

Step analysis for cadburys in india marketing essay



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A method used by management that provides the analysis which is based on the four external factors that may affect the organization's performance.

Social, Technological, Economic and Political are the four factors. This strategical tool helps the profitability of the company.

Step Analysis

Factors

Social: The social factor helps a company to understand the ethical, cultural beliefs, demographics, lifestyles and education. These changes influence the growth of the company.

Technological: The change in the technological factors can change the company's competitive area. Environmental, ecological ways. New strategies and products and the cost of improvising and innovation. And in the development of the product.

Economic: The economic structures and its varies changes at the stock exchange and the interest, and inflation rates and nation's economic rules and performances. They directly have a great impact on the company.

Political: The changes in the government and pressures and opportunities and changes in the political system and leadership and their values will so affect the company. It also includes the taxes and rules and political grounds and involvement in the business.

Step analysis for Cadbury's in India

The word 'chocolate' has been traced back in ancient times from central America -civilizations Aztec and Maya , Chocolate made from roasted cocoa beans was mostly enjoyed and relished all over the history as a drink . In ancient times as the expensive cocoa were gifted when a newly born arrives in a family or any religious occasions. Even the traders used to exchange it for jade, clothes etc., till recent times the chocolate has been just the plain chocolate. However Sir Hans Sloane an English doctor brought chocolate milk recipe from South America to England. According to his recipe the original Cadbury milk chocolate was prepared, later it was sold to the Cadbury's.

The cocoa crillo is harvested only 10% world wide, 90% of it is hybrid and from forestero trees and varieties are produced mainly in West Africa. The hottest region is the right soil to grow this plantation for cocoa.

The procedure to prepare chocolate are:

Harvest

Fermentation

Drying

Cleaning

Roasting

Crushing and shelling

Blending

Grinding

Cocoa butter

Cocoa powder

Kneading

Rolling

Conching

In Birmingham 1824 at bull street England, John Cadbury used to do vending for coffee, tea and drinking chocolate. He started to concentrate on the chocolate drinks and beverages. He was also appointed as the Royal by the queen. He also shifted from the tea business stopped the tea shipment and started importing cocoa into UK. He tried so many different varieties.

Although it was economically not an easy price to the consumer so he had a tie up with his brother and started his venture into Cadburys chocolate making business. One of the best inventions in the confectionary industry was " Cadburys Dairy Milk" which was a moulded chocolate and was introduced in 1905 although after so many brands with leading chocolate companies the Dairy Milk shows 95 years later a success and recognition.

Step Analysis

Social: " The story of Cadbury dairy milk started in 1905 at Bourneville UK but the journey with chocolate lovers in India began in 1948". The UK confectioner Kraft foods and Cadburys had a deal in the business and they

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wanted to enter the international market. However they targeted a little tough market which I could say as India could not accept any foreign products so easily but still as “ C. Y. Pal non executive chairman of Cadbury India quotes India is a very happy story for Kraft and Cadbury”. Kraft was initially trying hard with its products to put-up on the shelf’s in a market store like tobolone, milka, cheese, Oreo cookies etc although all were under one umbrella. Indians could not accept it so easily. More than 60 yrs has been passed Cadburys has now become the countries biggest confectioner. The barriers it had leaped and came up with different products in chocolates, drinks, gums, candies etc was appreciatiable. The Indian customer no matter how advanced or sophisticated they might be the traditional culture of mithai could not replace the chocolates “ Indians have a massive sweet tooth but it’s filled with mithai but not chocolate” says (Ramesh Srinivas executive director of KPMG Advisory services India) even huge multinational company like Cadburys could not crack the market as the consumption of chocolate in India is 54gms per captia. Cadburys worked out with amul to make mithai and add chocolate like Indo Western style but it did not attract customers so Cadbury did intensive research and started promoting through different media and hit the slogan “ just for kids in 90s”. Later on they shifted to the campaign for teenagers who shared the real taste of life, memorable instances which stayed in everyone’s life” like a girl dancing in the cricket field” this campaign was awarded the “ campaign of century in India.” From here they targeted the campaign of consumption of chocolates amongst adults which was portrayed by Mr. Amitabh Bachan were different relations, special moments, festive occasions, reunions were showed with happiest moments with a slogan “ kuch meeta ho jaya” this is <https://assignbuster.com/step-analysis-for-cadburys-in-india-marketing-essay/>

an excellent technique of reaching the Indian cultural barrier of mithai the promotion of Cadbury cleverly put up to equalize a chocolate and a mithai.

Technological

Cadburys entered the Indian market where people could recognize the brand only with a purple cover. Technically the taste of the Indians in the food or confectioners are different so the varieties that Indians crave about the purple cover should not be just the Dairy Milk so they came up with “ fruits and nuts, crackle, roast almond” which were very famous in youth and adults to attract the kids they started with goodies and rewards with the purchase of Cadbury chocolate. The approach through media with best quality and mind lingering advertisements were done by the creative team who held up the Cadbury chocolate as luxury compared to other small confectioners in India. The punch lines used with Indian’s own famous game cricket the sport was also enhanced. People started liking the marketing strategy and the campaigning and it dominated 70% of the share market. The snack time in the evenings was a huge market in India they came up with Cadburys bytes. Cadbury has maintained high quality and value for money it also made Cadbury dairy milk as a dessert with slogan something sweet after meal’ and for kids the wowie chocolate with Disney characters embossed in it. The 2in 1 dairy milk a combination of white chocolate and milk chocolate.

Economic

The Cadbury’s and Kraft’s acquisition was priced but they individually grew on their strength in most of the countries. Kraft’s is the key market globally when they ventured together but in India they started leaning on Cadbury’s <https://assignbuster.com/step-analysis-for-cadburys-in-india-marketing-essay/>

more, so it was ahead in confectionary business. The nestle was very far distant as number 2 when compared Cadbury . According to the marketing research firm-AC. Nelson Cadbury brand with milk additive bourn vita has earned 70% of India's market and earned us\$425 million and 30% of sugar boiled confectionary category with us\$1 billion i. e., 30%of it. The network of business selling its product across India is 1. 2 billion shops as India is still agrarian society although the number of super markets or hyper markets are more the food is still bought at neighborhood stores called ' kirana shops'. No matter Cadbury tried launching its first apple drink, dollops ice-cream, and the Indian customer recognizes the purple color as Cadbury's brand. Cadbury had to change purchasing price in India when globally it was around 10% with inclusion of interest, and taxes etc., and 27% margin was paid by krafts. The low prices with which Cadbury had the foothold in India and also business technique of the retailers in India to do business on ' daily working capital' and fast moving products only and this increased the marketing strategy by segregating their products into different lines like gums, chocolates, mints, drinks, etc., Even if foreign markets would like to put up their confectionaries the pricing would be a big criteria and loss. The localization strategy has been adopted though slower but the products are made to the Indian customers taste. Most of the retailers do not have refridgirators, so they came up with mini packs which with-stand the heat of India with retaining the chocolate inside without any outer influence in dairy milk products. The costing of the packaging was 50 cents earlier it is costing 4 cents now. This strategy has helped the retailers and the consumer and they were happy as Cadbury has been maintaining, quality, price and adapting Indian consumers taste. This has been amendable and kept the

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pace of making Indian customer to think that the value for money has been maintained and satisfied according to the Indian culture and taste.

Political

The world's biggest confectionary across the globe had stepped into India with mouth watering brand the Cadbury chocolate. Although it took 60 years to register in the Indian market it employed 50, 000 across the globe says in 60 countries. They had a slogan in India 'creating brands people love'. It also worked with Indian government in development of cocoa cultivation; it did also conduct research in kerala the agricultural university and educated the farmers.

And right now its operating four categories in India like chocolate confectionaries, milk food drinks, gums and candies.

Salmonella scare was biggest threat to the Cadbury Schweppes seven products globally. Salmonella is bacteria which was caused by a leaking pipe it might have occurred while the mixture of chocolate crumb was taking place at marl brook chocolate plant which is made into milk chocolate. This was not stated to the food standard agency as it had to get the stock back of one million chocolate bars and this contamination of bacteria costed them threat to health and they were charged 30 million pounds. They were with cases of 6 charges against them for breaching health and safety legislation but they took the step and retained the entire stock.

The commitment to environment was the water conservation with unique new techniques at Bangalore factory; it started using solar energy to reduce the carbon di oxide and also driving towards the global warming.

There was a major issue of child labour in south Africa with cocoa cultivation as it's the 90%of worlds biggest producers and they fought for it.

They also created and supported needs for underprivileged children.

They started spreading smiles on the innocent faces not only with mouth lingering Cadbury chocolate but also good quality for any person in need.

Methodology

' The gold standard is the consideration which is defined for chocolate in India for Cadburys'.

The brand which was a deal stuck with kraft foods did lot of international business however, when they stepped into India, Kraft had to depend on Cadbury's in the market. Where a culturally different customer did not accept krafts brands, after a slow persuasion the purple covered product that is Cadbury's has taken over 70% of confectionary market in the long journey of 60 years. The excellent marketing strategies which they used to register and connecting to Indian values through slogans which touched Indian customer's heart and brought smile on their face from a kid to adults. The strategy was proven brand loyalty's best example with customer centric business. Although it did not realize to go with customers taste previously they faced lot of setbacks.

Conclusion

'The taste of life' a slogan which connected the people for a a long decade itself shows how the product has emerged as ' no. 1 most trusted in Mumbai' in India. It also is considered as marketing leader who changed the taste of India. Cadbury did not step back with the nutritional elements in its product line. The candies and gums have been strategically registered in a Childs mind also giving the difference the salty bytes and sweet bytes. Cadburys bytes like snacks to Cadbury chocolate varieties. The quality. The value, the purpose which drove lot of consumers to a brand with such immense loyalty and they have trusted the beautiful product which I can say that every generation has relished. And Cadbury's had fought back with all the myths and giving facts of benefits from chocolate or rather creating world wide study of ' CHOCOLGY'.