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Marketing Strategy of MAGNUM

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Abstract

The objective of this paper is to identify how Magnum has been able to establish itself as the premium brand in ice cream.

Methods: In order to come at the conclusion certain data from secondary resources has been used.

Findings: The objective of differentiating from your competition isn't *just* about adding new and novel features, better chocolate, more nuts or interesting flavors – others can do that too, eventually. A more sustainable way to differentiate your product is to make your product different in the mind of your potential customer.

Keywords: Magnum, Segmentation, Positioning, Psychographic

Introduction

Magnum is a premium international brand of ice cream. It is owned by the British/Dutch Unilever Company and sold as part of their "Heart Brand" line of products. It was developed in Belgium by Ola lab in association with a Belgian chocolate producer Callebaut. It was released in Germany in 1989 as Magnum classic. The company also released Magnum ice cream cones in 1994 and an ice cream sandwich in 2002.

Magnum is one of the world's leading ice cream brands, selling billions of units annually worldwide, and is the biggest ice cream brand of Unilever. Known worldwide as the ice cream synonymous with indulgent pleasure for over two decades, Magnum® ice cream launched in India in 2013. Magnum is now available across 14 cities across the country. Magnum; A word synonymous with pleasure & indulgence. Delicately crafted from only the finest ingredients, Magnum ice cream is available in four delightful flavours: Classic, Almond, Chocolate Truffle & Choco Cappuccino .

In 2013, Unilever global CEO Paul Polman has announced that the Magnum ice cream brand has become a Billion Euro Brand saying 'Magnum is one of the greatest success stories in the history of consumer goods'. Magnum accounts for 2% of Unilever's global revenue.

Magnum was launched in India in 2014 with 4 basic flavours. They introduced Magnum

Choco cappuccino in 2015. They will be releasing various other flavours in phases.

From the first crack of thick chocolate to the last mouthful of smooth vanilla ice cream, Magnum is the ultimate experience for pure pleasure seekers.

Data source and Methodology

Secondary data has been used in this paper from various resources given in reference. Data relating to market and competitors is used.

Market

Secondary data has been used in this paper from various resources given in reference.

Globally, ice cream is the most popular frozen dessert. Since the industry is marginally capital intensive, it is very competitive. In 2014, China took over the United States as the largest ice cream market globally. In 2015, United States, New Zealand, Australia, Denmark and Belgium dominated the global ice cream market in terms of consumption. Based on product, the global ice cream market can be segmented into impulse ice cream, take-home ice cream and artisanal ice cream.

Indian ice cream industry is one of the fastest growing segments of the dairy or food processing industry. Currently Ice cream market in India is estimated to be over INR 4,000 crores, and is growing at a rate of 15-20% year-on-year. It is projected that by 2019, the market will reach around INR 6,198 crores. India has a low per capita ice cream consumption of ice cream at 400 ml as compared with per capita consumption of ice cream of 22,000 ml in the United States and 3,000 ml in China. With the improving cold chain infrastructure in the country coupled with increasing disposable income and the changing lifestyle, the sector has great potential for growth.

In India the ice cream industry is mostly regional and there is a multitude of brands focusing on only one or two districts or in some case only one state. There are very few national brands and the major reason behind slow growth of the smaller players is the high perishability of ice cream product.

Competition

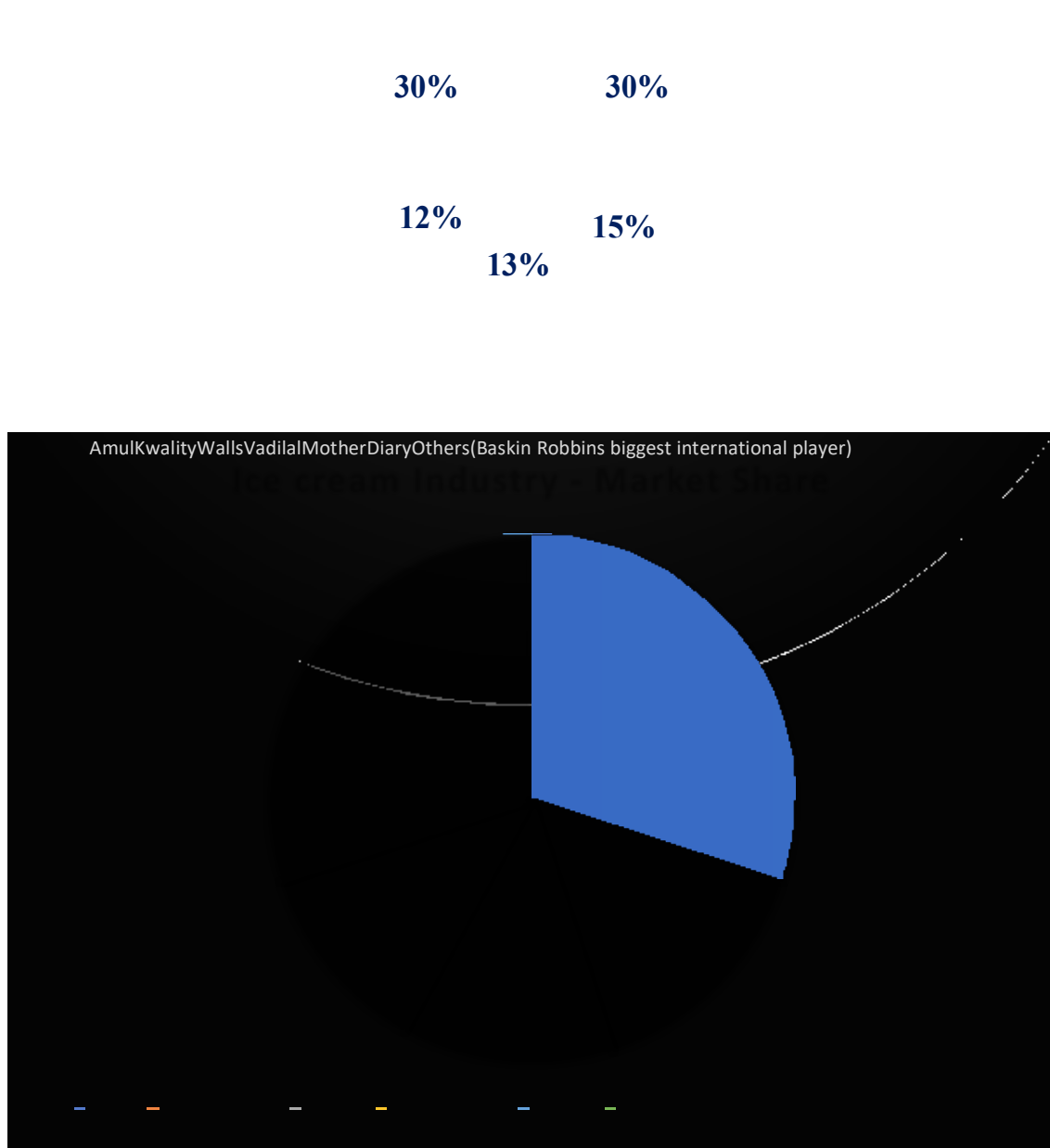
There are mainly 4 players in the premium ice cream market. These are Amul with their Epic range, Vadilal with their Bada Bite range, and HUL with Magnum range. Many other international brands like Baskin Robbins and Vadilal with Gourmet have market share in the premium sector but are not in the hand-held ice-cream market. HäagenDazs and London Dairy are also coming up in the non-hand-held market.

Entry of Players in Indian Ice Cream Market

Brand/ Name	Market Entry year in India	Number of Products/Variants	Price Range (Rs.)
Epic Range (Amul)	2015	2	35-40
Bada Bite (Vadilal)	2011	7	35-50
Magnum (Kwality Walls In India)	2014	5	75-90

MarketShare–IceCreamIndustry

Ice cream IndustryMarket Share



Discussion

Consumer Research Findings

Before selling the product, it is important to know who is the target of the product. Are they women? Which income category they belong to? The function of this parameter is to know the people who buy the product, so the company can increase the sale of the product.

After doing an online survey on Google Form, we could reach 50 + customers who had purchased magnum – Following are the major feedbacks compiled

People are very nostalgic about ice cream; it reminds them of their childhood and good times with family and friends. As a result, it will always remain a strong product category because even in turbulent times people look for simple, innocent indulgences that make them feel better.

age bracket of ice cream shoppers is 18-35, which is in line with the average convenience shopper.

While the ice cream shopper is similar to the average convenience shopper in most areas, ice cream has a higher proportion of female shoppers.

39/50 of the participants said that they would always opt magnum over any other ice cream for a special occasion.

Also 32/50 have said that although the ice cream is slightly expensive than other in the segment, but still the quality and superiority of the product is value for money.

Segmentation

The segmentation of Magnum is done on the basis of income, social, economic class and esteem level. The marketing strategy of Magnum is explicitly designed to target the smaller but elite segment of the society as well as of the market.

The psychographic segmentation of Magnum includes people from mostly SECA and SECB segments as their potential customers. People who have high self-esteem and who are on the top of the MASLOW'S NEED HIERARCHY i.e. self-actualization are the target segments of Magnum.

The behavioural segmentation of Magnum takes into consideration the need and the benefits of the customers which is useful for identifying market opportunities and developing value propositions for the consumers. The need satisfied by Magnum is the experience of premium ice cream. Occasions are also important factor in the ice

cream category. In case of Magnum self-indulgence is an influencing behavioural factor. And the loyalty status of Magnum is that it includes hard core loyal customer. We can split the consumer into two parts; there are demographics segment and psychographics segment.

Targeting

The target market of Magnum is the upper niche market.

They focus on upper class people who wouldn't mind spending a bit more on the

Magnum ice cream to indulge in the supreme quality of it.

Target market is of people aged between 18 -30 and have a very high self-esteem.

They can spend more on style, quality, brand value, status, etc.

Demographic

Age - the target market of Magnum Ice Cream based on their age are people in age 20 until 40 years old.

Sex - the people who buy this product are women and men

Income - the target market of this product based on their income is middle or high-class society. This is due to this product is an expensive product

Life cycle - actually the people who buy this product are single because if they are married they will choose Ice Cream for family like Bricks or Family pack etc.

Psychographic

Education - based on their education the target market of this product are educated people, because people who have high education can differentiate better between the products

Life style - this product is suitable for people who prefer glamorous life style

Consumer can buy this product anytime they want. They can buy this product in store near their house, which sell this product, in mini market, super market, or in hypermarket. They can buy directly or call the store.

TargetSegment

The primary target segment for Magnum would be male and female predominantly in 18-35 age group and are convenience shopper with liking towards chocolate, especially. The secondary target segment is anyone who has the purchasing power and is willing to buy.

BrandPositioning

When Unilever planned to roll out its premium magnum ice cream bars in Indian during early 2013, the target was to encash the on growing aspirations of India's increasingly affluent

consumers. The Anglo-Dutch multinational's Indian unit, Hindustan Unilever, launched Magnum bars, premium vanilla ice cream on a stick wrapped in thick Belgian chocolate shell, which costed Rs 75, a price higher than existing bars/ candies which were priced low as 10-40 Rs.

Unilever expected India's increasingly aspirational consumers to readily pay a premium for a superior product. "India is ready for such a premium product," said Sapan Sharma, general manager for ice cream at HUL. Launched in the UK in 1987, Magnum is the world's biggest stick ice cream brand and accounts for almost 2% of the total revenues of Unilever, the largest ice cream maker in the world, accounting for almost one fifth of the \$85-billion global ice cream market through brands such as Breyers, Ben & Jerry's and Cornetto.

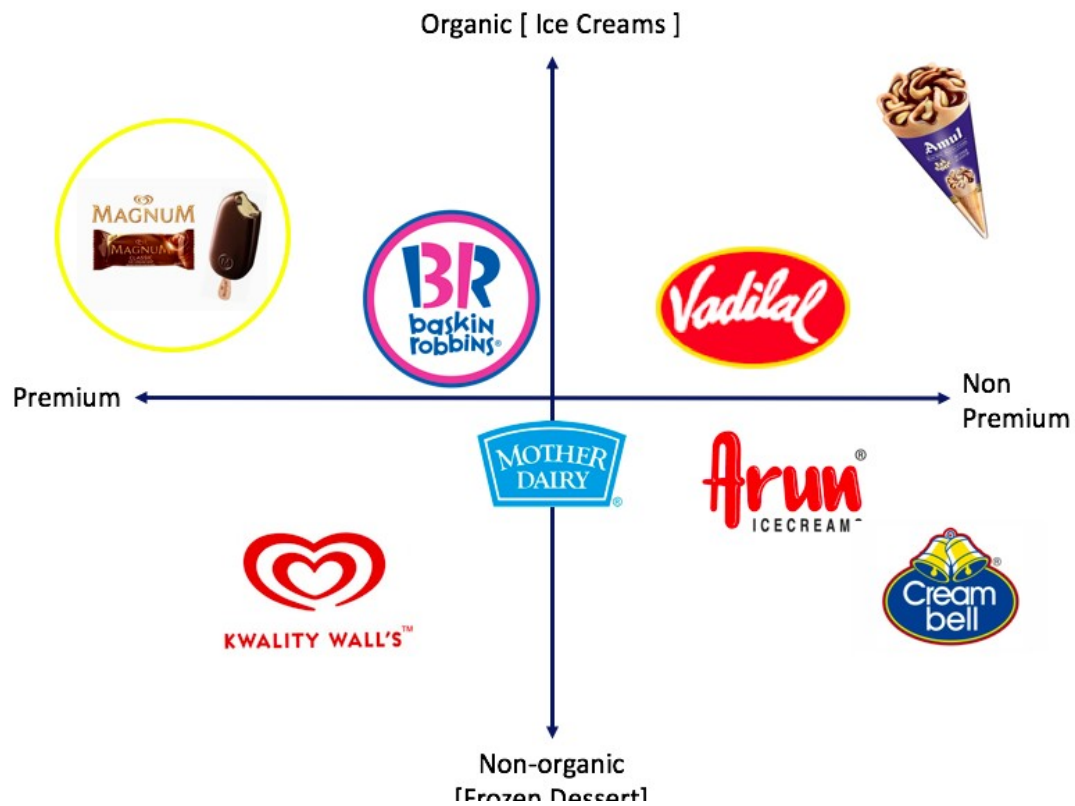
The largest ice cream brand in Europe, Magnum debuted in the US in 2011 and recorded

sales of \$100 million in its first year. It is now sold in more than 50 countries and even in emerging markets such as India; it is one of the best-selling ice creams despite its premium positioning.

Positioning is very important for the brand to build an image in the minds of the target customers. It involves parameter that differentiates the product from the competitors' in the category. In this regard

Positioning means how consumers rate magnum in comparison to other ice cream category products like Amul, Baskin and Robins, Mother Dairy, etc.

Evaluation of Positioning–Perceptual Maps



Evaluation of Positioning–Laddering



Positioning Strategies

Magnum's positioning strategy is to deliver the promised consumer value in the following ways-

1. Attribute positioning for self-actualization.
2. Quality and Price positioning which states higher price for higher quality.
3. User positioning as it appeals to stylish people. Customers rank premium brand with priceless quality

Positioning Statement

The Magnum Ice Cream is...

For Adults

Our Product/Brand

Is

That Provides Ice cream Indulgence

Because

Affordable luxurious sweet treat

It's crafted from a unique recipe of premium quality Belgian chocolate one of its kind in the world

Conclusion

Magnum isn't *just* any chocolate covered ice cream on a stick. There are many other chocolates covered stick ice creams. *Magnum* had to be differentiated from the others so they can stand out.

The objective of differentiating from your competition isn't *just* about adding new and novel features, better chocolate, more nuts or interesting flavours – others can do that too, eventually. A more sustainable way to differentiate your product is to make your product different in the mind of your potential customer.

This is **product positioning**, i.e. positioning your product in the mind of your customer in relation to the others that she is thinking about.

Unilever's product managers have positioned *Magnum* as an 'impulse ice-cream' – you buy it on impulse because you buy it when you feel you deserve a treat, and this is a luxury that you can afford anytime.



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