

## **A STUDY OF MARKETING STRATEGIES ADOPTED BY CADBURY INDIA**

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### **ABSTRACT**

The journey of Cadbury Dairy Milk started was back in the year 1905 from Bourneville, UK but it came into the Indian market in 1948. From the time it was introduced in India, Dairy Milk has been the market leader in the confectionary segment commanding a 30% market share and average daily sales of 1 million bars. The reason why our team chose Cadbury Dairy Milk for product research is that it provides enough scope to learn about various aspects of branding such as communication strategies, creativity and campaigns, establishing emotional connections with consumers, product reorganization, branding etc.

We will be studying the Cadbury Dairy Milk by concentrating on the following aspects:

- Dairy Milk has been trying to maintain a strong relationship with milk, with slogans such as "a glass and half of whole cream milk for every half pound" and advertisements that include a glass of milk pouring and creating a bar.
- Its use of innovative and exciting ad campaigns to make chocolate foods a trend among consumers and especially older ones.

### **INTRODUCTION**

Confectionary now accounts for 24% of all media spend more than any other food category. The four major confectionary categories are- chocolate confectionary, sugar confectionary, gum and cereal bars. The Indian confectionary market reached value of around Rs. 172 billion in 2019. The Indian chocolate market is owned by two companies - Cadbury entered the country 60 years ago and has a market share of almost 60% and Nestle with 32%.

### **CADBURY**

Cadbury is a British multinational company owned by Mondelez International. It is the second largest confectionary brand after Wrigley's. Cadbury is headquartered in Uxbridge in Greater London and operates in more than 50 countries worldwide.

Cadbury was founded in Birmingham, England in 1824 by John Cadbury who sold tea, coffee and drinking chocolate. Cadbury develops his business with his brother Benjamin, followed by his sons Richard and George. Dairy Milk chocolate established in 1905, used a large portion of milk. In 1914, chocolate was the best selling product in the company. Cadbury merged with JS Fry & Sons in 1919 and Schweppes in 1969.

## **CADBURY IN INDIA**

Cadbury in India began its operation in 1948 by importing chocolates. It has now manufacturing facilities in Thane, Pune, Gwalior, Hyderabad, Bangalore, Himachal Pradesh and sales office in New Delhi, Mumbai, Kolkata and Chennai. The corporate head office is in Mumbai. The head office is currently located at Pedder Road, Mumbai under the name “Cadbury House.” Cadbury has worked with the Kerala Agricultural University to undertake cocoa research.

Cadbury was imported in India on 19 July 1948. Currently, Cadbury India operates in five categories- Chocolate, Confectionary, Beverages, Gum and Candy. Some of the key brands are Cadbury Dairy Milk, Bourn vita, 5 Star, Perk, Bourneville, Celebrations, Gems, Halls, Éclairs, Tang etc. Its products include Cadbury dairy milk, Dairy milk silk, Temptations, Gums, Candy, Oreo, Dairy milk fruit and nuts etc.

It is the market leader in the chocolate confectionary business with a market share of over 70%. Cadbury India on April 21, 2014 changed its name to Mondelez India Foods Limited.



## **MARKETING STRATEGY**

Cadbury India Limited is always on the lookout of attractive and growing markets. They will be using market penetration as the growth stage where the business focuses on selling existing products into existing markets. It seeks to maintain or increase the market share of current products, restructure a mature market by driving out competitors and increase usage by existing customers.

The mithai market by some estimates is almost Rs.18000-20000 crore large in size and a large part of this market is unorganized. We would like to target that segment. Chocolates have become a premium gifting option.



## REVIEW OF LITERATURE

### ❖ Irene Rosenfeld, chairman and CEO, Mondelez International

Mondelez International is the World largest startup. Mondelez is at the same time both a 20 month old baby and a \$ 36 billion snack giant. And, as it seeks to create a new culture, it has both the assets and burdens of a 100 year old legacy. Within 24 months, we moved from Cadbury to Kraft to Mondelez. So, moving from each would lead to a different focus. There will be new ideas and a different perspective and a blend of the old and new...a mindset change has to happen.

### ❖ Mr.S.Gopalakrishnan, MBA, MFT, MSc, MPhil, PhD, Department of management studies

Here we have the old classic, the second of the three bars in the bliss range: hazelnut. The slight difference here is that there are no actual hazelnuts in here, rather a roasted hazelnut paste mixed in with the chocolate truffle. Surprisingly Cadbury used a gray theme for this particular edition, and it looks great. Being a big fan of Japanese confectionary I like the cardboard boxes and elaborating over packaging they tend to use, and it's nice to see Cadbury using boxes for these rather than plain foil wrappers. Inside the box there is a foil wrapper. I had the pleasure of eating a hazelnut bar that didn't leave small pieces in my mouth.

### ❖ John Bradley, Author of book: Cadbury's Purple Reign

The remarkable journey from a ship in Birmingham to becoming the World's largest confectionary company has been achieved through a unique combination of business purpose and human values. The

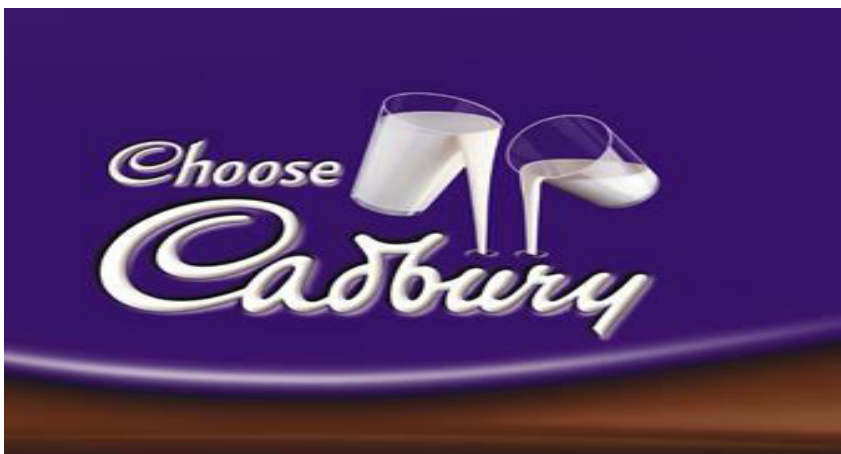
name of Cadbury has been associated with chocolate and cocoa since the early 1830s, during which only mass markets emerged. Cadbury became the industry leader of the UK and the emergence of a consuming class.

❖ **Lauro Alfaro, Faculty, Harvard Business School**

The explosion of chocolates in recent decades is rapidly transforming the global landscape of confectionary production. A continuous indicator of product, marketing and distribution of models, using a specialized worldwide distribution network that provides detailed location, ownership and operation information for factories around the world and determinants underlying the global economic geography of the firm.

## OBJECTIVES

- ✚ To examine the marketing strategies of Cadbury India (Corporate objectives and advertising objectives)
- ✚ To conduct a SWOT Analysis of Cadbury India.
- ✚ To compare the strategies of Cadbury India with its competitor Nestle.
- ✚ To understand the essence of 4P's of marketing with respect to the marketing efforts of Cadbury India.



## CORPORATE OBJECTIVES

- ❖ Broadening consumer appeal and extending reach to newer markets.
- ❖ Sustained growth of market share through aggressive product development.
- ❖ Focusing on cost competitiveness, productivity and innovative utilization of assets.
- ❖ Energizing and developing its people.

In India, Cadbury India has defined its version as:

**“Life full of Cadbury, Cadbury full of life”**



## COMMUNICATION OBJECTIVES



## COMMUNICATION OBJECTIVE

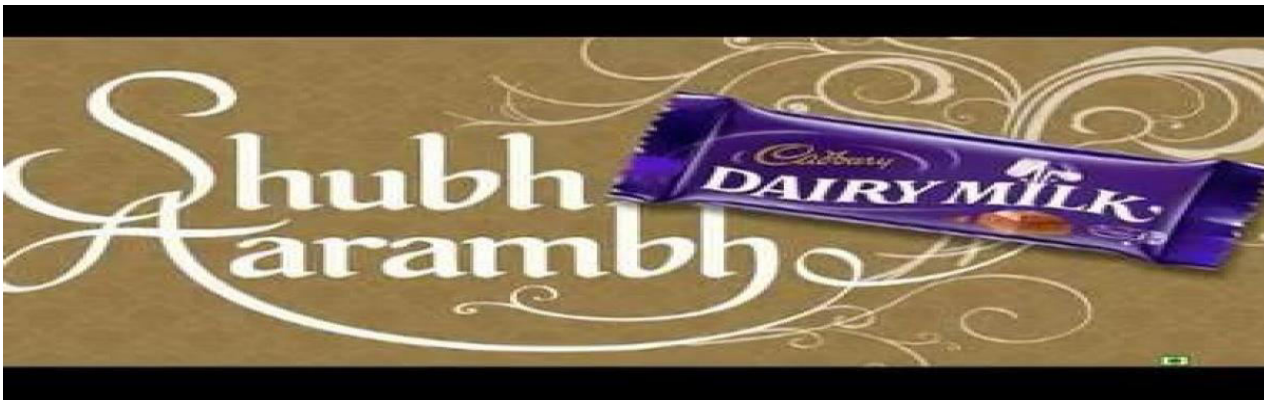
It projected chocolates as a substitute to sweets and cheered people to have chocolates on every joyous occasion.

## WHAT WAS COMMUNICATED

The ad showed that chocolate can be shown as being enjoyed during Diwali and other celebratory occasions.

## WHY THEY COMMUNICATED

The idea was mainly to develop preferences among people for chocolates to sweets and increase the demand for chocolate in festive and joyous occasion.



## COMMUNICATION OBJECTIVE

The ad was aimed at indicating a shift from notion of celebrating happy occasions with chocolate to the happy occasions with chocolate to the concept of something good after consuming the chocolate, a substitute for sweets.

## WHAT WAS COMMUNICATED

The announcement began if Cadbury had a friendship and developed a bond with it.

## WHY THEY COMMUNICATED

This statement is intended for the core group, i.e. users aged 15-35 years. The announcement was set up to remind customers of Cadbury's purpose.

## SWOT ANALYSIS

### STRENGTHS

- 1. World Leader-** Cadbury's is the world leader in chocolates. Cadbury have a presence in 160 or more countries.
- 2. Powerhouse brands and Products-** Cadbury has many strong brand in its product portfolio such as dairy milk, bourn vita, Oreo, 5 star etc. the product are high quality products.
- 3. Brand name, Brand loyalty and Brand equity-** Cadbury products are blessed with a fantastic brand loyalty. Due to its marketing and strong branding over the past years, Cadbury has high brand equity and it is easy to charge premium for its product due to Cadbury's high brand equity.
- 4. Promotions-** With an amazing tag line of 'Kuch metha ho jaye', Cadbury has done one of the strongest promotion in the fmcg industry.
- 5. Indian Connect-** For Indians, family, friends and love are all important parts of their life. And Cadbury has always focused on emotional marketing to connect with the audience.

### WEAKNESSES

Brands like Cadbury are expected to have many strengths and weaknesses. A few cases here and there have happened based on the quality of the product where cockroaches were found in the chocolate. It is unforgivable for a brand such as Cadbury to show such ignorance, because such an infected chocolate should not give up on quality control. Therefore, there is a need to strengthen quality control.

### OPPORTUNITIES

- 1. Rural Markets-** Penetrating rural markets and distribution in rural markets can be a large opportunity for Cadbury. It is present in foreign countries and a rural presence is much needed for a Cadbury which will boost the brands presence and turnover.
- 2. New Tastes-** Indian consumers have a sweet tooth and they frequently to eat small chocolates as well as chocolate bars. Therefore, the possibility of producing new flavors Cadbury regularly.

## THREATS

**1. Cost and Price Increase-** In addition to fuel costs, transportation costs also increase delivery costs. At the same time, the cost of procurement and manufacturing is high as well.

**2. Health Consciousness on the rise-** Health consciousness is on the rise amongst the Indian population. Instead of eating chocolate, most people prefer to eat fruits along with health juices. At the same time, many parents have stopped giving chocolate to their children because of adverse effects.



## COMPARATIVE STRATEGIES ANALYSIS

STRATEGIES	CADBURY INDIA	NESTLE
Branding Strategy	It attracts consumers in a unique sense. Instead of focusing on the product, it seeks to tap into emotions associated with chocolates.	It describes itself as food, nutrition and health, wellness company. Recently they created Nestle Nutrition, a global business organization designed to strengthen the focus on their core nutrition business.
Marketing Strategy	It enjoys a value market share of over 70%- the highest Cadbury brand share in the world.	Cadbury's biggest competitor, Nestle often stresses the energy giving aspects of chocolate, or on other attributes of the chocolate.
	TV, print media & posters have	



Advertising Strategy	been the main media of communication. However, with the understanding of the Indian market, it has explored many ways of getting their messages across the consumers.	TV, print media & posters have been the main media of communication.
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## MARKETING MIX

- **PRODUCT**

- ✓ Cadbury World operates in a service industry and is almost unique in being owned by a major manufacturer.
- ✓ The product that Cadbury World offers is a “momentous, exciting and exciting day”.
- ✓ The products offered are chocolate, candy, gum brand and drinking chocolate products.

- **PRICE**

- ✓ Cadbury has a very convenient price for all its products.
- ✓ Prices vary with the change in flavor and size of the chocolates.
- ✓ Priced in low as well as high variants, the Cadbury dairy milk has a position of gifting and hence is selling high volumes even at higher prices.

- **PLACE**

- ✓ Cadbury dairy milk is produced at the chocolate factory in Bourneville in Birmingham.
- ✓ After the chocolate is produced and has undergone all the quality checks it is transported to the stockrooms.
- ✓ After this Cadbury sells its products to shops that deal with beverages and confectionary like Corner shops, super stores etc.
- ✓ Then they sell it to the general public.
- ✓ Cadbury produces chocolate for more than 200 countries so that they have a chance to enjoy it as well and make profit.

- **PROMOTION**

- ✓ Promotion plays an important role in the marketing mix of Cadbury, the company uses a digital channel for creating awareness and promoting their products.
- ✓ Campaigns like “kuch mettha ho jaye” and “You earn it” worked very well for the brand.
- ✓ Promotion is also done by associating with special occasions.

## **RESEARCH METHODOLOGY**

To achieve accuracy in any research, an intensive study of the topic is required. As the prime objective of the research paper is to analyze the marketing strategies of Cadbury. The research methodology is based on both primary data and secondary data. Primary data is the most recent and accurate piece of firsthand information could be collected. Where necessary, secondary data were used to support primary data.

**SAMPLE SIZE-** 150 person was taken on the basis of convenience. Data was obtained through online surveys using Google Docs and Forms.

**RESEARCH PERIOD-** 20 days

## **SOURCES OF PRIMARY DATA**

- Questionnaire Method – Online
- Observation Method – The main tool was used the questionnaire method. The Observation method is consistent with the questionnaire method because one constantly observes the working environment.

## **SOURCES OF SECONDARY DATA**

Used to obtain information about Cadbury, its competitors, history, policies and procedures etc. wherever required

- Internet
- Newspapers
- Magazines
- Cadbury website

- Television
- Social media



## DATA ANALYSIS

The data collected through surveys was analyzed with the help of simple percentages. Graphic method which includes pie charts was used to analyze data.

## SURVEY RESULTS

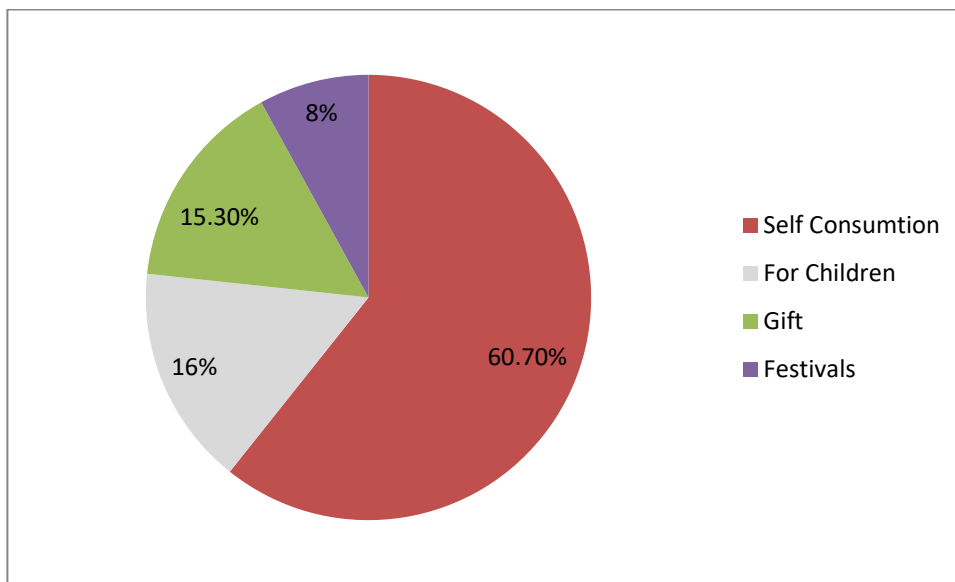
The survey was carried out by in order to find out the reach and popularity of Cadburys in India. The chocolate consumers were asked questions like the chocolate brand that they normally eat, and the feature that they look for in a chocolate. The chocolate consumers have described Cadbury's as the best chocolate brand and some consider Nestle to be a good chocolate brand.

We had 150 respondents to our survey. Most of the respondents were from the 18-25 and 26-50 age groups. 60.7% people preferred to self consumption and 16% people preferred for their children.

This is how I understand the chocolate market in India. Cadbury currently has a good market share.

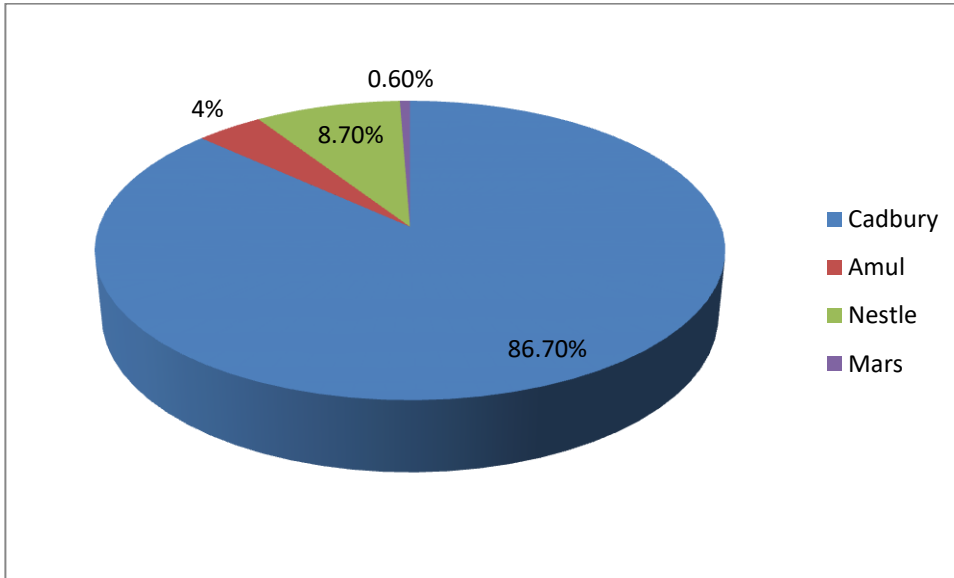
**Figure 1.1**

**Pie chart depicting the most common consumption reasons of Cadbury**



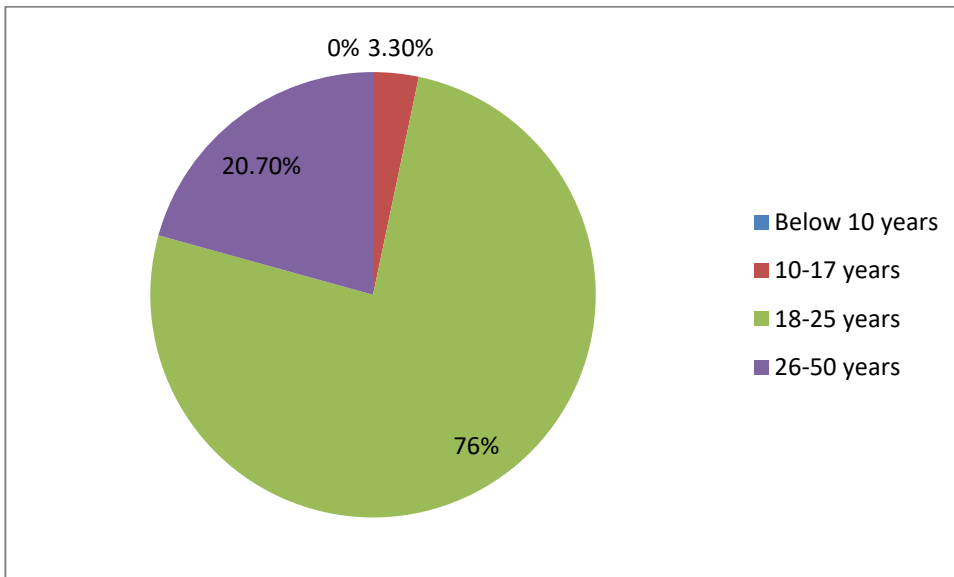
**Figure 1.2**

**Pie chart depicting the consumer preferences for chocolates**



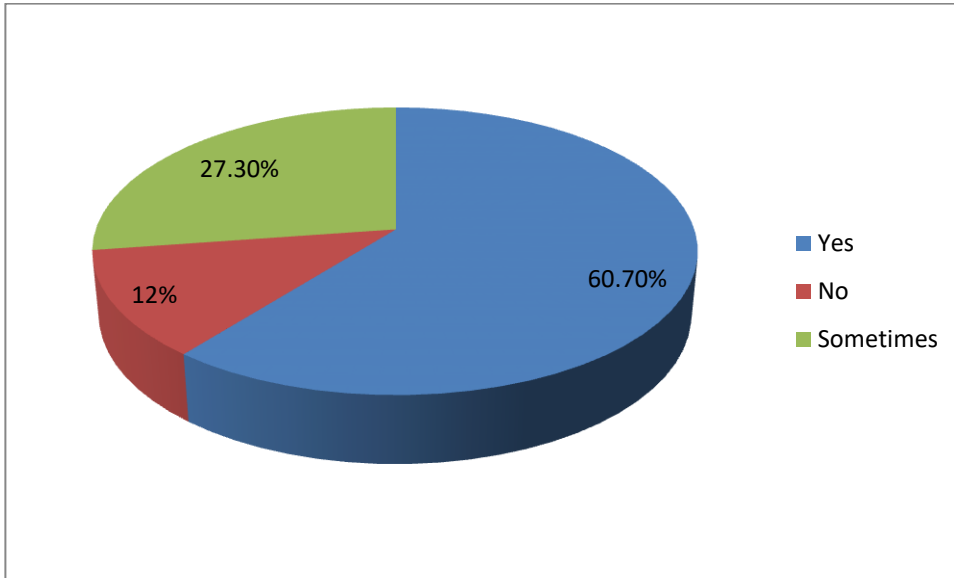
**FIGURE 1.3**

**Pie chart depicting age distribution of Cadbury’s consumers**



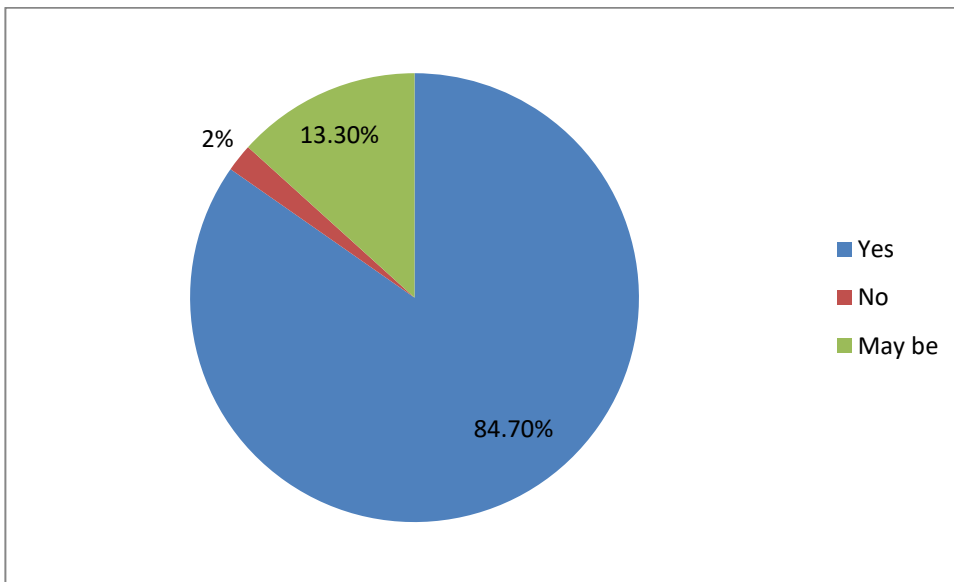
**FIGURE 1.4**

**Pie chart depicting the frequent buyer of Cadbury chocolates**



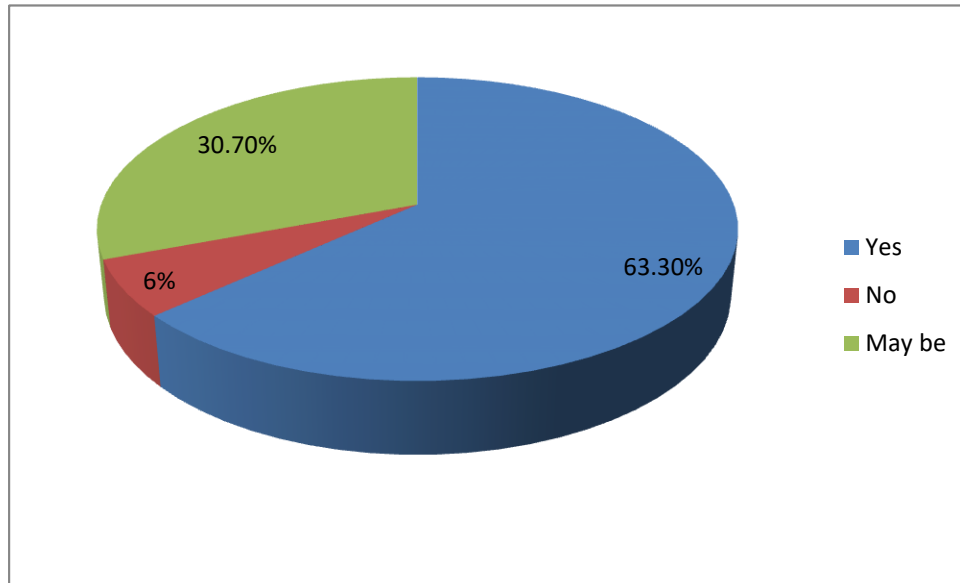
**FIGURE 1.5**

**Pie chart depicting the love to suggest Cadbury chocolates to your family, friends or colleagues**



**FIGURE 1.6**

**Pie chart depicting sugar free Cadbury chocolates would be introduced to attract health conscious people**



### CONCLUSION

The Indian Chocolate Industry is a unique blend of extreme consumption patterns, attitudes, beliefs, income levels and costs. Understanding the consumer demands and maintaining the quality will be essential. Price is important for Cadbury to deliver its product to every consumer home. Proper pricing can make or break the product success.

The marketing strategy of Cadbury has not only increased the share of Cadbury in the market pie, but it has also increased the very shape of the pie itself.

Cadbury hit the consumer at the place which is the key aspect of a consumer- his mind. Cadbury played the long run by aiming at the consumer mindset rather than the consumer wallets.

In the end I conclude

**Business has only two functions- Innovation & Marketing**

### RECOMMENDATIONS

- Maintain dominance in chocolate segment.
- Medias such as the internet (face book, whatsapp etc.) and the radios enable large amount of cheap advertisement.
- Grow volume sales at least 20% over the next few years.
- One new major product from International portfolio should be launch in India every year.
- They need to maintain high standards and is not affected by insects.
- They should bring many more flavors of Dairy Milk with focus on health conscious market segment i.e., low sugar chocolate bars.

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- ✓ Retrieved from Google Forms- [google.com/forms](http://google.com/forms)

## **QUESTIONNAIRE**

Q1) Name:



Q2) Age group:

- Below 10 years
- 10-17 years
- 18-25 years
- 26-50 years

Q3) Gender:

- Male
- Female

Q4) what name comes to your mind, when you hear the word chocolate?

- Nestle
- Amul
- Cadbury
- Mars

Q5) How many bars of chocolate do you consume in a week?

- 0-3
- 4-8
- 9-14
- 15+

Q6) Do you like to consume Cadbury products?

- Yes
- No

Q7) For what purpose do you purchase Cadbury products?

- Self consumption
- Festivals
- Gift

- For children

Q8) what do you think the difference among Cadbury among its competitors?

- Taste
- Quality
- Packaging
- Promotion
- Goodwill

Q9) Do you think sugar free Cadbury chocolates would be introduced to attract health conscious people?

- Yes
- No
- May be

Q10) Are you a frequent buyer of Cadbury chocolates?

- Yes
- No
- Sometimes

Q11) Do you love to suggest Cadbury chocolates to your friends, family or colleagues?

- Yes
- No
- May be