Business Standard

Amul's Epic ice-cream to debut in Mumbai

Amul's stick ice-cream will be available in most stores in the city; Mother Dairy will be more selective in its approach

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After an eventful entry into Delhi last month, Gujarat Co-operative Milk Marketing Federation (GCMMF), the owners of Amul, one of the country's best-loved food brands, will launch its premium stick ice-cream, Epic, in the city this week.

The Mumbai leg will be Epic's second city-specific launch, after it created a stir in Delhi last month by launching the product a day ahead of Magnum, rival Hindustan Unilever's stick ice-cream, which was slated for rollout on February 18 in the capital.

R S Sodhi, managing director of GCMMF, confirmed the Mumbai launch and said the product would be taken to Bengaluru, Kolkata and Chennai after that.

Meanwhile, rival Mother Dairy, which quietly rolled out its high-end stick ice-cream, called Belgiyum, in Delhi around the same time that Epic and Magnum were launched in the capital, will take it to five more metros, says Subhashis Basu, head of dairy products. "The metros include Mumbai, Bengaluru, Chennai, Kolkata and Hyderabad and it will happen in the next one month," he says.

Mini-metros such as Pune and Ahmedabad are also on Mother Dairy's radar but a launch there is expected a little later, he says.

Both Epic and Belgiyum compete head-on with Magnum, and are made of Belgian chocolate like the latter. However, Epic has been priced at less than half of Magnum at Rs 35-40 a stick. Belgiyum is available for Rs 80 a stick and Magnum for Rs 90 a stick.

Sodhi says GCMMF will also continue with its Creme Rich brand of Belgian ice-creams in cups and tubs, launched last summer. "While Creme Rich did help us make inroads into the premium ice-cream market, we needed something strong to compete with the likes of Magnum, which is why Epic. Our price points are competitive because we are not importing Epic (HUL imports Magnum into India). This allows us to keep our costs low," he says.

The move to fortify its premium ice-cream portfolio comes as <u>Amul</u> is looking to trade up as consumer preferences change. It has 40-41 per cent share of the Rs 2,000-crore organised ice-cream market and has achieved this largely on the back of mass-market products, typically priced at a discount to rivals. Amul has always defended this pricing strategy, saying its co-operative model allows it to economically source raw materials, especially milk, , permitting it to pass on these savings to consumers. The strategy has been no different in other dairy

categories such as fresh and flavoured yoghurts, milk-based beverages where it operates.

The premium ice-cream market, in particular, has been expanding on the back of growing disposable incomes and consumers' desire to try out better products, says Basu of Mother Dairy.

Pegged at Rs 250-300 crore within the overall ice-cream market, the premium segment has in the past few years seen the entry of international brands such as Häagen Dazs, CocoBerry and London Dairy.

While Epic will be available in most stores in Mumbai, Belgiyum will be retailed at select outlets to ensure its premium profile and imagery stays, Basu says. GCMMF is expected to begin marketing activities around Epic in the next few weeks to increase hype as summer sets in. Magnum and Belgiyum could also get its share of voice in the summer, experts tracking the market say.