

Study of Cadbury Company with Respect to its Marketing Strategy

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Abstract: *The biggest candy company in the world is Cadbury Schweppes. In 180 countries, they produce, sell, and distribute branded beverages, confections, and chocolates that make people smile. They have been in business for more than 200 years, and today consumers all around the world enjoy their products, which include names like Cadbury, Schweppes, Halls, Trident, Dr. Pepper, Snapple, Trebor, Dentyne, Babelicious, and Bassett. Over 70,000 individuals work at Cadbury Schweppes worldwide. The confectionery division of Cadbury Schweppes plc, which is the market leader in the UK for chocolate, is called Cadbury. Compared to Europe and the US, Cadbury's Asia-Pacific revenues are less significant. Only 18% of the group's 2006 revenue of \$7427 million came from sales in Asia Pacific.*

Keywords: Cadbury.

I. INTRODUCTION

Since 2010, Mondelez International (formerly Kraft Foods) has controlled 100% of Cadbury, a British global candy firm that was previously known as Cadbury's. After Wrigley's, it is the second-largest confectionery brand in the world. In Uxbridge, West London, Cadbury maintains its global headquarters and conducts business in more than 50 nations. It is renowned for its Dairy Milk chocolate, the Creme Egg and Roses assortment box, as well as numerous other candies. One of the most well-known British trademarks, Cadbury was rated one of Britain's top exports in 2013 by The Daily Telegraph. In 1824, John Cadbury founded Cadbury in Birmingham, England, where he marketed tea, coffee, and drinking chocolate. With the help of his brother Benjamin and his sons Richard and George, Cadbury built the company. George built the Bournville estate, a planned community.

With a commanding position in the Indian chocolate confectionery industry, Cadbury is a highly niche company in contrast to its peer group, which consists primarily of full food firms. Because of this, it stands out from and outperforms its competitors. FMCG businesses are the first ones to be impacted by the current economic slump. The company's top-line growth has been directly impacted by the decline in consumer real income. Even so, Cadbury has managed to increase its bottom line. The organization's use of corporate governance is what makes it successful. In this report, we provide an update on its development, progress, and present value.

INTERESTING FACTS OF CADBURY:

- The first manufacturer to use images rather than printed words on chocolate boxes was Cadbury.
- George Cadbury established a corporate policy requiring women to leave their jobs when they were married because he didn't want to take mothers away from their kids. A bible and a carnation were given as wedding presents to each newlywed woman.
- One of the first businesses to establish dining areas with kitchens and food for sale was Cadbury in 1886.
- In 1934, specially created cocoa tins included a miniature metal animal (elephant, penguin, owl, fox, duck, squirrel, rabbit, or turtle). The same year, lamps, kettles, and saucepans could be purchased with Cadbury's tokens that were included with cocoa packs.
- So many young people.

II. PRODUCTS OF CADBURY WHEN THEY LAUNCHED IN MARKET

- 1875 Cadbury Easter Eggs
- 1865 Cadbury Cocoa Essence
- Cadbury Milk Chocolate from 1897

- Cadbury Dairy Milk from 1905
- Cadbury Bournville Chocolate from 1908
- 1915 Milk Tray from Cadbury
- Cadbury Flake from 1920
- Cadbury Crème Eggs from 1923
- Cadbury Crunchie from 1929
- Cadbury Roses from 1938
- Cadbury Fudge from 1948
- Cadbury Picnic of 1968
- Cadbury Buttons from 1960
- Cadbury in 1970 Wully Curly
- Cadbury Wispa, 1983
- Cadbury Boost from 1985
- Cadbury Twirl from 1987
- Cadbury Timeout in 1992
- Cadbury Fuse from 1996
- Cadbury Bar, Dream, and Snowfall from 2001
- Cadbury Schweppes from 2007

CHALLENGES OF CADBURY

Cadbury challenges commuters with 'Eyebrow Language'. Cadbury is capitalizing on the success of its global "Eyebrows" campaign with a Canadian print and OOH campaign called "Eyebrow Language."

Targeting the younger end of the adult demographic, the campaign's creative is based on the "Eyebrows" TV spot, in which two kids with crazy eyebrows pose for a photo. The "Eyebrow Language" creative, made exclusively for the Canadian market, features 'brows in different shapes that readers can translate into letters and words. Depending on the medium, the message either offers the reader a chance to win a prize or, in the print ads, to participate in a stunt executed at a specific time and location. On Monday, the decoded newspaper ad invited readers, hundreds of whom showed up, to a sidewalk at College Park in Toronto, where they were to twirl, clap and yell "chocolate" to win a prize. The media buy, handled by Cossette with creative by The Hive, are focused on Toronto and Vancouver, and include daily commuter newspapers, a billboard at Yonge-Dundas Square in Toronto, transit ads in both cities and an online banner buy. Launched last week, the commuter-paper ads are running three days a week for four weeks, changing each time, as are the OOH ads.

MARKETING STRATEGIES OF CADBURY

To increase sales Cadburys needs to undertake range of marketing activities before deciding upon the best way to encourage the purchase of its product. When identifying the basic principles which Cadburys must apply to its marketing will be its basic objectives because all business must have objectives it allows them to increase sales and make profit. Corporate aims are the long-term intentions of a business, whereas corporate objectives are the specific targets required to achieve the aims. The common aim and objectives of the corporation such as Cadbury includes the following:

- Profit maximization- which is often taken to be the reason why firms.
- Exists and to be the primary objectives in practices most firms have hierarchy of objectives when a firm's survival is threaten it may Profit maximized in order to restore its financial health.
- Growth- which includes Cadbury selling new products or expanding Overseas.
- Diversification- which is the spreading of business risks by reducing dependence on one product.
- Sales maximization- which is the increasing of sales.

When launching a product, the company Cadbury's had to make sure that any new product in the snaking sector must establish points of difference, creating a unique selling proposition (USP) i.e., a product with unique appeal which is

not shared by any of its competitors. Referring to the example of Fuse, Cadbury lost a lot of money testing out the combination of various ingredients and more than 250 were combined before the recipe of the chocolate was finalized. As the products are developed, Cadbury tests them to ensure that consumers are willing to buy them. Cadbury then promotes its products in various ways such as the use of above the line promotion, which is where a product is advertised through consumer media such as television, magazines, newspapers, and radio.

SWOT ANALYSIS OF CADBURY:

Strengths: -

- The company has a largest global confectionary supplier.
- The company has good market reputation.
- The target market is also quite large & is also well known to people.
- Consumers have a positive perception.
- Dairy Milk is the most consumed chocolate in India.
- It has a very good R & D department.
- Well established market with vast variety of products.
- Huge market share of 70%.
- High financial strength, strong manufacturing.

Weakness: -

- Strong branding demands substantial financial investment.
- Chocolate is not regarded healthy.
- Sales tend to be seasonal.
- Products are a bit highly priced.
- It has lack of penetration in rural market.
- Large population suffers from diabetes, cholesterol, disorders etc.
- Dental problem with chocolate consumption.
- It's other competitors loose better international experiences.

Opportunities: -

- Increase share through targeted acquisition.
- Increases acceptance of globalization in sector.
- Innovative in captured market.
- Cadbury's are under a massive American company called kraft, this may give Cadbury's more audience.
- Occasion celebrations & festivals in India.
- Increases in the recent chocolate market (almost at 30%).
- Besides low-calorie products they also provide sugar free candies.

Threats: -

- No brand loyalty in chocolate market.
- Competition (Amul & Nestle).
- Preferences & availability of other substitutes (sweets & deserts).
- New brands are entering.
- Existing brands are introducing new variants
- Entry of international brands.
- Obsession with calories.
- Negative publicity & controversies.

5 P'S OF CADBURY:

1 – PRODUCT

The average company will compete for customer by conforming to his expectation consistently. But the winner will surpass them by constantly exceeding his expectation ,delivering to his door step additional benefits which he would never have imagined. Cadbury’s offer such product. The wide variety products offered by the company include:

I. Chocolate & Confectionary

- Dairy Milk
- Fruit & Nut
- 5 Star
- Break
- Perk
- Gems
- Éclairs
- Nutties
- Temptation
- Milk Treat

II. Beverages

III. Food Drinks

- Bourn vita
- Drinking chocolate
- Coco

2 – Pricing

Make no mistake. Second P of marketing is not another name for blindly lowering prices and relying on this strategy alone to increase sales dramatically. The strategy used by Cadbury’s is for matching the value that customer pays to buy the product with the expectation they have about what the production is worth to them.

Cadbury’s has launched various products which cater to all customer segments. So every customer segment has different price expectation from the product. Therefore maximizing the returns involves identifying right price level for each segment, and then progressively moving through them.

Chocolates	Prices(in Rs.)
Dairy Milk	15
Perk	10
5 star	10
Fruit & Nut	22
Gems	10
Break	5
Nutties	18
Bournvita(500 gm)	104
Drinking Chocolate	50

3 - Physical Distribution – “Place”

Distribution Equity: It takes much more time and effort to build, but once built, distribution equity is hard to erode. The fundamental axiom of Indian consumer market is this: You can set up a state-of-the-art manufacturing facility, hire the hottest strategies on the block, swamp prime television with best Ads, but the end of it all, you should know how to sell your products. The cardinal task before the Indian market in managing is to shoe-horn its product on retail shelves. Buyers are paying for distribution equity not brand equity and market shares. Looking at the low penetration of the chocolate, a distribution expansion would itself being incremental volume. The other reason is arch rival Nestle reaches more than a million retailers.

This increase in distribution is going to be accompanied by reduction in channel costs. Cadbury’s marketing costs, at 18% of total costs, is much higher than Nestlé’s 12% or even pure sugar confectionery major Parry’s 11%. The company is looking to reduce this parity level. At Cadbury, they believe that selling confectionery is it like selling soft drinks.

4 – Promotion

Effective advertising is rarely hectoring or loudly explicit.... It often both attracts and generates arm feelings. Often, a successful campaign has a stronger element of the unexpected a quality that good advertising shares with much worthwhile literature. To penetrate the inner recesses of customer memory, communication must first ensure exposure, grab his attention evoke his comprehension, grab his acceptance, and then extract retention competing with thousands of other units of communication trying to do the same.

The next round of activity will include the wafer-chocolate Perk and the Picnic bar, which has faced problems with its taste, because of the peanut it contains. Milk treat has also been launched in a module bar form, just in time of Diwali gifting market. Éclairs has got potential for much wide distribution, in a small sweets that airlines, hostels, and up market retail outlet offer to guest and customers.

5 – Positioning

In the 1970s consumers were ready to pay “more for more”, and luxury goods flourished. In the 1980s, consumers began to demand “more for same”, and the discounting era grew strong. Today’s consumer demanding “more for less”, and the winner will be that super value marketers.... Some of today’s most successful companies recognize those customers are more educated and able to recognize true customer value.

Positioning is simply concentrating on an idea – or – even a word defines that company in the mind of the consumer. It is more efficient to market one successful concept to one large group of people than 50 product or service ideas to 50 separate group... repositioning is a must when customer attitude have changed and product have strayed away from the consumer’s long standing perception of them... Cadbury’s is an anchor in sea of confectionary products. As a variety of competitive claims assails her senses, today customer uses complicated decision making process to assess the alternative before making a purchase. Since Cadbury’s is more clearly associated with a particular set of attributes in terms of benefits and prices, the quicker becomes her search process.

SEGMENTATION, TARGETING AND POSITIONING:

Segmentation, targeting, and positioning together comprise a three stage process.

- We first determine which kinds of customers exist, then
- select which ones we are best off trying to serve and, finally,
- implement our segmentation by optimizing our products/services

Segmentation: -

It involves finding out what kinds of consumers with different needs exist. In the auto market, for example, some consumers demand speed and performance, while others are much more concerned about roominess and safety. In general, it holds true that “You can’t be all things to all people,” and experience has demonstrated that firms that specialize in meeting the needs of one group of consumers over another tend to be more profitable.

For example, Southwest Airlines focuses on price sensitive consumers who will forego meals and assigned seating for low prices. In contrast, most airlines follow the differentiated strategy: They offer high priced tickets to those who are inflexible in that they cannot tell in advance when they need to fly and find it impractical to stay over a Saturday. These travelers—usually business travelers—pay high fares but can only fill the planes up partially.

Targeting: -

In the next step, we decide to **target** one or more segments. Our choice should generally depend on several factors. First, how well are existing segments served by *other* manufacturers? It will be more difficult to appeal to a segment that is already well served than to one whose needs are not currently being served well.

Secondly, how large is the segment, and how can we expect it to grow? (Note that a downside to a large, rapidly growing segment is that it tends to attract competition). Thirdly, do we have strengths as a company that will help us appeal particularly to one group of consumers? Firms may already have an established reputation. While McDonald's has a great reputation for fast, consistent quality, family friendly food, it would be difficult to convince consumers that McDonald's now offers gourmet food. Thus, McD's would probably be better off targeting families in search of consistent quality food in nice, clean restaurants.

Positioning:-

The term "positioning" is widely used within the marketing and advertising communities today, and its meaning has expanded beyond the narrow definitions of Trout and Ries. Positioning is often used nowadays as a broad synonym for marketing strategy. However, the terms "positioning" and "marketing strategy" should not be used interchangeably. Rather, positioning should be thought of as an element of strategy, a component of strategy, not as the strategy itself. The term "positioning" is, and should be, intimately connected to the concept of "target market." That is, a brand's positioning defines the target audience. For example, an airline might position itself against other airlines, which defines the target audience as airline travelers. Or, it might position itself against all modes of transportation between two destinations, which then defines the target audience as all travelers between those two markets. The second positioning reaches out to a much larger target audience.

III. SEGMENTATION OF CADBURY [BRAND AMBASSADOR]:

Right now Cadbury's new advertisement campaign is doing the rounds over the television. "Meetha hai khana, aaj pehli tareek hai" is the tagline that the chocolate-giant has come out with. It tries to bring forth the excitement, which lies in the minds of the general public as they wait for the first date of each month on the calendar. The monthly salary stashed in their hands enables them to celebrate and rejoice by spending it on Cadbury's Dairy Milk. Cadbury's Dairy Milk has come out with such memorable ad-campaigns, which settled into the hearts of everyone. The story starts with "Once upon a time in 1948..." when Cadbury entered the Indian market. It originated from a town in the United Kingdom, Bournville (also the name of its recently launched high-end chocolate) in 1905. As the Cadbury's official web site suggests, its journey in India has been an eventful one. In the early 1990s, it tried to cater to the sweet tooth of the children. Those days they steered the market and took control over the company's major market share. However, the strategy changed by letting out the secret that "everyone has a child inside" and thus everyone craves for the taste of chocolate. Cadbury strategies went through a considerable change. It now catered from children to adults and from chocolate to mithai. As the tagline goes "Khane walon ko kahne ka bahana chahiye".

Targeting of Cadbury:

Cadbury is looking to attract millions of new customers by shifting its strategy to focus on low-income consumers. The British candy maker, which has been in India for more than 60 years and dominates the chocolate market, is making candy affordable to this massive untapped segment with products such as Cadbury Dairy Milk Shots--pea-sized chocolates, sold two to a package, for two rupees, or about four U.S. cents. These chocolates are encased in a sugar shell to protect them from the heat.

Positioning of Cadbury:

Cadbury India has unveiled a new campaign that continues with the brand's 'Kucch Meetha Ho Jaye' positioning. Created by Ogilvy & Mather, the campaign revolves around the theme of 'Pay Day', which is associated with happiness by most people. Brand positioning is the aspect of the brand actively communicated to the target audience, specifically, its competitive advantage, values and imagery. It is strongly related to the perception and image of the product. When devising a positioning strategy for a product, marketers must establish a unique and distinctive image of that product in the mind of the consumer. This will differentiate a company's product from its competitors.

OBJECTIVES

- Maintain dominance in chocolate, confectionery, and market leadership in brown drinks
- New channels such as gifting, child connectivity and value for money offering to be the key growth drives.
- Grow volume of sales at least 20% p.a. over the next years.
- Achieve the goal of best manufacturing location in Cadbury Schweppes world for Dairy Milk and Éclairs.
- One new major product launches every year.

IV. RESEARCH AND METHODOLOGY

PRIMARY DATA :

Primary research is any type of research that we go out and collect ourselves. Examples include surveys, interviews and observations. In other words information that has been collected at first hand is called primary research. Primary Data is Original data, this means that it has been collected by you, someone who has volunteered to assist you in your research, or by someone who is within your employ to gather this research, this does not include comparing results with your peers to help evaluate the accuracy of your own results, as this type of data has not been gathered by you, or have you had any part in the gathering of this information.

SECONDARY DATA :

Refers to the data which an investigator does not collect himself for his purpose rather he obtains them from some other source, agency or office. In other words, this data has already been collected by some other source and an investigator makes use of it for his purpose. Secondary data is different from primary data based on the sources of their collection. The difference between the two is relative - data which is primary at one place become secondary at another place

DATA ANALYSIS:

Do you like to eat Cadbury chocolates?

Yes No

From the above analysis of the given sample of 100 respondents it is concluded that out of 100 people 95 people likes to eat Cadbury chocolate while only 5 people don't prefer to eat chocolates.

Which of following Cadbury chocolates do you prefer?

- Plain chocolate
- White nuts
- With fruit raisins
- With fruit and nuts
- With caramel

According to the analysis it is concluded that most of the people like to eat fruits & nuts as compared to other segment of dairy milk chocolates.

Do you think standard price of Dairy milk is fair?

Yes No

According to the above analysis most of the people think that the standard price of Cadbury is fair.

If there was a discount on Cadbury Dairy milk, you think you would be more likely to buy it?

Yes No May be

According to the above analysis it is concluded that out of 100 people who eat Cadbury chocolate 72 are attracted to buy chocolate on discount and other 28 were attracted by some other reasons.

When you think of Cadbury which chocolate comes to your mind?

- Dairy milk
- Five star
- Perk
- Silk
- Any other

According to the analysis it is concluded that most of the people like to eat new Cadbury Dairy Milk Silk.

Have you ever tasted the new Cadbury silk?

- Yes No

According to the analysis it is concluded that most of the people have tasted the new Cadbury Silk.

Do you think Cadbury Dairy milk silk is consumed by only children?

- Yes No May be

According to the analysis most of the people don't think that the Cadbury Dairy Milk Silk is just consumed by the children.

Which variants you like most of Cadbury Dairy milk silk?

- Milk Chocolate
- Roast almond
- Fruit and nut

According to the above analysis it is concluded that most of the people like the Roast Almond variant of Cadbury Dairy Milk Silk.

According to you, which is the most preferred brand after Cadbury?

- Amul Nestle None of them.

According to the above analysis it is concluded that most of the people feel Amul is the preferred brand after Cadbury.

What do you think about the design and packing of Cadbury products? Is it ,

- Good Bad Excellent

According to the analysis most of the people think that the desing & packing of the Cadbury products is Good.

How many Cadbury products do you purchase in a month?

- Less than 5
- 5-10
- More than 10

According to the above analysis it is concluded that most of the people purchase less than 5 Cadbury products in a month.

What do you like the most about the Cadbury brand products?

- Taste Quantity Quality

According to the above analysis most of the people like the Quality of the Cadbury Brand products.

Will you switch off buying Cadbury brand products when you will find some other brand better than that?

- Yes No Never

According to the analysis it is concluded that most of the people are not going to switch off buying Cadbury products when they will find better product to it.

V. CONCLUSION

Over the last year, the Cadbury Chocolates brand has moved from being perceived as a Chocolates for “younger person” to choice their Chocolates for fun, enjoyment and love as well as for the “Elder person” also professionals. This has been made possible not just by new packaging but by a complete positioning strategy which changed the image of the brand and the perception of who can and should enjoy it. In this project it possible to see the success of Cadbury’s in it’s indorse its strong potential to continue to do well