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The most concerted area of ice cream institution is in the Greater Manila with 60% of total volume being purchased. It is also the smallest sector among all dairy products, having 0.9% of the market segment. (Phillips, 2004) Surprise Patterns/ Significant Buying Habits In the Philippines, ice cream is one of the most favorite desserts. It may be bought as everyday refreshment or as a treat during special occasions. Ice cream is a happy product which chooses no particular season or mood. Ice cream can be tied up to a person's income. Greater consumption means higher pay, especially to the middle-income consumers.

Although some are brand-loyal, most consumers examine which available flavors are okay and which are not. People can easily switch to another flavor or brand, depending on their cravings. (Remuneration, 2014) Growth/ Decline Patterns The consumption of ice cream rises as the country's economy continues to grow. It is said to have a 4% increase in sales during 2013. It continues to grow within a couple of years due to the aggressive promotions of respective ice cream manufacturers which causes greater consumer demand. Among all innovations, Frozen Yoghurt is one of the fastest growing categories of ice cream. (Remuneration, 2014) Other Market Characteristics According to statistics, 80% of the Filipinos buy ice cream on impulse. They purchase the product without any intent to buy at first; Ice cream is an afternoon snack 70% of the time. People usually eat ice cream at their own home 98% of the time. In 2010, the total market size of the ice cream industry reached about P1.5 B. The leading local brands of ice cream in the Philippines are Selects, Magnolia, and Nestle. There was an increase in the annual growth rate of the market for ice cream, with 3.5% between 2004

to 2009. The take-home ice cream sold in pints, gallons, and the like, is the shiest contributor to the ice cream market with a share of 63.6%. One highlight of the ice cream market is its distribution system. Each brand requires exclusivity. Companies provide dealers refrigerators free of charge for one exclusive brand. Some merchants, especially the smaller ones, are limited to carrying only one brand. Given that refrigerators require more electricity, having several brands in one store would be more costly and space consuming.

Current Product/ Brand Situation

The Magnolia Heritage 'Magnolia started in 1925 when San Miguel acquired the original Ice Cream Lana at 526 Avails SST. , Manila. A year later, Magnolia found a new home along Gauge SST. It was at this time that Filipinos began their love affair with ice cream especially when Magnolia Opened the first ice cream parlors in the country attracting ice cream lovers young and old to enjoy their favorite cool treats in a warm day. In 1952, Magnolia Ice Cream expanded their plant and started producing popsicles.

Two years later, Magnolia introduced their ' Flavor of the Month' concept establishing the brand as the champion for new and exciting concoctions and flavors. In 1970, Magnolia's status reached rater heights upon the completion of its newest facilities along Aurora Boulevard in Guenon City. The 5.2 hectare lot is home to the ice cream and dairy production line and the well-loved ice cream parlor. The ice cream parlor became a favorite hang-out for families, sweethearts, Barabbas and kids treating themselves to popsicles, drumsticks, pining crunch, ice cream sandwiches and icicles.

Undoubtedly, classics such as the Ernie and Bert, Black and White, Coho-Coho train, Banana Split Fudge, Coney Island, and Peach Melba remain to be

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favorite among generation after generation. Looking back, one cannot forget all those wonderfully sweet Magnolia Moments. There's nothing like sitting on a stool waiting for a scoop of your favorite flavor on a beautifully sunny day. So why not continue the tradition? Live out the Magnolia Heritage. '

Brief History As a business unit of San Miguel Corporation's Magnolia Ice Cream Division the Magnolia Company starts as Magnolia, Inc.

BMW in 1981. In 1987, New Zealand Dairy Board (NZ) and Magnolia, Inc. BMW decided to merge forming a new company known as Philippine Dairy Products Corporation (PDP) which sharing ratio of SCM-70% and NZ-30%. After buying the shares of Ann.'s in July 2002 the company became a 100% San Miguel Corporation's. The company became Magnolia Incorporated, a subsidiary of San Miguel Pure Foods Company. The 5-hectare Plant Facility of Magnolia Inc. Is located in Governor's Drive, Boo.

San Francisco, General Triads, Cavity produces some well-known products such as: butter, margarine and cheese into one of the top manufacturers of Dairy, fats and oils in the Philippines with its new product line jelly, jams, OUT milk, specialty oils, salad aids and cooking oil. Magnolia has plant accreditations and product certifications such s ISO 22000: 2005, WHACK, IGMP (by EGGS Philippines, Inc.) and HALL (by Islamic Idaho Council of the Philippines-DDCD). Magnolia Ice Cream ' Magnolia Ice Cream is a brand that immediately comes to a consumer's mind when it comes to ice cream.

It is the first to produce ice cream in commercial quantity. Magnolia was one of the pioneer brands of ice cream, having introduced the concept of " Flavor of the Month". They release unique flavors every month, giving the people

the feeling of excitement and curiosity as to what flavors will be released next. Magnolia also pioneered when it comes to incorporating local flavors to their ice cream such as be, Macaroon and Durian. Even if there was a 10-year absence, the name "Magnolia" still lingered on people's minds. People still believed that they have been buying Magnolia ice cream even during its absence on the market.

In 2004, the Magnolia brand proved its strong brand equity upon its return in the market with the favorite classic ice creams that Filipinos have grown up with in the '80s and '90s. It quickly regained market footing in bulk ice cream through innovations in product packaging and introducing value-for-money premium dairy products. Magnolia has introduced in the market the 21st century in-mould scratch-proof labeling typical of packaging materials in Europe and North America. Magnolia is widely recognized as the first ice cream plant to meet the quality system standards set by the International Standards Organization (ISO).

Nestle S. A. and San Miguel Corporation once had a partnership in 1996, resulting to Magnolia-Nestle (NC). Hand in hand, they both contributed significant parts to achieve success. Nestle shared its specialization in consumer food goods and other international brands while Magnolia lent their manufacturing infrastructure, distribution network, and Filipino consumer patronage. In 1998, San Miguel regained its ownership of the Magnolia brand. It withdrew from the Magnolia-Nestle partnership which led the Magnolia ice cream and milk businesses to close down and not complete with Nestle and their products.

After more than five years, San Miguel reestablished its ice cream and milk businesses through its subsidiary, Magnolia, Inc. Magnolia, Inc. Instated its main ice cream production facility in Santa Rosa, Laguna on May 19, 2010. Eventually after the reliance, the revises ice cream division was renamed into Nestle Ice Cream. Magnolia intends to have readily available products in nearby stores and major outlets nationwide. The company wants a feedback mechanism to monitor the market, and they want to design new approaches when it comes to selling their product.

Branding Despite the fact that Magnolia is well-known in the ice cream industry, after leaving the industry for a long time, the Magnolia Ice Cream find it hard to bring back their former glory. Some consumers, especially children and teenagers, are not familiar with their brand. Being inactive in the market rattle affected the status and name of their brand. Magnolia realized that success does not only depend on the brand so they worked hard starting from scratch to slowly regain their title. The company focused on the product quality and innovations, and by using advertisements and promotions to expose their name to the market.

Through the use of the brand's heritage, the Magnolia Ice Cream was able to able to capture the eyes of the youth today. San Miguel Corporation has been striving to make the Magnolia brand to become a misbrand. In order to achieve this, the company needs to expose the brand in order to be recognized. Once it becomes widely known, its popularity will eventually be felt abroad, specifically in the Asia-Pacific region. San Miguel advertises their products with an Asian touch along with a distinct local taste. Their recent

product line, Best of the Philippines, can be considered as their most effective product innovation.

It promotes the beauty of the Philippines through its flavors which contains special ingredients coming from the different parts of the country. When consumers go to groceries, they usually see Magnolia freezers dedicated to the Best of the Philippines product line only. III. Competitive Situation Some of the top players in the ice cream market are Milliner/RFM Corporation, San Miguel Corporation and Nestle Philippines Inc. The leading local brands of ice cream in the Philippines are Selects, Magnolia, and Nestle. Selects Selects originated as a restaurant.

However, customers often visit them for their ice cream instead of the meals they offer. Selects Refreshment Parlor was owned by Ramona Race and his wife. After the restaurant, Race started bespattering carbon's milk and distributing them using " Selects" as the brand name. Eventually, they ended up having their own ice cream recipe using this ingredient. Selects products began to be distributed to retailers around the country by 1970. Selects was actually on the lower end of the market during 1990 when ARM Corporation bought the brand. This made the company to improve its recipe and had it aggressively marketed.

After these measures, they immediately became a great threat to its competitors. Celesta's target market during this time are A, B and upper C markets. The company's success formula is " a winning combination of a high quality product, marketing innovation, modern production technology and a strong distribution network" In 1 999, ERM Company teamed up with

Unlived, the world's largest ice cream company (?? 5 billion annual turnover), to strengthen itself for competition. The joint-venture became a success and Selects eventually became the leading ice cream brand, defeating all its competitors.

In 1994, Selects had an agreement with Fun Characters Inc. In order to promote their ice cream products using Disney Characters. Selects had another agreement with Hershey Foods International in order to use Hershey's brand names for the ice cream products. Celesta's aggressive marketing strategy focuses on kids aged 5-14, targeting their need for belongingness. They use television as their medium of advertisement and family bonding as their advertising theme. Selects products are widely patronized because it is readily available in various shopping stores, supermarkets, sari-sari stores, convenience stores and mini groceries.

It also has its own scooping station in selected areas. Nestle Race Dairy

Chapter 21 SOOT Analysis Strengths 1. Management 2. Research and development 3. Manufacturing 4. Offerings 5. Finance Weaknesses

Advertisements 2. Limited Resources 3. Retail Value Share Market

Development 4. 5. Customer-Relationship Management Opportunities 1.

Economic 2. Technology Increase in demand 3. 4. Expansion 5. Innovation

The reads 1. Competition 2. Consumer 3. Legal/Regulatory 4. Market Share

5. Cost of Raw Materials Magnolia has done a great job in maintaining Magnolia ahead of its competitors.

They were able to establish as a market leader and made it hard for their competitors to compete with them. With its extensive geographical spread,

they were able to ship from various locations unlike some of its mediators who only ship from Manila. 2. Research and development In the industry that demands continual innovation and diversification, it made sure that they are ahead their competitors because of its comprehensive research to foresee market trends and become trend-setters as well. By offering various flavors and carrying out research to find out what consumers like, Magnolia has been able to become dominant in the market. . Manufacturing They themselves are the one who manufacture and distribute their own products. With the advantage of a dairy farm and a large geographical spread, hey dictate their supply to consumers and assure that all Of the requirements of its 3 product lines are met. 4. Offerings Because of constant innovation and research, Magnolia made sure that it constantly offers distinct products to customers. Their wide range of product and different flavors constantly mean that consumers get satisfied at the variety of options.

Magnolia has a strong market position and low manufacturing costs.

Magnolia has guaranteed that its finances are maintained well. And this can clearly be seen at how well Magnolia has been able to expand their offerings ND manufacturing plants within the Philippines. There is potential for more growth. Impulsive buying assures that consumers are willing to spend on Magnolia's ice cream and the different intention and occasions mean that ice cream is a product that can be bought for various reasons. 2. Technology. Technology nowadays has become a big part of society.

As times [asses by, Magnolia may want to add more technology into the manufacturing to reduce production and labor expense. 3. Increase in demand Consumers these days are more likely to eat ice cream because of <https://assignbuster.com/marketing-plan-assignment-essay-samples-11/>

the hot weather we are experiencing in the Philippines. Addition to that is consumers nowadays tend to be attracted or are fond of trying new things. That is what Magnolia is doing; producing wide range of choices and unique flavors to the consumers. Also, the relation to the increasing economy, people are now more capable of buying ice cream, which is considered as a luxury product to middle class people. . Expansion Magnolia is not only producing and selling quality and tasty desserts, but also a place where consumers can eat and relax while enjoying the product. On April of 2008, Magnolia reintroduced the ice cream parlor which consumers have then had lots of good memories and joy. 5. Innovation People crave for different flavors. They want something distinct and unusual. Magnolia started offering unique flavors incorporated with their products. This is a great way to keep up with the competition. Weakness 1 . Advertisement Magnolia has been in the farthest end when it comes to media advertisements.

Some of their TV ads incorporate all similar products in just one commercial. They don't focus on promoting just one product. People may not pay attention to their advertisements because they present too much information all at once. 2. Limited Resources Companies provide retailers their exclusive refrigerators. Usually when people enter convenience stores or markets, they only see either " Selects" or " Nestle". Consumers rarely see a freezer exclusive to Magnolia only 3. Retail Value Share Not all their products are performing well in terms of Value Share.

Some are at the top of its market, and some are not even recognized by people. 4. Magnolia presents only a few variety of promotion. This leads to a stagnant market share in some of their products. 5. Customer-Relationship <https://assignbuster.com/marketing-plan-assignment-essay-samples-11/>

Management While some competitors are actively making noise around the social media, Magnolia seems to be new to this type of communication.

Since social media is one of the most common channels of advertisement, they must adapt to the situation so they can effectively communicate with their customers. Recently, foreign companies have been entering the market.

Magnolia has to fight for its brand to stay at the top of the competition. With a limited number of local competitors, Magnolia has been a strong challenger to Selects, which is the number one ice cream brand in the Philippines. 2.

Consumer Since foreign companies have started entering the local ice cream market, consumer might be influenced to buy from them. This is because they have a more recognizable brand, thus imposing a threat to Magnolia in terms of market share. 3. Legal/Regulatory Given that there is a high barrier of entry for foreign companies, it is quite hard to infiltrate the industry.

However, the country is now encouraging foreign investors, Magnolia may face a major problem against foreign companies for market share. 4.

Industry/Market Share Magnolia has been one of the major domestic competitors in the country, avian a market share of 77%. Though they are a huge brand in the market, foreign companies entering the country may put Magnolia's dominance at risk. 5. Cost of Raw Materials Higher material costs and growing demand for food are some major threats of Magnolia. This may cause a price increase in their products. MARKETING PLAN Submitted to: Ms.

Marble Opus Chance Submitted by: BENIGN, Angelino CHON, Tummy GROUP

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Studded. Com. Retrieved 08/2014, from [http://www. W. Studded. Com/essays/Magnolia-LLC-Cream-1708012](http://www.W.Studded.Com/essays/Magnolia-LLC-Cream-1708012). HTML Magnolia Home Page. Retrieved 08/2014 from [http:// micromanagement. Com. PH/recommend. PH](http://micromanagement.Com.PH/recommend.PH) San Miguel Home Page. Retrieved 08/2014 from [http://move. Semiprofessionals. Com/page/our- business](http://move.Semiprofessionals.Com/page/our-business) (2014, 05). Selects. Retrieved 08/2014, from [http:// oversimplifications. Webby. Com/uploads/119/0/7/19074109/ ha_product_design_house_of_quality. UDF](http://oversimplifications.Webby.Com/uploads/119/0/7/19074109/ha_product_design_house_of_quality.UDF) (201 3, 12) Magnolia Report. Retrieved 08/2014, from [http://www. Scribed. Com/doc/194023186/Magnolia- Full-Report](http://www.Scribed.Com/doc/194023186/Magnolia-Full-Report) CHAPTER 3 : GOALS AND OBJECTIVES A goal tells where a business wants to go and is a broad statement of what the firm wants to achieve. Objectives on the other hand are more specific ND quantitative indicating sales volume (units or peso), market share, profit, etc. This part should include: - Statement of goals of the firm for the product/ brand - Short term objectives (for the next fiscal year) - Medium term objectives (for the next 2-3 years) - Long term objectives (for the next 4-5 years).

CHAPTER 4 : MARKETING MIX STRATEGIES AND PROGRAMS I. Target Market

This part appears if there is a need for the firm to change or expand its current target market. This includes: - Size of the new market - Demographic characteristics Consumers located in urban areas tend to be less health conscious than those in the provinces. It is crucial for them to observe a healthy diet even if they tend to be on the go. Usually, people situated in cities are more likely to purchase ice cream on a daily/weekly basis.

Having the Freshly Organic line would provide a lot of health benefits for avid ice cream consumers. Herbal smoothies and juices are popular in the city so this will be a great innovation for the ice cream industry. - Cryptographic characteristics Unlike typical ice cream lines, the proposed Freshly Organic line targets consumers with a healthy lifestyle. People who would prefer these products re those health-conscious and those who value nutrition. Patrons on a strict diet can now enjoy ice cream even after their " cheat day".

Buyers with certain health situations can now appreciate eating ice cream without worrying about their current condition. Children who usually hate vegetables can now delight in this delicious treat. I. Product Development/ Innovation Program - Unique Selling Proposition The product line concentrates on being healthily delicious. There are a lot of products that does not promote health but are widely patronized by consumers. It is important to create balance within a product. Freshly Organic" Ice Cream offers three delicious yet healthy flavors that can be enjoyed by everyone.

A. Product Positioning Freshly Organic Ice Cream product line positioned itself as innovative ice cream flavors that are rich in fiber, vitamins, minerals, and anti-oxidants. Ice cream should be enjoyed by everyone, regardless of their condition. With this new product innovation, each person is given the chance to indulge in a guilt- free great tasting treat. Malagasy Organic Ice Cream Marring leafier leaves contain Vitamin A, B, C, Calcium, Iron, Protein, and Potassium. This vegetable is essential to combat against malnutrition.

It strengthens the immune system, improves skin conditions, regulates blood pressure, and relieves headache. Pulverize Malagasy leaves have no proven side effects therefore it is safe to incorporate in any recipe. Bitter Gourd Organic Ice Cream Memoranda character contains egg calories per egg serving. It contains Polypeptide-P and charting which are responsible for the reduction blood sugar levels, especially for type-2 diabetes patients. Bitter Gourd is a great source of Vitamin C, which is a natural antioxidant that eliminates harmful ere radicals in the body.