

Domestic market

[Business](#), [Marketing](#)



As seen table 12, there is an upward trend of more and more share of Food expenditure spent on Outdoor meal, especially in urban areas like HCMC. This figure can be explained by a more and more busy lifestyle in urban areas as well as steady increase in income and quite abundant financial resource to afford such uneconomic treats comparing home-cooked meals. This figure is relevant for Magnum because expenditure on impulse ice cream segment is also included in this “ outdoor meals” proportion. The more people are willing to pay for outdoor meals, the more opportune for Magnum because that indicates high living standard and high chance that they will accept the brand into the market. There are some differences in consumer behaviour by region: people in Hanoi require VIP service, while those in Danang are sensitive to price, HCMC don't usually shopping at the market. Therefore, Magnum should consider these factors when deciding which city, area to introduce products. Social classes are groups who share similar values, interests and behaviors, that they are relatively homogeneous and continuous. The researcher notices that there is a clear link between social classes with income and education level in Vietnamese society. Broadly, there are 3 social classes in Vietnam.

There is upper class that is rich, acquire high education (bachelor, master, and above), living an abundant life, working in high-salary/important positions such as top government, private corporation officer, expats/experts, transporting by well-branded cars or motorcycles, buying foreign, high quality/luxurious products. Middle class includes people, who are well-educated (high school graduation, bachelor), living in owned

medium/small-sized houses and economic apartments, working in medium-paid jobs such as state-owned companies' officers, common white-collar workers, transporting by good motorbike brands, using mostly domestic products and have some or little knowledge of foreign brands. Low class includes people, who are barely educated (high school, middle school, and below), live in owned/ rented small-sized houses/ apartments, working as blue-collar workers, farmers or unemployed

1. Social factors The impulse ice cream category is expected to account for a 71.6% share of the ice cream market in 2014, followed by artisanal ice cream and frozen yogurt, with a share of 14.6% and 8.8%, respectively. It is also expected that both Kinh Do and Vietnam Dairy Products will continue to be major powers in ice cream over the forecast period. Kinh Do has developed a stable position through strong brands, like Merino and Celano, and a wide distribution network of nearly 20,000 retail outlets throughout the country. Metro Cash and Carry Vietnam's commitment to the Wall's brand is still in doubt for many. Being a giant player in Vietnamese retailing is not a guarantee of success in ice cream, where the competition is expected to increase in the coming years.

The family is the basic unit and the center of the individuals' existence and the foundation of Vietnamese society. One of the basic premises that exist within the family structure is the idea of collective identity. The individual's interests and destiny was rarely put higher than the considerations of the family in the past. According to a research of FTA, Middle-aged women hold 90% of the purchase decisions in the family and they are willing to pay

higher prices for reputable manufacturers. Magnum should focus on them when target on family segment.

It is not only the family which affect the consumer buying behavior but also the group outside the family also affect the consumer buying behavior, with whom we interact like friends, neighbors, co- workers etc. In Vietnam, people tend to choose what the majority choose, especially they highly appreciate their friends and colleagues opinions. According to FTA, 80% of Vietnamese consumers trust experts. Upon receiving product information from experts, Vietnamese consumers are confident about the quality of products, they are considered or immediately purchased. When receiving this information from newspapers / TV and from friends / relatives, they tend to find more information. Not only trust experts in evaluating quality, even after receiving information from experts about the substandard product, the majority of consumers will stop using immediately, this action most clearly when resources information derived from the experts (59%). The construction of expert image for the product like Magnum is a very effective method to promote products and stimulus purchasing.

Nowadays, the young customer life styles are significantly affected by idols and stars, particularly when social media is strongly developed. They might get reference from their idol recommendations on social media (Facebook, Zing me, Twitter...) for an eating, a movie, etc. For example, when Magnum was introduced in late February in Philippine, it enlisted celebrity stylist Liz Uy, fashion designer Rajo Laurel and TV host Raymond Gutierrez as brand ambassadors, who took to their social media accounts to tease about the

product. During its press launch on February 28, other celebrities, as well as netizens immediately welcomed the news, with Magnum becoming a top trending topic on micro blogging site Twitter. Magnum can absolutely applied this marketing strategy in Vietnam, where the celebrity

Social status also affects on consumer behaviors. In Vietnam, people in urban area, especially in large city like HCMC, Hanoi, tend to concern about their social status. People in high class want to express and affirm their social status through their appearance and consuming habits. Magnum ice-cream – a premium ice-cream – would be the ideal products to express oneself. Preferences in ice cream vary according to the gender of the ice cream consumer. Teenage girls prefer healthier products labeled as low fat, mainly among the frozen yogurt products, while teenage boys still prefer the premium ice cream range.

1. Personal factors

These factors are age and life cycle stage, occupation, economic situation, lifestyle influence consumer' buying behaviour influences on a person or one family patterns. Of those, age, economic situation and life style have the greatest impacts in ice-cream market. The consumer buying behavior changes with the age of the consumer. In the ice cream industry, the age groups that Magnum should segment the market into are much younger (but not too young) than other developed countries that it worked with in the past.

For instance, in Vietnam, the age of 50 and more barely know to enjoy ice cream as it never existed in their time of youth, or the youngest age group of 0-10 has barely develop their preference for ice cream and mainly rely on their parents' preference. Therefore, those age groups not even relevant for ice cream industry to start with. Younger consumers are more adventurous in their choices and eat a wider selection of ice cream flavors and frozen desserts while older consumers tend to be faithful to their favorites.

According to FTA, Word of mouth plays an important role in the buying habits of younger consumers. When relatives or friends directly recommend a products to them, they can easily decide to buy the product compared to receive information from ads on TV or other sources. (Source: Taylor Nelson Sofres (TNS)-2011) As can be seen from the table, two-thirds of Vietnam's population is comprised of low income groups. The chart shows that, 1. 5% of Vietnam's population, equivalent to 1. 3 million, can afford to live the high life. According to our survey, the members of this group often use high class services, luxury goods and of course travel overseas. They are as affluent as in the western world.

To be attracted to eating super-premium ice cream, people need to be part of a particular lifestyle segment. They should technically be among those that enjoy the luxury and indulgence associated with the brand. More concern on health and eating habits. Magnum is premium ice cream, Vietnamese tend to think it has high quality, more safety i competitiveness of Magnum is higher than other creams.

In Vietnam at the moment, domestic dairy products are of low quality; customers find it hard to trust their local quality standards.. As a result, Vietnamese now tend to use foreign products, as they perceive them of higher quality and better customized to their needs. In the last five years, the franchising market has also been developing very rapidly. A lot of well-known brands in the world, mostly in the food sector, such as fast food, bread, pizza, coffee and ice cream, like KFC, Lotteria, Jollibee, BBQ, Pizza Hut, and recently Starbuck have penetrated and had some initial successes in the domestic market.

Internet is becoming more popular in Vietnam, which is an indispensable part of their life. Vietnam has over 31 million internet users, accounting for 35.4% of the population, daily internet users account for 66%. In Vietnam, Facebook and other social media is becoming an important part of the life of many people, especially young people. Overcoming Taiwan, Indonesia, Philippines, in 9/2012 Vietnam has 13.1 million YouTube users, each viewer watch about 137 videos/ day (Comscore). Number of Facebook users in Vietnam as of 24. 10. 2012 amounted to 9.11748 million, an increase of 5.479 million users within the last 6 months. Average, Facebook has more than 30 thousand people participated/ day.

With these statistics, it can be said that advertising via internet, particularly via social media like Facebook, Zingme is going to be a very effective method. Magnum should consider this factor when marketing its products. Finally, probably the most important factor is the psychographic. These factors are motivation, perception, learning, beliefs and

attitude. When the buyer's need is raised to a particular level they become the motives which affect the consumer buying behavior. Maslow hierarchy of needs According to Maslow, people have 5 levels of needs. Clearly, regarding to Magnum ice-cream with the slogan “ For pleasure seekers”, this type of ice-cream is a product for people who want to satisfy their self-actualization, not only just a food for physiological need.

Regarding to food safety, 84% of consumers concerned about this issue, 50% of consumers are willing to pay up to 15% price difference for a safe brand (FTA) About the perspective of consumers in quality products, they are well aware of the quality of products, they have their own argue and standards for quality products. According to a research of FTA, 75% said that quality products have clear origins, 60% said that the quality products have a trademark of a reputable manufacturer, 76% said that it is the product that their friends and relatives trust and use, 90% said that quality products are bought from the supermarket. In term of environment, 35% of consumers in cities will temporarily stop using the product immediately if producing has negative impacts on the environment, 72% of Consumers in Ho Chi Minh City pay special attention to impact on the environment.