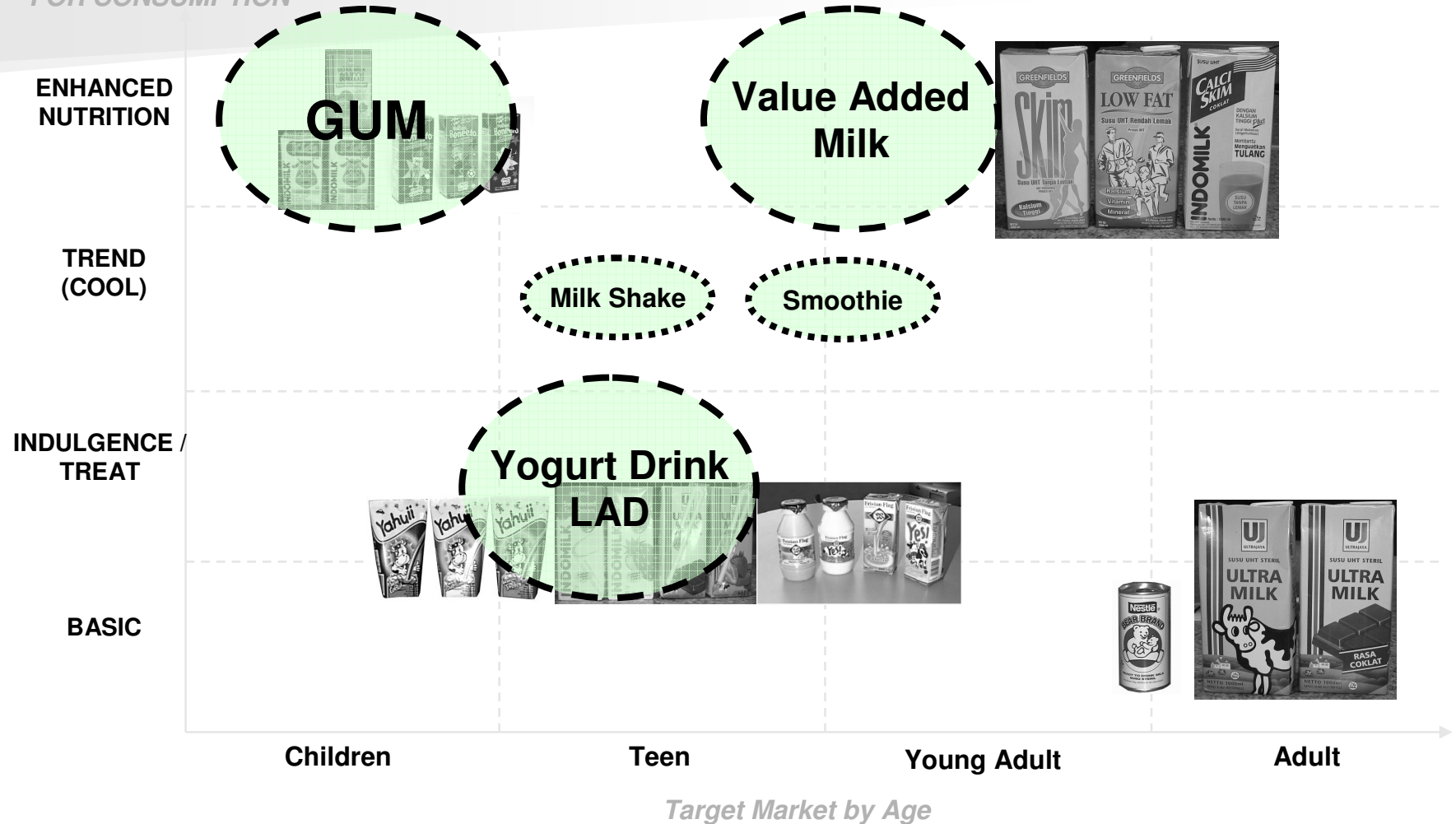
- Going toward the functional drink
- Chilled will continue to grow
- Increased penetration of direct selling
- New players in ambient segment

Packaging Drivers

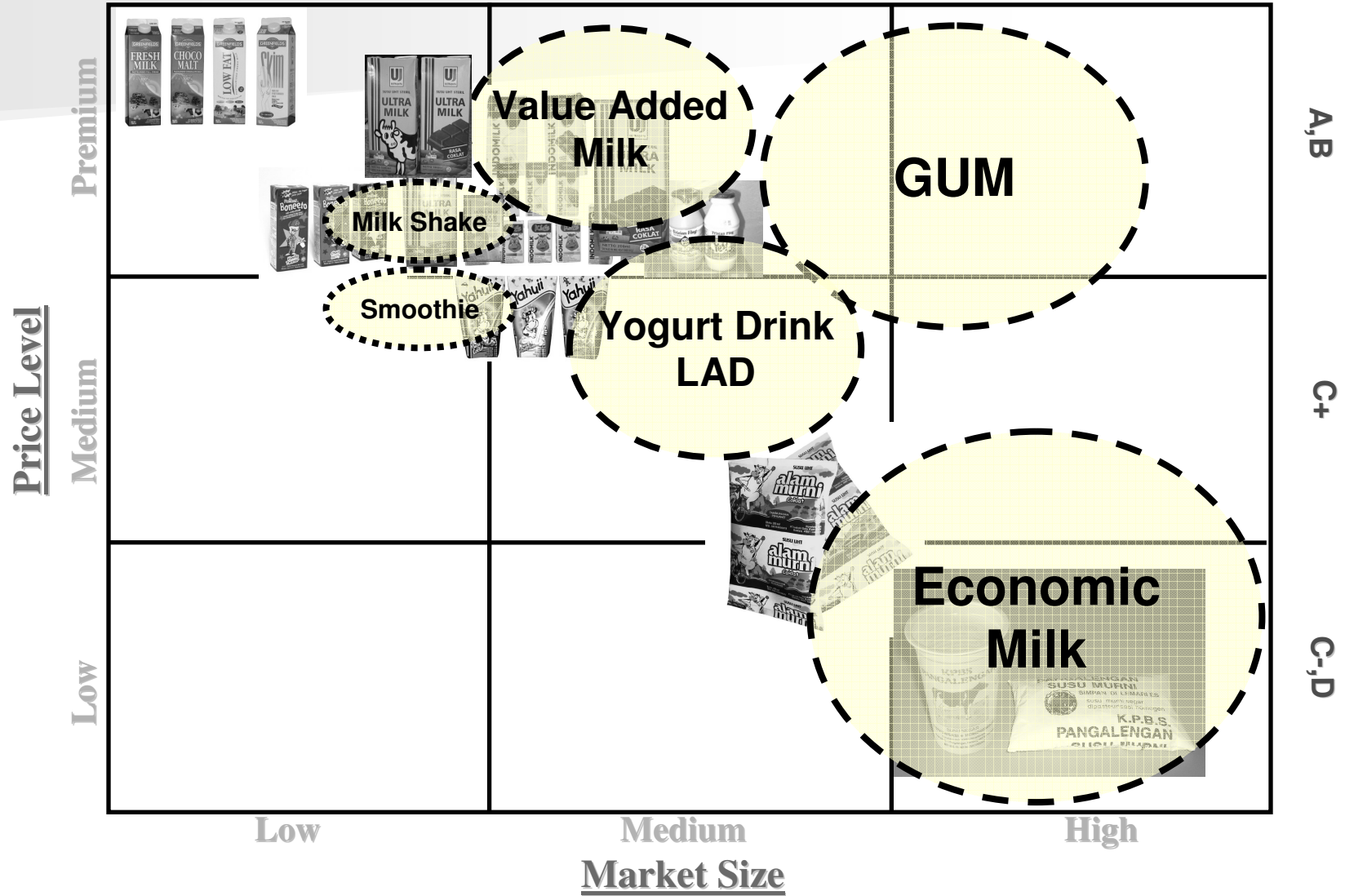
- Plastic bottle still dominates the category in chilled distribution
- Carton is increasing for ambient

Product Positioning Opportunity

REASON/MOTIVATION
FOR CONSUMPTION



Opportunity Mapping



RTD Dairy - Target of Opportunity



Growing Up Milk (GUM) or Junior Milk

- Nutritional
- 3-10 year old
- Full cream & flavored
- Mother influencing



Teenager Milk

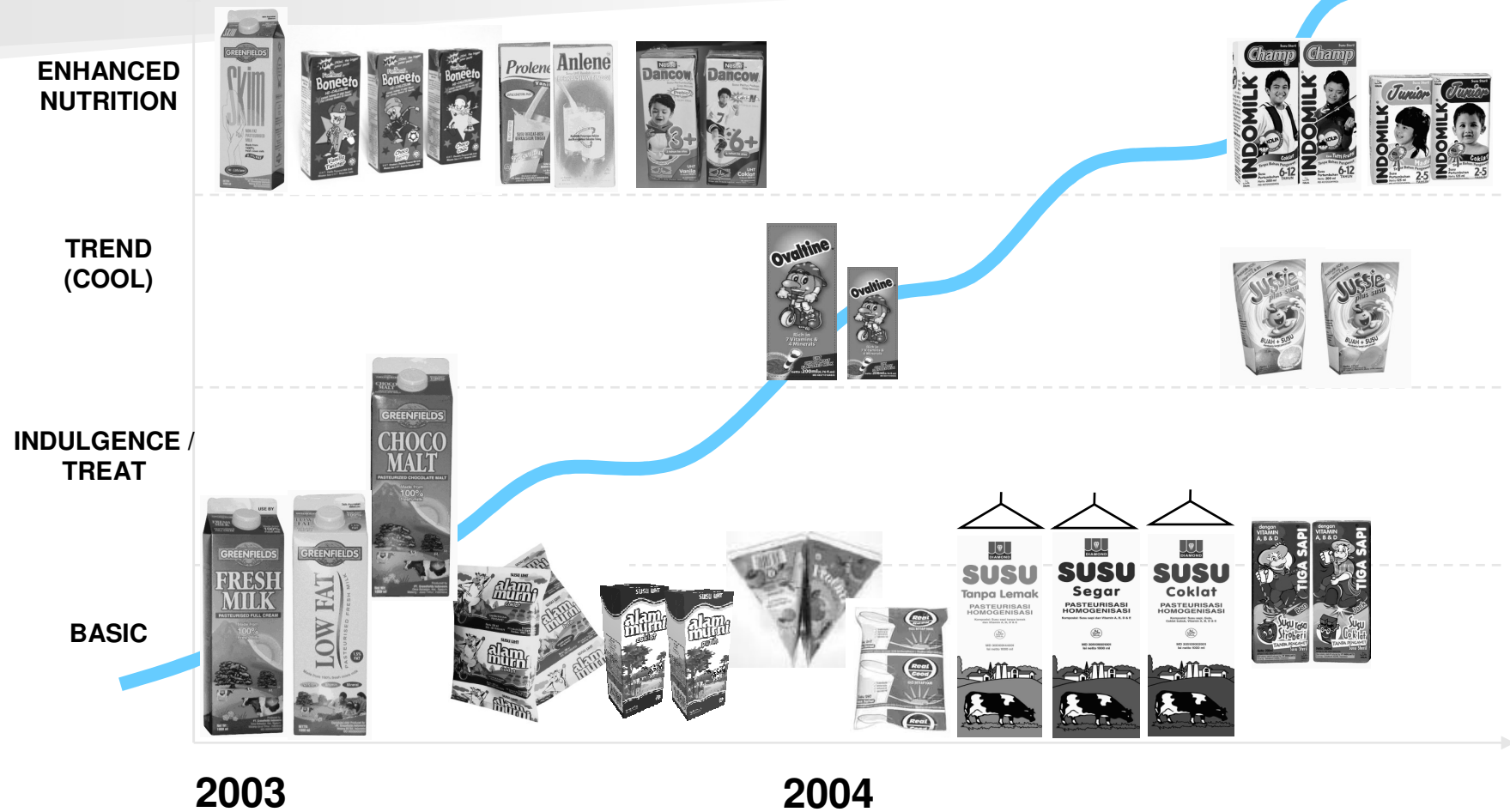
- Healthy treat
- 11-17 year old
- Being unique and fun
- “Active” positioning
- Independent



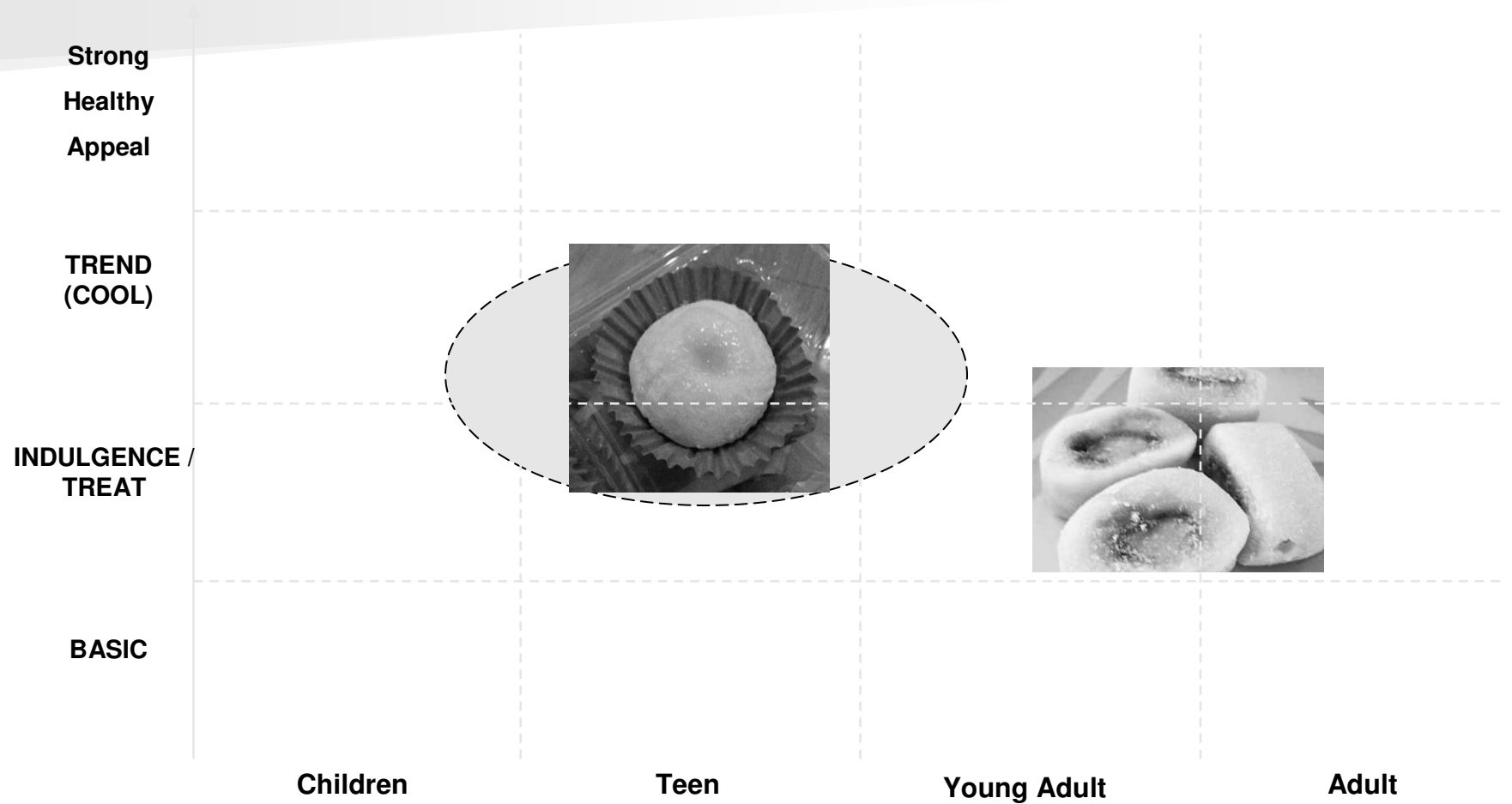
Young and Adult Milk

- Value added
- Good start for the day
- Seek convenience
- Premium = Value for money

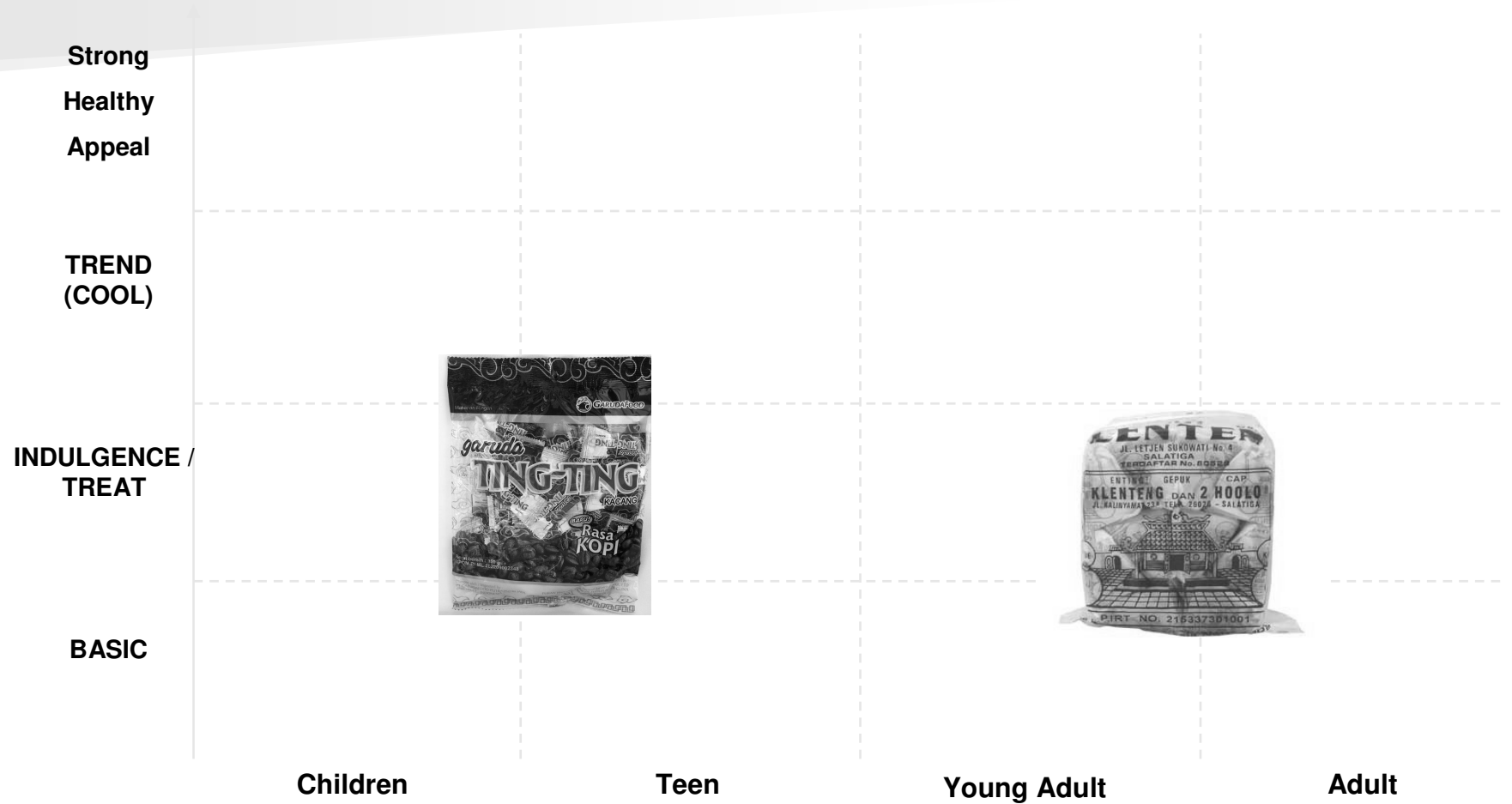
Market Dynamic 2003-2004



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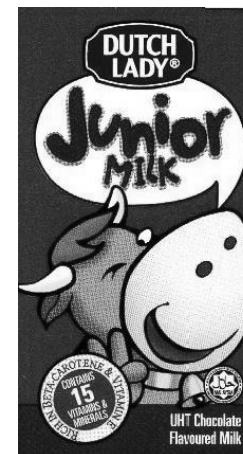




PRODUCT CONCEPT (DEFINITION)

Product Concept – Children Milk

- **Product:** Growing Up Milk
- **Target market:** 4-8 years (A&B class)
- **Flavors:** Plain, Vanilla, Chocolate, Strawberry, Honey
- **Distribution:** modern trades, provisional shops, school canteen
- **Price:** IDR 1,200 - 2,000 per pack
- **Package:** TBA125S and/or TBA 200S
- **Lifestyle and emotional value:**
 - Exciting and unique taste experience
 - Fun, cool and trendy
 - Truly satisfying, anytime, anywhere



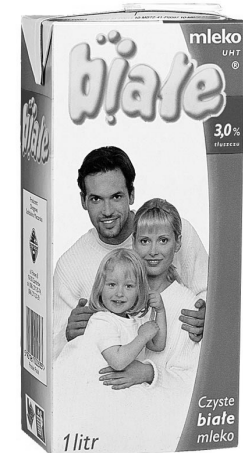
Product Concept – Teen Milk

- Product: Teenager Milk
- Target market: 10-17 years (A&B class)
- Flavors: Chocolate, choco malt, fruit based, yogurt drink
- Distribution: modern trades, provisional shops, sport complex
- Price: IDR 1,500 - 2,500 per pack
- Package: TBA 200S or TBA 250S
- Lifestyle and emotional value:
 - New indulgence experience
 - The milk I can enjoy
 - Convenience for on the move



Product Concept – Adult Milk

- Product: Young and adult Milk
- Target market: >20 years (A&B class)
- Flavors: Plain, chocolate, yogurt
- Distribution: modern trades, provisional shops, convenience stores
- Price: IDR 2,500 – 3,000 per pack
- Package: TBA 250S or TBA 1000S
- Lifestyle and emotional value:
 - Contemporary
 - Maintaining good efficiency
 - Restoring vitality
 - “Enjoy my life”



Low Cost Milk

- Economical Milk
 - White Milk
 - Flavored/Sweetened Milk
- Target Segment: SES B & C
 - Children
 - Mother (decision/action)
- Distribution
 - Traditional, Modern
 - Direct Distribution
- Pricing:
 - Rp. 1,100 (between cups & TBA 200 S)
- Packaging: TFA 180/200 ml with Straw Hole

