

A Marketing Plan for

**ADULT POWDERED MILK FOR ALASKA MILK CORPORATION**

Submitted to

The Marketing Management Department

College of Commerce

University of Santo Tomas

In Partial Fulfillment of the Requirements for the  
Degree of Bachelor of Science in Business Administration

Major in Marketing Management

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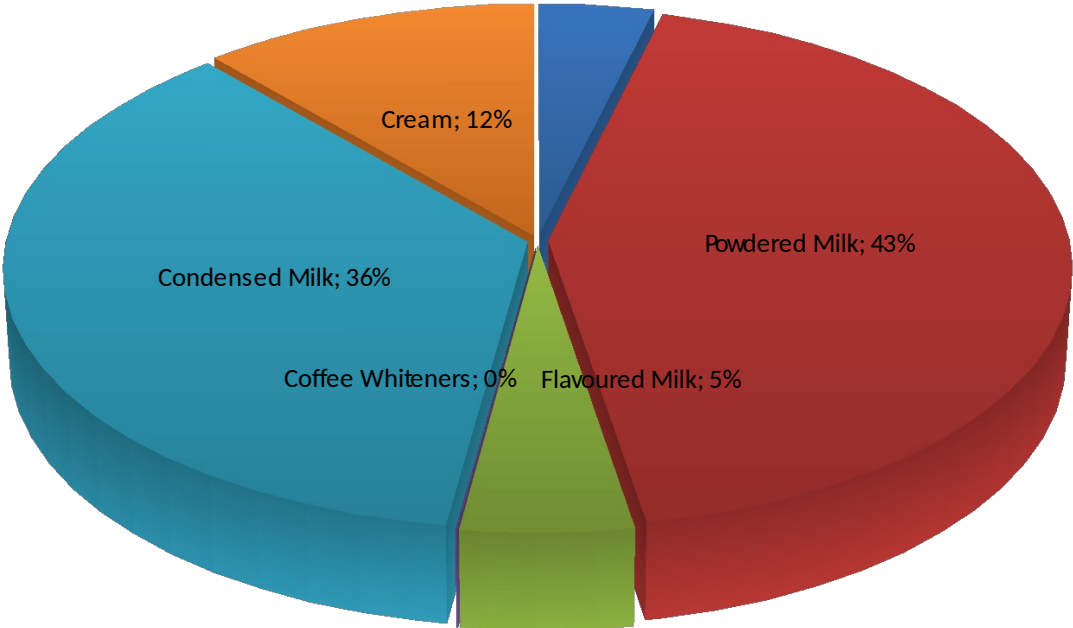
**V. BRAND SALES PERFORMANCE REVIEW**

**1. Sales Mix**

**Table 5.1  
Product Categories of Alaska Milk Corporation 2014**

<b>Item</b>	<b>% Sales Mix</b>
Cow's Milk/Liquid Milk	3.92%
Powdered Milk	43.4%
Flavoured Milk	4.84%
Coffee Whiteners	0.05%
Condensed Milk	36.27%
Cream	11.51%
<b>Total</b>	<b>100%</b>

**Figure 5.1  
Product Categories of Alaska Milk Corporation 2014**



In figure 5.1, the powdered milk category has the largest share of the sales mix with 43%. Under the powdered milk category are the brand variants: Alaska Powdered Milk and Alaska Chocolate Powdered Milk. The 2<sup>nd</sup> largest is the condensed milk category with a 36% share. These include the brands: Alaska Condensed Milk, Alaska Evaporated Milk, Liberty Condensada, Alaska Condensada Creamer, Alaska Evaporada Creamer, Cowbell Condesada and Alpine Evaporated Milk. Next is the cream category which has 12% of the sales mix. This includes the brand Alaska Crema. On the 4<sup>th</sup> spot is the Flavoured Milk which has 5% in the sales mix. Under this category are the brand variants: Alaska Choco, Alaska Sweet Milk and Alaska Yoghurt Milk. On the 5<sup>th</sup> spot is the cow's milk/liquid milk which has only 4% in the salex mix. Under this category are Alaska Slim Milk, Alaska Fresh Milk, Alaska Hi-Calcium Milk and Alpine Sterelized Milk. Last is the coffee whiteners category with 0% of the sales mix. The brand under this category is Krem Top. <sup>1</sup>

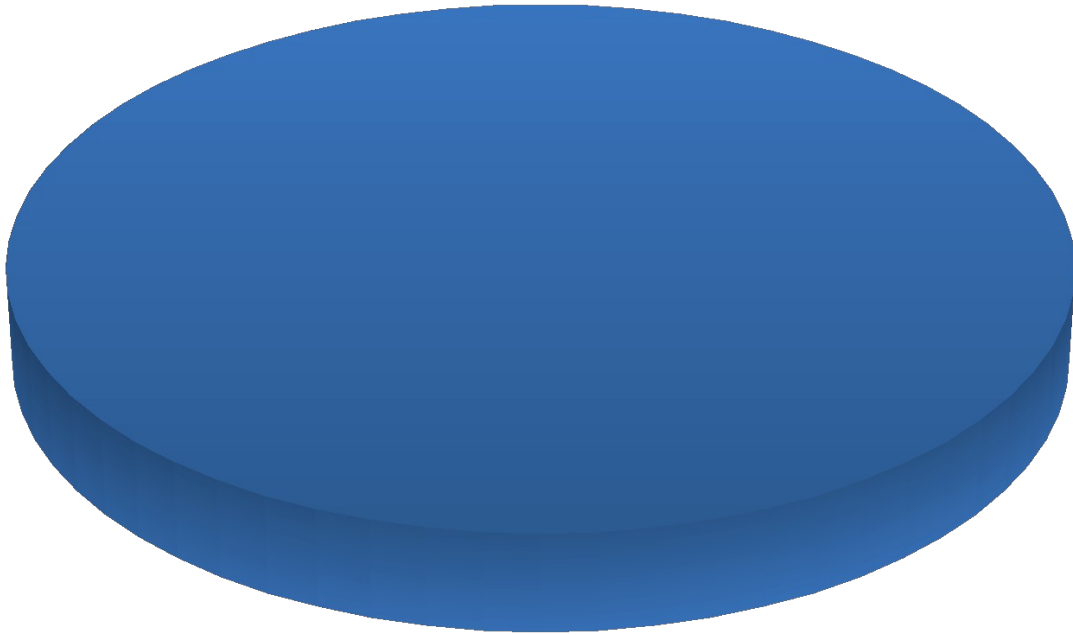
**Table 5.2**  
**Powdered Milk Products of Alaska Milk Corporation**

<b>Item</b>	<b>% Sales Mix</b>
Alaska Powdered Milk	100%
<b>Total</b>	<b>100%</b>

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<sup>1</sup> <http://www.euromonitor.com/drinking-milk-products-in-the-philippines/report>

**Figure 5.2**  
**Powdered Milk Products of Alaska Milk Corporation**



In Figure 5.2, it can be seen that Alaska Powdered Milk is the only brand under the powdered milk category with a 100% sales mix.<sup>2</sup>

## **2. Product Offering, Selling Prices and Product Description**

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<sup>2</sup> <http://www.alaskamilk.com/v2/products/>

**Table 5.3****Liquid Canned Milk**

<b>Item</b>	<b>Price (Pesos)</b>	<b>Description</b>
Alaska Evaporated Filled Milk	Net Wt: 370ml: P37.50	Made from Skimmed Milk Powder, Butter Milk Powder, Vegetable Oil (contains one or more of the following: Coconut Oil, Palm Oil and Corn Oil, Carrageenan, Vitamin A Palmitate, Vitamin E, Lecithin, and Vitamin D3
Alaska Sweetened Condensed Filled Milk	Net Wt: 300ml: P51.50	Made from Sugar, Water, Skimmed Milk Powder, Vegetable Oil (containing one or more of the following: Coconut Oil, Palm Oil, and Corn Oil), added Lactose, Lecithin, Tricalcium Phosphate, Vitamins A, B1, E and D3
Alaska Evaporada Creamer	Net Wt: 370ml: P24.50	Made from Vegetable Oil (contains one or more of the following: Coconut Oil, Palm Oil and Corn Oil), Water, Buttermilk Powder, Whey Powder, Skimmed Milk Powder, Sugars, Emulsifier, Stabilizer, Nature Identical Flavor, and Artificial Color
Alaska Condensada	Net Wt:	Made from Sugar, Water, Whey

Creamer	300ml: P39.50	Powder, Buttermilk Powder, Skimmed Milk Powder, Vegetable Oil (contains one or more of the following: Coconut Oil, Corn Oil and Palm Oil), Stabilizer, Nature Identical Flavor, and Color
Liberty Consensada	Net Wt: 300ml: P41.50	Made from Sugar, Water, Whey Powder, Buttermilk Powder, Skimmed Milk Powder, Vegetable Oil (contains one or more of the following: Coconut Oil, Palm Oil, and Corn Oil), Maltodextrin, Microcrystalline Cellulose, Sodium Tripolyphosphate, Artificial Color, Lactose and Nature Identical Flavor
Cowbell Condensada	Net Wt: 300ml P48.00	Made from Sugar, Water, Skimmed Milk Powder, Vegetable Oil (containing one or more of the following: Coconut Oil, Palm Oil, and Corn Oil), added Lactose

**Powdered Filled Milk**

Item	Price (Pesos)	Description
Alaska Instant Powdered Milk Drink	Net Wt:	Milk Solids (contains one or more of the following: Skimmed Milk Powder, Buttermilk Powder, Whey Powder) Corn Syrup Solids, Vegetable Fat (contains one or more of the following: Palm Oil, Palm Olein, Coconut Oil, Soya Oil, Corn Oil), Sucrose, Milk Fat, Calcium Carbonate, Lecithin, Flavors, Modified Starch, Zinc, Vitamin E, Iron, Vitamin B6, Vitamin A, Vitamin B12, Vitamin B1, Artificial Color, Potassium Iodate, Vitamin D3, and Folic Acid
Alaska Chocolate Powdered Milk Drink	Net Wt:	Made from Sugar, Corn Syrup Solids, Buttermilk Powder, Vegetable Fat (contains one or more of the following: Coconut Oil, Palm Oil, Palm Olein Soya Oil and Corn Oil), Skimmed Milk Powder, Whole Milk Powder, Cocoa Powder, Whey Powder, Calcium Carbonate, Flavors, Lecithin, Milk Fat, Modified Starch, Magnesium Chloride, Iron, Vitamin A, Zinc, Vitamin E, Vitamin B6, Vitamin D3, Vitamin B2, Vitamin B1, Artificial Color, Potassium Iodate, and Folic Acid

**Ready-to-Drink Milk (UHT)**

<b>Item</b>	<b>Price (Pesos)</b>	<b>Description</b>
Alaska Hi-Calcium Non Fat Milk	Net Wt: 1L: P82.50	Made from Homogenized Pasteurized Non-Fat Milk, and Non-Fat Milk Solids
Alaska Fresh	Net Wt: 1L: P76.50	Made from Fresh Cow's Milk
Alaska Slim	Net Wt: 1L: P79.50	Made from Low-Fat Milk, Skimmed Milk Powder, Mixed Vegetable Oil (contains Omega-3), and Lutein
Alaska Choco!	Net Wt: 185ml: P19.50	Made from Refined Sugar, Water, Skimmed Milk Powder, Milk Fat, Cocoa Powder, Carrageenan, Magnesium Chloride and Iodized Salt
Alaska Sweet Milk!	Net Wt: 236ml: P23.50	Made from Whole Milk Powder, Water, Buttermilk Powder, Skimmed Milk Powder, Refined Sugar and Carrageenan
Alaska Yoghurt Drink Refreshingly	Net Wt: 180ml: P17.50	Made from Sugar, Water, Skimmed Milk Powder, Milk Fat, Strawberry Fruit Compound, Stabilizer (E405), Flavor, and Yoghurt Culture
Alpine Sterilized Milk Drink	Net Wt: 200ml: P21.50	Made from Whole Milk Powder, Water, Buttermilk Powder, Stabilizers (E460i, E407, E466), and Nature Identical Flavor

### Ready-to-Use Milk

Item	Price (Pesos)	Description
Alaska Crema All-Purpose Cream	Net Wt: 250ml: P41.50	Made from Milk Fat, Water, Skimmed Milk Powder, Buttermilk Powder, Emulsifiers (E471, E322), Stabilizers (E401, 410), and Nature Identical Flavor
Alpine Full Cream Evaporated Milk	Net Wt: 154ml: P38.00	Made from pure cow's milk, Vitamin A, Vitamin D, Lecithin and Carrageenan

### Creamer

Item	Price (Pesos)	Description
Alaska Krem-Top Non-Dairy Coffee Creamer	Net Wt: 180g: P21.50	Made from Glucose Syrup, Refined Hardened, Palm Kernel Oil and/or Refined Hardened Coconut Oil, Sugar, Casein, Stabilizers (E340ii, E452i), Iodized Salt, Emulsifier (E471), Anti-Caking Agent (E551), and Natural Color (E160a)

### 3. Distribution Network

**Figure 5.3**  
**Alaska Milk Corporation Distribution**  
**Network Diagram**

**VI. BRAND FINANCIAL PERFORMANCE REVIEW**

## 1. Historical Income Statements

**Figure 5.4**  
**Alaska Milk Corporation**  
**Statement of Comprehensive Income**  
**For the Year Ended December 31, 2010**

REVENUES	P 12,162,709,978.00
COST OF GOODS SOLD	<u>7,558,650,096.00</u>
GROSS PROFIT	4,604,059,882.00
OPERATING EXPENSES	<u>(2,277,295,199.00)</u>
NET INCOME BEFORE TAX	2,376,764,683.00
PROVISION FOR INCOME TAX	<u>(520,709,760.00)</u>
NET INCOME	<u><u>P 1,856,054,923.00</u></u>

**Figure 5.5**  
**Alaska Milk Corporation**  
**Statement of Comprehensive Income**  
**For the Year Ended December 31, 2011**

REVENUES	P 11,801,709,925.00
COST OF GOODS SOLD	<u>8,470,663,438.00</u>
GROSS PROFIT	3,331,046,487.00
OPERATING EXPENSES	<u>(2,083,872,292.00)</u>
NET INCOME BEFORE TAX	1,247,174,195.00
PROVISION FOR INCOME TAX	<u>(199,611,148.00)</u>
NET INCOME	<u><u>P 1,047,563,047.00</u></u>

**Figure 5.6**  
**Alaska Milk Corporation**  
**Statement of Comprehensive Income**  
**For the Year Ended December 31, 2012**

REVENUES	P 14,966,652, 615.00
COST OF GOODS SOLD	<u>9,913,681,192.00</u>
GROSS PROFIT	5,052,971,423.00
OPERATING EXPENSES	<u>(2,918,125,544.00)</u>
NET INCOME BEFORE TAX	2,134,845,879.00
PROVISION FOR INCOME TAX	<u>(404,746,782.00)</u>
NET INCOME	<u><u>P 1,730,099,097.00</u></u>

**Figure 5.7**  
**Alaska Milk Corporation**  
**Statement of Comprehensive Income**  
**For the Year Ended December 31, 2013**

REVENUES	P 15,480,775, 201.00
COST OF GOODS SOLD	<u>10,101,523,201.00</u>
GROSS PROFIT	5,379,252,000.00
OPERATING EXPENSES	<u>(3,413,047,796.00)</u>
NET INCOME BEFORE TAX	1,966,204,204.00
PROVISION FOR INCOME TAX	<u>(401,456,679.00)</u>
NET INCOME	<u><u>P 1,564,747,525.00</u></u>

**Figure 5.8**

**Alaska Milk Corporation**  
**Statement of Comprehensive Income**  
**For the Year Ended December 31, 2014**

REVENUES	P 17,815,729, 600.00
COST OF GOODS SOLD	<u>12,486,763,101.00</u>
GROSS PROFIT	5,328,966,499.00
OPERATING EXPENSES	<u>(4,053,331,355.00)</u>
NET INCOME BEFORE TAX	1,275,635,144.00
PROVISION FOR INCOME TAX	<u>(803,254,639.00)</u>
NET INCOME	<u><u>P 472,380,505.00</u></u>

**2. Horizontal Analysis**

**Figure 5.9**  
**Alaska Milk Corporation**  
**Statement of Comprehensive Income**  
**Horizontal Analysis**  
**For the Years Ended December 31, 2010, 2011, 2012, 2013 and 2014**

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
REVENUES	-2.97%	-2.10%	3.44%	15.08%
COST OF GOODS SOLD	12.07%	12.07%	1.90%	23.61%
GROSS PROFIT	-27.65%	-27.65 %	6.46%	-0.93%
OPERATING EXPENSES	-8.50%	40%	16.96%	18.76%
NET INCOME BEFORE TAX	-47.53%	71.17%	-7.90%	-35.12%

**3. Vertical Analysis**

**Figure 5.10**  
**Alaska Milk Corporation**  
**Statement of Comprehensive Income**  
**Vertical Analysis**  
**For the Years Ended December 31, 2010, 2011, 2012, 2013 and 2014**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
REVENUES	100%	100%	100%	100%	100%
COST OF GOODS SOLD	62.15%	71.77%	66.24%	65.25%	70.09%
GROSS PROFIT	37.58%	28.23%	33.76%	34.75%	29.91%
OPERATING EXPENSES	18.78%	17.66%	19.50%	22.05%	22.75%
NET INCOME BEFORE TAX	19.54%	10.57%	14.26%	12.70%	4.51%
PROVISION FOR INCOME TAX	4.28%	1.69%	2.70%	2.59%	2.99%
NET INCOME	15.26%	8.88%	11.55%	10.11%	2.6%