



## **Campaign Research Brief**

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# **Table of Contents**

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1. BRAND ANALYSIS	3
1.1 HISTORY OF STREETS MAGNUM	3
1.2 PRODUCT LAUNCH HISTORY	3
2. GENERAL OVERVIEW OF STREETS	3
2.1 MARKET POSITIONING	3
2.2 TAG LINE	4
2.3 UNIQUE SELLING PROPOSITION	4
3. ICE CREAM INDUSTRY	4
3.1 PRIMARY ACTIVITIES IN INDUSTRY	4
3.3 KEY INDUSTRY STATISTICS	6
3.4 GROWTH SECTOR	6
3.5 INDUSTRY TREND	7

3.6 INDUSTRY FORECAST	7
4. PRODUCTS	7
4.1 MAGNUM TEMPTATION CHOCOLATE	8
4.2 MAGNUM SANDWICH	8
4.3 LIST OF PRODUCTS	9
5. COMPETITOR ANALYSIS	11
6. CONSUMER RESEARCH	11
7. CONSUMER INSIGHT	11
8. TARGET AUDIENCE	12
9. PAST CAMPAIGN ANALYSIS	12
10. MEDIUMS USED IN PAST CAMPAIGN	14
11. SOCIAL CAUSE: THE AUSTRALIAN DAIRY INDUSTRY	15
12. REFERENCES	16

## 1. BRAND ANALYSIS

### 1.1 HISTORY OF STREETS MAGNUM

As a food brand under parent brand Unilever and the brand Streets, Magnum was first launched in the United Kingdom in 1987. Ever since then, Magnum ice cream has been the first ice cream on a stick especially for adults. Today, Magnum is one of the world's leading impulse ice cream brands, selling around 1 billion units a year. (Streets ice cream, 2010)

### 1.2 PRODUCT LAUNCH HISTORY

1996	Double Chocolate
2000	Double Caramel
2002	Yoghurt Fresh and Magnum Intense
2003	7 Sins
2005	5 Senses
2006	Magnum Almond Mint on the core range
2010	Magnum Gold?!

(Magnum, 2011)

## 2. GENERAL OVERVIEW OF STREETS

Streets Ice Cream is currently Australia's biggest and best-known ice cream manufacturer. Streets Magnum, 2011) The price for Magnum is relatively positioned in the higher range in comparison to the rest of the ice cream brands available on the market.

### 2.1 MARKET POSITIONING

Magnum's superior standard of product quality ranks highest on the market as well as being the highest selling Australian impulse ice cream brand. (Ice Cream Manufacturing in Australia, 2010) The image Magnum presents is the exquisite delicious indulgence experience that no other can match. It is positioned to be the super-premium brand on the market.

## 2.2 TAG LINE

“Pure Indulgence” personifies the positioning of Magnum as the ecstatic up-market chocolate ice cream. This tag line certainly magnetizes further audience to go for Magnum.

## 2.3 UNIQUE SELLING PROPOSITION

Magnum is absolutely unique in a class of its own in chocolate flavoured ice cream category. It succeeds in gratifying target consumer’s desires, the unique selling proposition is its stirring experience of chocolate indulgence.

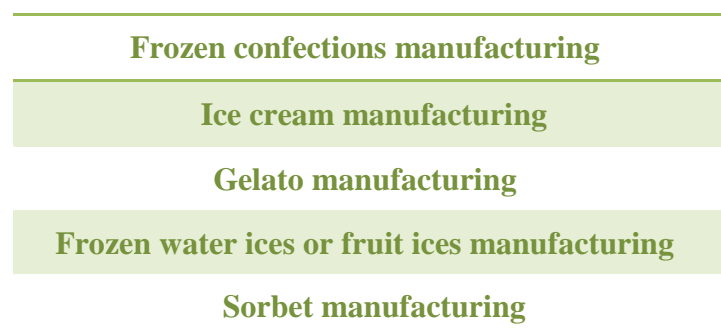
## 3. ICE CREAM INDUSTRY

Ever since 2006, Australia has witnessed dramatic increases in milk and sugar prices and falling volumes, partially offset by an increase in average selling prices. However, the ice cream manufacturing industry remains afloat regardless of rising input prices, changing consumer dietary trends and a recessive economy. (Ice Cream Manufacturing in Australia, 2010)

The producers have gradually innovated their product lines to adapt changing consumer trends due to the advent and subsequent growth of the health-conscious consumer. The industry revenue is calculated approximately to have an annualised increase rate of 2.3%, to total \$485.0 million. (Ice Cream Manufacturing in Australia, 2010)

### 3.1 PRIMARY ACTIVITIES IN INDUSTRY

The primary activities of companies in this industry are:



(Ice Cream Manufacturing in Australia, 2010)

Although Magnum solitary manufactures in ice cream, its outstanding sales performance ranks eight out of ten of the top ten ice cream sales in the year 2010 , which takes up of a total 45.9% ice cream sales in the industry which is tremendously high in comparison to any other ice cream maker. (Ice Cream Manufacturing in Australia, 2010)

Item Description	Manufacturer	Brand
Golden Gaytime Golden Gaytime 1pk	Unilever	Golden Gaytime
Magnum Reg Almnd 1pk	Unilever	Magnum Reg
Magnum Ego Caramel 1pk	Unilever	Magnum Ego
Magnum Reg Classic 1pk	Unilever	Magnum Reg
Magnum Gold Ice Cream 1pk	Unilever	Magnum Gold
Magnum Reg Big Choc Bikkie 1pk	Unilever	Magnum Reg
Maxibon Vanilla 1pk	Nestle	Maxibon
Magnum Reg Sandwich Almnd 1pk	Unilever	Magnum Reg
Magnum Reg White 1pk	Unilever	Magnum Reg
Magnum Reg Peppermint Envy 1pk	Unilever	Magnum Reg
Ptrs Ice Cream Monaco Bar 1pk	Nestle	Peters Ice Cream
Drumstick Reg Vanilla 1pk	Nestle	Drumstick Reg
Cornetto Vanilla Sundae 1pk	Unilever	Cornetto
Maxibon Honeycomb 1pk	Nestle	Maxibon
Bubble O Bill Bubble O Bill 1pk	Unilever	Bubble O Bill

\*Ice Cream – Top 10 = 45.9% of total Ice Cream sales and Top 15 = 57.6% of total Ice Cream sales.

(Convenience and impulse retailing article, 2010)

### 3.3 KEY INDUSTRY STATISTICS

Key Industry Figures	2010
Industry Revenue	*468 \$ million
Revenue Growth	*2.3%
Industry Gross Product	*108.5 \$ million
Number of Establishments	*64 units
Number of Enterprises	*55 units
Employment	*1,116 units
Exports	*43.6 \$million
Imports	*39.9 \$million
Total Wages	*51.5 \$million

(Ice Cream Manufacturing in Australia, 2010)

As the table above implies, the industry consists of \$468 million in 2010, with the revenue growth of 2.3% compare to the year before. This is a good indication of the market has got potential to grow in the future.

### 3.4 GROWTH SECTOR

“Despite the market’s increasing maturity, in many sectors a period of further growth is expected, driven by rising demand for healthier and more convenient product formats.” (Ice Cream Manufacturing in Australia, 2010)

“Increasing manufacturing costs, however, will push value sales ahead of volume gains. Further increases in value sales are expected to be highest in mineral water, coffee and ice cream.” (Ice Cream Manufacturing in Australia, 2010)

“Ice cream sales (through grocery channels) and also influenced by premium varieties will grow at a similar amount and will also surpass the \$1b sales mark by 2012.” (Palmer, D., 2010)

### Leading food and beverage sectors for 2009 through 2012:

1. Mineral water (19.3% sales growth forecast)
2. Coffee (13.9%)
3. **Ice cream (12.2%)**

(Ice Cream Manufacturing in Australia, 2010)

### **3.5 INDUSTRY TREND**

There has been an increasing concentration on health and wellness impulse and indulgence product from both producers and consumers. Though flavour and indulgence remains to be the primary considerations in ice cream products, consumers are keen to improve their diets while still be able to be careless and enjoy treats. Health issues such as obesity have strong media coverage and ongoing government investment in nutritional education campaigns further encouraged this trend.<sup>8</sup> (Country Report: Ice Cream in Australia, 2010)

### **3.6 INDUSTRY FORECAST**

Although ice cream sales remained robust in 2010, however, in retail channels, health, wellness and nutrition concerns such as the high and rising prevalence of obesity in Australia and other related health issues are becoming increasingly significant. It is expected to continue to shape the performance of impulse and indulgence products. "Foodservice players will seek a healthy image, as they aim to build consumer trust in their brand. Consumers will meanwhile increasingly opt for healthier menu options and foodservice outlets, as they seek to improve their diets and to lose weight or maintain a healthy weight." (Country Report: Ice Cream in Australia, 2010)

Conversely, this might be likely to be inadequate to appease the Australian government, media and consumer base. The Australian government may well enforce stricter controls on the marketing or even nutritional profile of these products (e.g. ice cream), whereas the media is likely to remain to be pessimistic towards sweet and savoury snacks, ice cream and confectionery for numbers of society's ills.<sup>8</sup> However, it has been predicted that ice cream is expected to continue be in positive growth, increasing in constant value by 2% CAGR and in volume by 1% CAGR over the forecast period.(Country Report: Ice Cream in Australia, 2010)

## **4. PRODUCTS**

Streets Magnum ice cream comes in a range of delicious indulgent flavours to satisfy any craving including Classic, Almond, Ego Caramel, Peppermint, White and more recently Big Choc BiKkie, Sandwich and Limited Edition Magnum Gold?! (Unilever, 2011)



The two best sellers and stars of the Magnum range are ‘Magnum Temptation’ and ‘Magnum Sandwich’ which both products had launched major advertisements in the past. The following are introduction to what the product features.

#### 4.1 MAGNUM TEMPTATION CHOCOLATE

“Magnum Temptation is the new super-premium platform for the brand, bringing the ‘ultimate indulgence’ to pleasure-seeking consumers.” (Dunn, J., 2010)

It is a revolution by Magnum to add chunks of white chocolate and brownie pieces that are swirled through the ice cream, these inclusions dreamily balance the creamy choc centre, sumptuous chocolate sauce and thick Belgian chocolate shell. Another first by Magnum, the packaging for the new Temptation comes in a lavish, jewellery box, which portrays the premium nature of the treat inside. (Country Report: Ice Cream in Australia, 2010) “Magnum Temptation Chocolate also comes in a unique 3D shape, which has been achieved using Unilever’s patented technology.” (Country Report: Ice Cream in Australia, 2010)



#### 4.2 MAGNUM SANDWICH

“Get the best of both worlds with Magnum Sandwich and be the King! Creamy vanilla bean ice cream centre covered in Magnum chocolate, studded with crunchy almond flakes at one end and soft chocolate biscuit the other.” (Streets Magnum, 2011)



**4.3 LIST OF PRODUCTS**



***Streets Magnum Temptation Fruit***



***Magnum Temptation Chocolate***



***Magnum Gold?!***



***Magnum Sandwich***



***Magnum Big Choc Bikkie***



***Magnum Classic***



*Magnum Almond*



*Magnum Ego*



*Magnum Peppermint*



*Magnum White*



*Magnum Ecuador Dark*



*Magnum Colombia Aroma Choco-Cappuccino*

## 5. COMPETITOR ANALYSIS

There are two dominant brands in the ice cream industry in Australia, Streets Ice Cream and Nestlé Peters. Both offer adult indulgence and snacking to kids and refreshment. These key players account for around 80% of ice cream sales in Australia. (Ice cream, 2008)

The main competition for Magnum is its competitive brand Heaven by Nestle. Heaven offers a range of chocolate-based flavors which are,

- Chunky Cookie
- Chocolate Truffle
- Vanilla Macadamia
- Vanilla Bean



(Nestle single serve, 2011)

## 6. CONSUMER RESEARCH

"Australians are very nostalgic about ice cream, it reminds them of their childhood and having good times with family and friends," said Mauricio Alarcon, Head of Marketing at Nestlé Peters Ice Cream. "As a result, it will always be a strong category because in turbulent times people look for simple, innocent indulgences that make them feel better." (Freezer fever, 2009)

The 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. (Convenience and impulse retailing article, 2010) "There is a 50:50 split between male and female ice cream shoppers whereas the convenience channel is slanted 60:40 in favour of men. This indicates that ice cream can play a key role in converting female fuel shoppers into store purchasers as well." (Convenience and impulse retailing article, 2010)

## 7. CONSUMER INSIGHT

"The classic Streets Magnum is a beautiful combination of delicious, melt in your mouth chocolate with a lovely rich ice cream centre. The first thing I loved about the Magnum was the satisfying crunch you get when you first bite into it. The flavour of the chocolate is delicious without being overpowering and the ice cream is so wonderfully rich and creamy. Price wise, Magnums are quite expensive so try and get

them on special if you can. If you are looking spoil yourself, you can't go wrong with one of these.”  
Posted on Jan 25, 2011 by neodymium (Streets Magnum classic reviews, 2011)

“It's so yummy and creamy. When you bite into it you first get the crunchy chocolate, followed by the creaminess of the vanilla inside- it's a great combination. Basically, it tastes fantastic but is by no means value for money.” Posted on Jan 31, 2011 by Pinkyy (Streets Magnum classic reviews, 2011)

## **8. TARGET AUDIENCE**

The primary target audience for Magnum would be male and female predominantly 18 – 35 years old, who prefer chocolate-related flavor and which is in line with the average convenience shopper. (Innovation is cool, 2010) Given the fact that Magnum is priced higher in comparison to the ranges of ice cream offered on the market, it is a factor to bear in mind that the target audience are those who has higher disposable income to purchase products for that are meant to be impulsive and indulgence.

As for the secondary target audience, it would be targeting at anyone who has the purchasing power. Whether it is mothers who buys the ice cream for the whole family or baby boomers who has a stable income that enjoys the delightful chocolate treats offered by Magnum.

## **9. PAST CAMPAIGN ANALYSIS**

### **Magnum Sandwich 'Be the King'**

It's the first sandwich-style ice cream to be launched by the brand in Australia was launched by Magnum via creative agency Lowe Sydney and digital shop Soap Creative. Aimed specifically at the male 18-24 year-old market, which is a different target audience from Magnum's traditional focus on female-skewed 21-45 year-old consumers. (Livesley, J., 2010)

“Entitled 'Be the King', the integrated campaign gives consumers a taste of the Hollywood lifestyle and features above the line advertising, point of sale and a significant digital component.” (Livesley, J., 2010)  
In the television commercial tells the story of an ordinary bloke's life dramatically changed once he bit into the new Magnum Sandwich and everyone started to treat him like a Hollywood movie star. “ He goes from walking along an everyday city street to being transported to a life of paparazzi, hot starlets, stunts and expensive cars, with his Hollywood experience culminating at the red carpet premiere of his new action movie”(Streets unveils new campaign, 2010)

Acknowledging the significance of internet for the target audience, digital was a primary concentration for the campaign. An interactive website was created by the Soap Creative as a starting point which invites consumers to the website and upload their headshot image via webcam or Facebook where they can virtually 'Be the King' with their face on billboards and name in neon lights. "Visitors can also play an online game called 'MAGNUM FORCE 10' that is inspired by the faux-blockbuster featured in the television advertising and appeals to an audience who enjoy casual gaming." (Streets unveils new campaign, 2010)



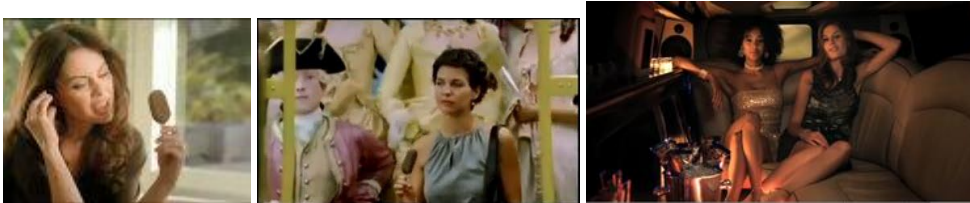
## 10. MEDIUMS USED IN PAST CAMPAIGN

The mediums that were used in the past campaign were,

- Outdoor advertising



- Television commercial



- Print advertising



- Viral marketing



## 11. SOCIAL CAUSE: THE AUSTRALIAN DAIRY INDUSTRY



The Australian dairy industry has revenue of \$15 billion per annum. (ADF company information overview, 2011) 7,500 dairy farming families produce 9.1 billion litres of milk each year which is internationally cost and productivity competitive.”(ADF company information overview, 2011)

The dairy industry employs more than 100,000 people, 40% of those live in small regional communities all across Australia. (ADF company information overview, 2011) “The Australian Dairy Farmers Limited (ADF) is a not-for-profit company representing the interests of Australian dairy farmers.” (ADF company information overview, 2011)

Since fresh dairy is an irreplaceable ingredient in all Magnum ice creams, by building a fun and integrated campaign to help preserve and support the local Australian business (Australian dairy farmers). Magnum could achieve good public relations and attract positive media attention. Not only these are the positive image Magnum could transcend to the public, it simultaneously implies the fresh quality of Magnum products through the proper care of where our ingredients come from.





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