

Amul readies premium ice cream to take on HUL's Magnum

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Dairy major [Amul](#) will launch a premium [ice cream](#) next month in a bid to take on rival Hindustan Unilever (HUL), India's largest fast-moving consumer goods (FMCG) company and a key player in the Rs 3,000-crore organised ice-cream market. [HUL](#) had begun the national rollout of its premium ice cream brand Magnum in February after test-marketing it in Chennai for almost a year.

Amul's premium ice cream called Creme Rich will see a pan-India launch and will be priced competitively, says R S Sodhi, managing director of Gujarat Co-operative Milk Marketing Federation. The Federation is the owner of Amul, one of India's best-loved [FMCG](#) brands. According to persons in the know, Amul is expected to price Creme Rich at Rs 40-45 a unit. A Magnum stick, on the other hand, comes for Rs 85 in markets such as Mumbai, Pune, Bangalore and Hyderabad (besides Chennai), where it is currently available.

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Amul will launch three or four fruit and nut flavours of Creme Rich, Sodhi said in a telephonic conversation. The Creme Rich launch will soon be followed with the rollout of a new range of premium yoghurt, he added.

The move to launch two new premium products back-to-back is significant since it marks the first attempt by Amul to trade up its portfolio. While the brand has 40-45 per cent of the organised ice-cream market, it 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 source raw materials, especially milk, economically, allowing it to pass the saving to consumers. The strategy has been no different in other dairy categories as well where Amul 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. Pegged at Rs 500 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 and London Dairy.