

The Yoghurt Way to Success

A yoghurt business that began in a house kitchen thirty-four years ago is still going strong today



**Malaysian Yoghurt Company
Sdn Bhd**

Consumers purchasing Sunglo yoghurt products would most likely be unaware of its beginning. The product's history went as far back as 1983 when it was manufactured in a kitchen in a house in Petaling Jaya by Syarikat Sunglo. Four years later, Sunglo yoghurt was good enough to capture the attention of food giant Nestlé which acquired the brand in 1987 and was the brand's owner until 1995 when it was sold to Sunglo Sdn Bhd.

In 2015, Malaysian Yoghurt Company Sdn Bhd, a subsidiary of Sunglo Sdn Bhd and Magic Foods Sdn Bhd, became the manufacturer, distributor and marketer of Sunglo yoghurt products.

The managing director of Malaysian Yoghurt Company Sdn Bhd, Mr. Ramesh Gomez, said of his company's products, "Our yoghurt formulations were developed over the last thirty-four years to cater to the tastes of Malaysian yoghurt lovers. We have a wide range of yoghurts such as for direct consumption, for cooking, in drink forms, Greek yoghurts, or packed in pouches or bulk-packed in various sizes and with many variety of flavours.

"We try to keep our formulations simple and as natural as possible, like the yoghurt you would

make at home for your family. This means we use more milk and less of other ingredients to make our products thicker and more delicious."

He described the Sunglo brand as "a small brand in the local yoghurt market with an estimated market share of 2%".

"However, we have been able to survive in a competitive market by exploiting the advantages of our size. We built our business on a small capacity model with lower overheads and more flexible systems. This enables us to offer a niche range of yoghurts that may not be viable for the bigger brands. We just want to make our yoghurts as affordable as possible and available to as wide a market as possible.

This strategy has obviously worked for the company as the Sunglo brand competes and shares shelf space at supermarkets with big brands like Nestlé, Dutch Lady, Marigold, Farmfresh, Anlene and Nutrigen.

As Gomez put it, "The success of the Sunglo brand of yoghurt is the pride of the company." Malaysian Yoghurt was awarded the Best SME (Negeri Sembilan) at the Safe Food Expo 2015 and was ranked eleventh in the 2016 Enterprise 50 (E50) Award organised by SME Corp.





Malaysia. The company has also received the National Mark of Malaysian Brand certification by SME Corp. Malaysia, halal certification by JAKIM, the Veterinary Health Mark certification by the Veterinary Department and MeSTI certification by the Health Ministry. Its yoghurts were recognised by Her World magazine's Kitchen as 'Best Selling Product: Fresh Yoghurt Category'.

Talking of the challenges faced by the company, Gomez said, "The biggest challenge in this business has always been brand awareness and market penetration. The first challenge for a small yoghurt brand like ours was to get brand recognition from consumers, especially when competing against well-funded big brands in the same market. The second is to develop a cost-effective distribution network which would allow us to penetrate deeper into the target market.

Against the background of a challenging marketplace, the company has been hugely encouraged by consistent popularity of its products and that appeal of its products is crossing generational lines.

Gomez explained, "What is most encouraging is that customers told us they loved our yoghurts and that their next generation also loves our brand. With parents and then their children continuing to buy our products, it makes us all in the company feel that all our efforts over the years have been worthwhile."

What is the secret of the brand's longevity?

"I believe that being able to manage change and maintain our relevance in the industry is key to our success. The marketplace has

changed considerably over the last thirty-four years and is continuing to evolve. Consumers demand change and as brand owners, we must change to meet market demands or risk becoming irrelevant."

"One of the biggest challenges that we, as an SME food business, have to confront is how to stay relevant to consumers in a world that is so rapidly changing. The art of making yoghurt may not have changed much over the centuries but consumers expect yoghurt brands to introduce innovative products that is in sync with the needs and desires of their changing lifestyle.

Does Malaysian Yoghurt plan to go international?

"Our business model is specific to catering to the Malaysian market. We are looking to grow our business by developing a range of premium yoghurts to cater to a niche segment of the market. I hope to see in ten years' time the Sunglo brand of yoghurt will be known and accepted by the majority of Malaysian yoghurt lovers as their preferred premium yoghurt brand.

How can the Government help SMEs succeed?

"SMEs are not small versions of large businesses, rather, they are quite a different type of business entity. For example, a large business would probably have layers of financial, technical, human resource, marketing and regulatory compliance expertise. In a small business, these roles would usually be undertaken by the business owner who may have expertise in his specific field but not necessarily in the other areas mentioned. As a business grows, these weaknesses, unless addressed, can cause serious problems. The Government could help SMEs address such issues by developing specific programmes for SME entrepreneurs to acquire knowledge in these areas. However, I believe that, ultimately, the job of growing a business is the responsibility of the owner and not the Government."

